



Enduring Value

ITC Limited

REPORT AND ACCOUNTS

OF

SUBSIDIARY COMPANIES

2024

SUBSIDIARY COMPANIES

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REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

Your Directors submit their Report for the financial year ended 31st March, 2024.

BUSINESS REVIEW

The global technology industry witnessed slower growth in the FY 2023-24 due to macro-economic and geo-political uncertainties. According to industry body NASSCOM, the Indian IT Services Industry grew only 2% y-o-y during the FY 2023-24 as compared to 8.3% in the previous year. With businesses witnessing cautious optimism in their discretionary IT spend, cost-optimization strategies continued to drive global technology spending.

In the backdrop of muted growth of the IT Services Industry, your Company demonstrated robust consolidated revenue growth of 12.31% y-o-y. Your Company stayed relevant to the evolving business priorities of its clients and drove growth in its key customer accounts by co-investing in their growth and transformation agendas. As technology clients are increasingly looking for strategic partners to streamline distributed portfolio of services and drive efficiencies, your Company leveraged an integrated global service delivery structure and strengthened operational efficiencies through a structured delivery excellence framework. Your Company continued to invest in institutionalising delivery excellence and building focused capabilities. Your Company's present portfolio of client and industry-focused capabilities include Direct to Consumer (D2C), Open Hospitality (Hotels-in-a-Box), PLM-led Digital Thread Solutions, Digital Manufacturing, SAP S/4HANA, and Cloud, amongst others. Your Company also continues to pursue inorganic opportunities in strategic priority areas including Cloud, Data/Analytics, SAP S/4HANA and Cybersecurity to augment and scale its portfolio of capabilities. Your Company's focus on large deals, including the Strategic Partner Agreement with PTC Inc., USA, during the FY 2022-23 to start a new Service Line, 'DxP Services', and the multi-year deal in FY 2023-24 leading to an incremental multi-million revenue stream from an existing marquee client, enabled the Company to strengthen its portfolio of capabilities, and bolster its mid-term revenue growth, thereby leading to its global expansion. During the year, your Company's revenue growth was driven by its expanded global presence and capability-led partnerships across key clients.

The need for attracting, training, and retaining high-quality talent, particularly in niche and future-focused technologies continues to remain a top priority, to succeed in the global technology landscape. Your Company continues to foster an employee-centric and high-performance work culture. The Company's comprehensive employee value proposition drives holistic well-being and growth, and the Company continues to build leadership strength through curated leadership development programs and strengthen employee competencies through domain & technology-led training and career development programs.

During the year, your Company's consolidated Revenue from Operations aggregated ₹ 3,730.23 crores (previous year ₹ 3,321.20 crores), representing growth of 12.31%, with Profit Before Tax of ₹ 628.61 crores (previous year ₹ 529.66 crores). Net Profit stood at ₹ 463.13 crores (previous year ₹ 405.25 crores), representing a growth of 14.28%.

Your Company's investments in building technology-led solutions and offerings in future-focused capabilities were acknowledged in global benchmarking reports across analyst firms. During the FY 2023-24, your Company was recognised as 'Disruptor' across several Avasant RadarViewTM service provider benchmarking reports, including 'Digital CX Services', 'Data Management and Advanced Analytics', 'Manufacturing Smart Industry', 'Internet of Things', 'End-user Computing', 'Digital Workplace', and 'Intelligent Automation'. The Company was also recognised as 'Disruptor' by HfS in 'Horizons: Retail and CPG Service Providers, 2023'. The Company received two ISG 'Star of ExcellenceTM' Awards in the categories of 'Universal ISV/Cloud Vendor Ecosystem' and 'Industry Award for CPG + Retail'.

Globally, organisations continue to focus on driving growth and transformation. Your Company will continue to invest in strengthening key client relationships towards long-term scale and differentiation, and will amplify its portfolio of technology-focused capabilities across select industry verticals, besides sharpening its alliance ecosystem with future-ready Software Vendors in identified capability areas in Digital, Data & Analytics, Cloud, and Infrastructure Services. Your Company will also sustain its investments in hiring and training the right talent with focus on

strengthening its employee-centric and high-performance culture, driven by continuous learning.

On 18th April, 2024, the Company entered into share purchase agreements for acquisition of the entire share capital of Messrs. Blazeclan Technologies Private Limited ('BTPL India'), a cloud-based company headquartered in Pune. BTPL India is a leader in providing Cloud transformation solutions to customers globally, with strong expertise in Cloud Migration, Application & Data Modernisation and Cloud Ops Services. The Closing of the transaction is expected to happen in 4 to 6 weeks. This acquisition is expected to augment ITC Infotech's capabilities to service its customers in a multi-cloud and hybrid cloud environment with focus on the Partner eco-system to accelerate future growth.

FINANCIAL RESULTS

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

	Standalone (₹ in crores)		Consolidated (*) (₹ in crores)	
Year Ended 31st March	2024	2023	2024	2023(†)
Total Income	2941.96	2673.30	3784.17	3363.06
Total Expenses	2398.74	2209.51	3155.56	2833.40
Profit before Tax	543.22	463.79	628.61	529.66
Tax Expenses	161.02	110.41	165.48	124.41
Profit after Tax	382.20	353.38	463.13	405.25

(*) including the financial results of ITC Infotech Limited, ITC Infotech (USA), Inc. (Infotech USA), ITC Infotech Do Brasil LTDA., ITC Infotech Malaysia SDN. BHD. (Infotech Malaysia), ITC Infotech France SAS, ITC Infotech GmbH, and ITC Infotech de México, S.A. de C.V. (Infotech Mexico), wholly owned subsidiaries of your Company, and Indivate Inc., wholly owned subsidiary of Infotech USA.

(†) The figures for the year 2023 do not include financials of Infotech Malaysia and Infotech Mexico.

DIVIDEND

During the year, the Board of Directors of the Company ('the Board') declared three interim dividends of ₹20/-, ₹22.50 and ₹13/- per share, on 8,80,00,000 Equity Shares of ₹10/- each, aggregating ₹ 55.50 per share (previous year: ₹17/- per share), with total dividend being ₹ 488.40 crores. The Board has recommended that the aforesaid interim dividend be confirmed as the final dividend for the financial year ended 31st March, 2024.

WHOLLY OWNED SUBSIDIARY COMPANIES

Details about subsidiaries of your Company, including highlights of their performance and contribution to the overall performance of the Company, are covered in **Annexure 1** to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Changes in Directors during the year

Mr. Sudip Singh (DIN: 08345392) was appointed, with your approval, as a Director, not liable to retire by rotation, and also as the Managing Director & Chief Executive Officer of the Company for a period of five years with effect from 1st February, 2024.

Ms. Priti Balaji (DIN: 08900013) will complete her present term as a Non-Executive Director of your Company on 10th August, 2024. The Board at the meeting held on 6th May, 2024, on the recommendation of the Nomination and Remuneration Committee, has recommended for the approval of the Members, the re-appointment of Ms. Balaji as a Non-Executive Director of your Company, liable to retire by rotation, with effect from 11th August, 2024.

Requisite Notice under Section 160 of the Companies Act, 2013 ('the Act') has been received by the Company for the appointment of Ms. Balaji, who has filed her consent to act as a Director of your Company, if appointed.

Appropriate resolution seeking your approval to the aforesaid re-appointment of Ms. Balaji is appearing in the Notice convening the 28th Annual General Meeting ('AGM') of your Company.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with

Articles 143 and 144 of the Articles of Association of the Company, Ms. Priti Balaji and Mr. Supratim Dutta (DIN: 01804345) will retire by rotation at the ensuing AGM of the Company and, being eligible, offer themselves for re-election. Your Board has recommended their re-election.

Change in Key Managerial Personnel during the year

Mr. Rakesh Batra stepped down as the Chief Financial Officer of the Company with effect from close of work on 2nd November, 2023, consequent to his retirement from the services of ITC Limited. The Board, on the recommendation of the Audit Committee and the Nomination and Remuneration Committee, appointed Mr. Navneet Khandelwal as the Chief Financial Officer of the Company with effect from 3rd November, 2023, in terms of the provisions of Section 203 of the Act. There were no other changes in the Key Managerial Personnel of your Company during the year.

BOARD AND BOARD COMMITTEES

Currently, there are three Board Committees – the Audit Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee. The present composition of these Board Committees is provided below:

<u>Audit Committee</u>	<u>Nomination and Remuneration Committee</u>
Mr. S. Dutta (Chairman)	Mr. S. Sivakumar (Chairman)
Ms. P. Balaji	Mr. S. Dutta
Mr. R. K. Singhi	Mr. R. K. Singhi

Corporate Social Responsibility Committee

Mr. S. Sivakumar (Chairman)
Ms. P. Balaji
Mr. R. K. Singhi

Number of Board Meetings

Nine meetings of the Board were held during the year ended 31st March, 2024.

ATTRIBUTES, QUALIFICATIONS AND APPOINTMENT OF DIRECTORS

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

All the Non-Executive Directors of your Company are liable to retire by rotation; one-third of them retire every year and are eligible for re-election. The Non-Executive Directors of your Company fulfil the fit and proper criteria for appointment as Directors.

BOARD EVALUATION

The Board carried out annual performance evaluation of its own performance and that of the individual Directors as also functioning of the Board Committees, in terms of Section 134 of the Act. The performance evaluation of the Board and the Directors, as in the previous year, was based on criteria approved by the Nomination and Remuneration Committee. Reports on functioning of Board Committees were placed before the Board by the respective Committee Chairman.

REMUNERATION POLICY

The Remuneration Policy for the Directors, Key Managerial Personnel, and other employees of your Company is available on its website at <https://www.itcinfotech.com/compliance>.

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

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

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

1. To ensure that the Remuneration practices support and encourage meritocracy.
2. To ensure that Remuneration is market-led and takes into account the competitive context of the business.
3. To leverage Remuneration as an effective instrument to enhance

performance and therefore to link remuneration to both individual and collective performance outcomes.

4. To design Remuneration practices such that they reinforce the Company's values and culture and creates an organisation that is an Employer of Choice.

RISK MANAGEMENT

Your Company's Risk Management Policy & Framework is designed to bring robustness to the risk management processes within the Company and to address risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company in a rapidly changing technology landscape and a dynamic business environment.

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

Your Company has adopted the ISO 31000:2018 Risk Management Principles and Guidelines in 2021. Accordingly, the Risk Management Policy & Framework is assessed independently each year to ensure alignment with the aforesaid global Standard on Risk Management.

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

The Company conducts risk assessment of customer projects and ensures the provision of quality information technology services. The Company maintains its certification under international standards viz., ISO 9001: 2015 for Quality Management System, ISO/IEC 20000-1:2018 for Information Technology Service Management System and ISO/IEC 27001:2013 for Information Security Management System.

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

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

INTERNAL FINANCIAL CONTROLS

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Annual Report on CSR activities of your Company as required under Section 134(3)(o) read with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in **Annexure 2** to this Report.

During the year, your Company continued implementation of its exclusive CSR Programme "ASPIRE" at a large scale for promoting STEM (Science, Technology, Engineering and Mathematics) education to help youth strengthen their industry-readiness in the field of Information Technology. The Company also implemented new CSR Programmes for promoting environmental sustainability by planting saplings to increase the green cover in urban areas and contribute to urban water management through lake rejuvenation, rainwater harvesting, water sanitation etc.

OTHER INFORMATION**I. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

Your Company being in the business of providing information technology services and solutions, requires minimal energy consumption and every endeavour is made to ensure optimal use of energy. Across our high energy efficient office spaces, we recycled about 5.4 tonnes of waste paper / cardboard thus avoiding the landfills and reducing more than 2,200 kgs of CO₂ emissions. We have also responsibly disposed more than 21 tonnes of e-waste through Pollution Control Board authorized vendors and avoided landfills.

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings of your Company during the year aggregated ₹ 2,277.88 crores (previous year: ₹ 1,972.50 crores), while the outgoings aggregated ₹ 512.84 crores (previous year: ₹ 492.34 crores).

III. PARTICULARS OF EMPLOYEES

The particulars of the Company's employees, pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including details of employees who had drawn remuneration more than the limits specified in the said Rules, are provided in **Annexure 3** to this Report. In terms of the proviso to Rule 5(3), particulars of employees posted and working in a country outside India have not been included in the Annexure. Such details will however be furnished to the Company's shareholders upon request.

IV. ANNUAL RETURN

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

V. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are provided in Note 3 to the Financial Statements of the Company.

VI. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts or arrangements entered into by the Company with its related parties during the financial year were in the ordinary course of business and on arm's length basis. The details of material transactions entered into by your Company with its related parties are provided in **Annexure 4** (Form No. AOC-2) to this Report.

VII. COST RECORDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- followed in the preparation of the Annual Accounts for the financial year ended 31st March, 2024, the applicable accounting standards along with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for

safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

- prepared the Annual Accounts on a going concern basis, and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

AUDITORS**(a) Statutory Auditors**

Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, Registration Number 117366W/W-100018 ('DHS'), were re-appointed with your approval as the Auditors of the Company for a period of five years till the conclusion of the 31st AGM.

The Board, in terms of Section 142 of the Act and on the recommendation of the Audit Committee, has recommended for the approval of the Members, the remuneration of DHS to conduct the audit of the Standalone Financial Statements of the Company for the financial year 2024-25.

Appropriate resolution seeking your approval in respect of the remuneration to DHS is included in the Notice convening the 28th AGM of your Company.

(b) Secretarial Auditors

Your Board appointed Messrs. Vinod Kothari & Company, Practising Company Secretaries, to conduct the Secretarial Audit of your Company for the financial year ended 31st March, 2024. The Secretarial Auditors have confirmed that your Company has complied with the applicable laws and that there are adequate systems and processes in your Company commensurate with its size and scale of operations to monitor and ensure compliance with the applicable laws.

The Report of the Secretarial Auditors, in terms of Section 204(1) of the Act, is provided in **Annexure 5** to this Report.

SECRETARIAL STANDARDS

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

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

Your Company has zero tolerance towards any sexual harassment at the workplace. In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, the Company has in place an Internal Complaints Committee for conducting inquiry into the complaints received on harassments at the workplace. During the year under review, the Internal Complaints Committee received one complaint; the matter has been investigated and dealt with in an appropriate manner.

ACKNOWLEDGEMENTS

Your Directors thank the clients, partners and vendors for their continued support, and employees for their unstinted support, hard work, solidarity and co-operation.

On behalf of the Board

S. Sivakumar
Vice Chairman
Hyderabad

S. Singh
Managing Director & CEO
Bengaluru

Date: 6th May, 2024

ANNEXURE 1 TO THE REPORT OF THE BOARD OF DIRECTORS**WHOLLY OWNED SUBSIDIARY COMPANIES****Incorporation of new subsidiary**

The statement in Form AOC-1 containing the salient features of the financial statements of ITC Infotech Limited (Infotech UK), ITC Infotech (USA), Inc. (Infotech USA), ITC Infotech Do Brasil LTDA. (Infotech Brazil), ITC Infotech Malaysia SDN. BHD. (Infotech Malaysia), ITC Infotech France SAS (Infotech France), ITC Infotech GmbH (Infotech Germany) and ITC Infotech de México, S.A. de C.V. (Infotech Mexico), wholly owned subsidiaries of your Company, and Indivate Inc., wholly owned subsidiary of Infotech USA, for the financial year 2023-24 is attached to the Financial Statements of the Company.

The highlights of performance of the subsidiaries of your Company during the year under review are set out below.

Company	Currency Million	Revenue		Net Profit	
		2023-24	2022-23	2023-24	2022-23
Infotech UK	GBP	34.11	30.30	1.49	1.45
Infotech USA (#)	USD	145.04	145.13	3.06	3.87
Indivate Inc.	USD	13.54	4.16	3.64	0.80
Infotech Brazil	BRL	7.59	1.37	0.60	0.12
Infotech Malaysia	MYR	7.95	NIL	0.37	NIL
Infotech France	EUR	6.05	~	0.43	~
Infotech Germany	EUR	14.25	~	2.80	~
Infotech Mexico	MXN	5.90	NIL	0.75	NIL

(#) for the year under review, Infotech USA declared and paid a dividend of USD 14 per share (FY 2022-23: NIL) on 1,82,000 Common Shares-without par value aggregating USD 2.55 million (FY 2022-23: NIL).

Note: The Company had set up a new subsidiary 'ITC Infotech Arabia Limited' in the Kingdom of Saudi Arabia on 17th December, 2023. During the period ended 31st March, 2024, there have been no transactions in the said subsidiary.

ANNEXURE 2 TO THE REPORT OF THE BOARD OF DIRECTORS**Annual Report on CSR Activities of the Company for the Financial Year ended 31st March, 2024****1. Brief outline**

ITC Infotech India Limited, being a wholly owned subsidiary of ITC Limited ('ITC'), will discharge its corporate social responsibility by aligning itself with the CSR Policy of ITC and by undertaking CSR activities in areas or subjects which are independent of the normal conduct of the Company's business and are aligned to the activities listed in Schedule VII read with Section 135 of the Companies Act, 2013 ('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Salient features of the Company's CSR Policy:

The Company -

- ✓ Will undertake CSR activities (a) directly, or (b) through a registered public trust or a registered society or a company under Section 8 of the Act, established by ITC or otherwise, having track record of at least three years in undertaking CSR activities, or (c) through other implementing agencies.
- ✓ May collaborate with ITC or other companies for undertaking CSR activities in such a manner that the respective companies are in a position to report separately on the CSR activities being undertaken.
- ✓ Will spend in every financial year, two percent of its average net profits during the three immediately preceding financial years (or such other limit as may be prescribed under the Act), on CSR activities in pursuance of the Policy.

2. Composition of the CSR Committee as on 31st March, 2024:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. S. Sivakumar (Chairman of the Committee)	Vice Chairman and Non-Executive Director	3	3
2	Ms. P. Balaji	Non-Executive Director		3
3	Mr. R. K. Singhi	Non-Executive Director		3

3. Provide the web-link(s) where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company – <https://www.itcinfotech.com/compliance>.
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - Not Applicable

5. (a) Average net profits of the Company as per sub-section (5) of Section 135 – ₹ 589.49 crores
 (b) Two percent of average net profits of the Company as per sub-section (5) of Section 135 – ₹11.79 crores
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil
 (d) Amount required to be set-off for the financial year, if any - Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] - ₹ 11.79 crores
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - ₹ 11.76 crores
 (b) Amount spent in Administrative Overheads – ₹ 0.04 crore
 (c) Amount spent on Impact Assessment, if applicable - Nil
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ 11.80 crores
 (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 11.80 crores	Nil				

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profits of the Company as per sub-section (5) of Section 135	Nil
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set-off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub- section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of Section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer	
Nil							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes

☒ No

If Yes, enter the number of Capital assets created / acquired

Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profits as per sub-section (5) of Section 135 – Not Applicable

Date: 6th May, 2024

S. Sivakumar
Chairman - CSR Committee
Hyderabad

S. Singh
Managing Director & CEO
Bengaluru

**ANNEXURE 3 TO THE REPORT OF THE BOARD OF DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

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

Top ten employees in terms of remuneration drawn

Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment / Deputation	Previous Employment/ Position held
1	2	3	4	5	6	7	8	9
SINGH SUDIP	51	Managing Director & Chief Executive Officer	5,02,00,867	2,94,34,953	M.B.A.	25	28-Jan-2019	Infosys Ltd., Global Industry Head - Energy, Utilities, Resources & Services Segment
KHANDELWAL NAVNEET PRAKASH #	44	Chief Financial Officer	2,88,38,248	1,72,71,714	B.Com (Hons.), F.C.A.	22	10-May-2023	Microland Limited, Chief Financial Officer
CHAKRABORTY MANAS	55	Chief Operating Officer	2,47,15,626	1,54,86,026	Master in Science	29	10-Apr-2023	Tech Mahindra, Global Head – Large Deal and Day Zero Delivery
VENKATRAMAN SREENIVAS TRICHY	49	President - Digital Experience	1,79,61,082	1,18,93,382	M.B.A.	26	4-Jan-2023	Publicis Sapient, Vice President
KN NARESH	52	President - Chief Account Officer	1,75,27,342	1,16,15,268	B.E, Post Diploma in Computer Engineering	30	28-Jul-2023	LTI Mindtree, Sr VP
MITRA SUBHRAKETAN #	48	Vice President - Finance	1,69,31,283	88,58,845	A.C.A.	25	1-Sep-2017	ITC Ltd., Manager, Finance
MUKHERJEE AMARTYA #	45	Vice President - Finance	1,64,62,446	79,96,434	B.Com (Hons.), A.C.A.	21	4-Apr-2017	ITC Ltd., Divisional Manager - Finance
SARNA AMANDEEP SINGH	46	Sr. Vice President	1,55,69,415	1,00,56,827	M.C.A.	23	18-Jul-2022	Leela Palaces and Resorts Ltd., Vice President – Information Technology
KUMAR SANDEEP	53	Sr. Vice President & Head Global Consulting	1,55,27,924	1,01,01,170	B.E., PGDM	29	26-Mar-2012	Infosys Ltd., Industry Principal
RAJASEKHAR V V	59	Sr. Vice President	1,46,21,159	90,93,385	M.B.A.	35	1-Oct-2000	ITC Ltd., Divisional Manager - IT Projects

Other employees employed throughout the year and in receipt of remuneration aggregating ₹ 1,02,00,000/- or more per annum

Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment / Deputation	Previous Employment/ Position held
1	2	3	4	5	6	7	8	9
SHANKARAN SUNDARESH	54	President - Manufacturing & CPG	1,44,64,736	94,06,723	B.E.	33	6-Jan-2020	Infosys Ltd., Vice President
EMMANUEL JAISMON	49	Sr. Vice President - Business Excellence	1,40,44,499	93,82,069	B.TECH.	24	31-Jul-2019	UST Global, Senior Director
WARTY ARJUN NITIN	43	Vice President	1,36,21,373	88,51,727	M.B.A.	19	19-Aug-2022	Zensar Technologies Ltd., Head Corporate Development
SAMAL MAHENDRA KUMAR	49	Vice President	1,13,00,789	74,32,875	B.E	23	19-Jul-2021	CSS Corp, Delivery Head
S EAKAMBARAM	55	Sr. Vice President - IT Project & Services	1,12,04,296	70,39,067	B.E., PGDCA	36	1-Oct-2000	ITC Ltd., Business Analyst
MALI SANTOSH #	43	General Manager - Legal	1,11,20,331	70,67,709	BA, LLB	17	1-Jan-2020	Wipro Ltd., Senior Corporate Counsel
ANANTHNARAYAN SHYAM	50	Chief Marketing Officer	1,10,24,549	72,20,726	MS	28	18-Nov-2019	Marlabs, CMO
SEN SANJOY	58	Sr. Vice President - IT Services	1,08,96,703	71,59,436	M.TECH.	35	17-Oct-2000	Tata Technologies India Ltd., Systems Manager
KIRAN SANJEEV	56	Senior Director	1,05,98,244	70,09,584	B.E	34	1-Jun-2022	PTC Inc., Director
VIMAL SANKAR S M	46	Vice President	1,04,86,610	70,30,375	B.E	26	29-Dec-2021	Infosys, Delivery Manager
JHA MANOJ	55	Vice President	1,02,47,496	69,34,879	ICMA	26	2-Nov-2022	IBM, Business Development Executive

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

Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment / Deputation	Previous Employment/ Position held
1	2	3	4	5	6	7	8	9
BATRA RAKESH #	60	Chief Financial Officer	2,53,86,658	1,05,62,110	B.Com (Hons.), F.C.A.	38	1-Sep-2006	ITC Ltd., Divisional Manager -Finance, Marketing & FMCG
BYATARAYA SUDARSHAN	53	President - CIO Services	1,43,02,926	95,47,774	B.E	30	28-Jul-2023	LTI Mindtree, Executive Vice President – Global Head Quality Engineering Services
BRIJESH BALAKRISHNAN	48	President - CIO Services	1,25,70,721	82,23,099	PGDM	26	20-May-2021	CSS Corp, Senior Vice President & Delivery Head
GOPAL SHARMA	48	Chief Information Officer	84,67,020	52,46,994	B.Tech	27	13-Nov-2023	Microland Limited, Chief Information Officer
RAJKUMAR MALLIGA	40	Chief Human Resources Officer	83,67,381	58,56,051	M.B.A	18	29-Sep-2023	Flipkart, Sr. Director, Head of HR for Corporate Functions for Flipkart Group
RAY KAUSHIK	52	Chief Human Resources Officer	70,89,595	49,99,156	M.B.A.	26	9-Feb-2022	Dr. Reddy's Laboratories Ltd., Vice President - HR

Notes :-

On deputation from ITC Limited, the Holding Company ('ITC').

- Gross Remuneration includes salary, performance bonus, allowances, long-term incentives, and other benefits / applicable perquisites borne by the Company, except the provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net Remuneration comprises cash income less (a) income tax, & education cess deducted at source, and (b) employee's own contribution to Provident Fund.
- Some of the employees listed above have been granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since these Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Options and accordingly, the said grant has not been considered as remuneration.
- All appointments are / were contractual in accordance with terms and conditions as per Company's rules.
- None of the above employees is a relative of any Director of the Company.

On behalf of the Board

S. Sivakumar
Vice Chairman
Hyderabad

S. Singh
Managing Director & CEO
Bengaluru

Date: 6th May, 2024

ANNEXURE 4 TO THE REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**FORM NO. AOC - 2**

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

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto.1. Details of contracts or arrangements or transactions not at arm's length basis: **None**

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

a)	Name(s) of the related party and nature of relationship	ITC Limited (Holding Company)	ITC Infotech Limited, UK (Subsidiary)	ITC Infotech (USA), Inc. (Subsidiary)	ITC Infotech France SAS (Subsidiary)
b)	Nature of contracts / arrangements / transactions	Sale of IT Services	Sale of IT Services	Sale of IT Services	Purchase of IT Services
c)	Duration of the contracts / arrangements / transactions	Continuing	Continuing	Continuing	Continuing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	- Provision of IT Services	- Subcontracting of execution and management of customer contracts	- Subcontracting of execution and management of customer contracts	- Subcontracting of execution and management of customer contracts
		- Pricing based on arm's length margin	- Pricing based on arm's length margin	- Pricing based on arm's length margin	- Pricing based on arm's length margin
		- Payment upon receipt of invoice	- Periodic invoicing; payment within 90 days	- Periodic invoicing; payment within 90 days	- Periodic invoicing; payment within 90 days
		- Value of transactions during the year - ₹ 213.82 crores	- Value of transactions during the year - ₹ 164.83 crores	- Value of transactions during the year - ₹ 733.51 crores	- Value of transactions during the year - ₹ 50.48 crores
e)	Date(s) of approval by the Board, if any	N.A.	N.A.	N.A.	N.A.
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil

On behalf of the Board

S. Sivakumar
Vice Chairman
Hyderabad

S. Singh
Managing Director & CEO
Bengaluru

Date: 6th May, 2024

ANNEXURE 5 TO THE REPORT OF THE BOARD OF DIRECTORS**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To,
The Members,
ITC Infotech India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ITC Infotech India Limited (hereinafter called "Company") for the financial year ended March 31, 2024 ["Audit Period"]. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

- The Companies Act, 2013 ('Act') and the rules made thereunder including any re-enactment thereof;
- Foreign Exchange Management Act, 1999 ('FEMA') and the rules and regulations made thereunder to the extent of Overseas Direct Investment;
- Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
 - a. The Information Technology Act, 2000 and the rules made thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted and there were no changes in the same. However, the change in the Key Managerial Personnel that took place during the Audit Period, was carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

We further report that there are adequate systems and processes in the Company, commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has undertaken the below mentioned specific event / action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards, etc:

a. Declaration of Interim Dividend:

During the FY 2023-24, the Board at its meeting held on 28th September, 2023 has declared the first interim dividend of Rs. 20.00 per equity share aggregating to Rs. 176.00 crores (One Hundred and Seventy-six crores), and in its meeting held on 22nd December, 2023 has declared second interim dividend of Rs. 22.50 per equity share aggregating to Rs. 198.00 crores (One Hundred and Ninety-Eight crores) and at its meeting held on 27th March, 2024, has declared third interim dividend of Rs. 13.00 per equity share on 8.80 crores equity shares aggregating to Rs. 114.40 crores (One Hundred Fourteen crores and Forty Lakhs only).

b. Incorporation of Wholly Owned Subsidiary:

During the Audit Period, the Board had, at its meeting held on 13th October, 2023, accorded approval for incorporation of a wholly owned subsidiary named 'ITC Infotech Arabia Limited' in the Kingdom of Saudi Arabia.

Place: Kolkata
Date: 6th May, 2024

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Pammy Jaiswal
Partner

Membership No.: A48046

CP No.: 18059

UDIN: A048046F000314598

Peer Review Certificate No.: 781/2020

The report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms an integral part of this report

Annexure I
Auditor and Management Responsibility
ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
ITC Infotech India Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only up to legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute;
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws;
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc;
7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;
9. The contents of this Report have to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure II
List of Documents

1. Minutes of the meetings of the following held during the Audit Period:
 - a. Board of Directors;
 - b. Audit Committee;
 - c. Nomination and Remuneration Committee;
 - d. Corporate Social Responsibility Committee;
 - e. Executive Management Committee on sample basis;
 - f. Annual General Meeting;
2. Proof of circulation of draft and signed minutes of the Board and Committee meetings on a sample basis;
3. Proof of sending notices and agendas of the Board and Committee meetings on a sample basis;
4. Annual Report for financial year 2022-23;
5. Directors' disclosures under the Act and rules made thereunder;
6. Statutory Registers maintained under the Act;
7. Forms filed with the Registrar;
8. Policies framed under the Act;
9. Notices of Meetings.

INDEPENDENT AUDITOR'S REPORT

To the Members of ITC Infotech India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of ITC Infotech India Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2024, and 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 material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act (the "Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Ind AS specific under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant

audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2024 for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds 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, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act.
- vi. Based on our examination, which included test checks, the Company has used an accounting software(s) for maintaining its books of account for the year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended 31st March, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

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

Girish Bagri

Partner

Place: Bengaluru
Date: 6th May, 2024

(Membership No. 066572)
UDIN : 24066572BKFUMZ2788

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of ITC Infotech India Limited ("the Company") as of 31st March, 2024 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 with reference to standalone financial

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal

financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP

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

Girish Bagri
Partner

Place: Bengaluru
Date: 6th May, 2024

(Membership No. 066572)
UDIN : 24066572BKFUMZ2788

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of Property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the Property, plant and equipment, capital work-in-progress and right-of-use assets in a phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, plant and equipment, capital work-in-progress and right of use were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Hence reporting under clause (i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made

thereunder.

- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 500 lakhs, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) (a) The Company has made investment in companies during the year. The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties during the year. Hence, reporting under clause (iii)(a), (b) (except to the extent it pertains to investments), (c), (d), (e) and (f) of the Order is not applicable.
- (b) The investments made during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value

Added Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2024 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the Amount relates	Amount (₹ in lakhs)
Finance Act, 1994	Service tax (including interest and penalty)	CESTAT	1 st April, 2007 to 30 th June, 2011	116.47*
		CESTAT / Joint Commissioner (Appeals)	1 st July, 2011 to 30 th June, 2017	445.45†

* Net of amount deposited under protest Rs.27.22 lakhs

† Net of amount deposited under protest Rs. 16.78 lakhs

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of loan or borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any loans (funds) from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting

under clause (xii) of the Order is not applicable.

- (xiii) In our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv)(a) In our opinion, the Company has an adequate internal audit system (comprising the internal and corporate audit departments) commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports (including draft internal audit reports) for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)(a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)
Girish Bagri
Partner

Place: Bengaluru
Date: 6th May, 2024

(Membership No. 066572)
UDIN : 24066572BKFUMZ2788

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2024

	Note No.	As at 31st March, 2024 (₹ in Lakhs)	As at 31st March, 2023 (₹ in Lakhs)
I ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2	5,531	3,462
(b) Capital work-in-progress	2	192	3,717
(c) Other Intangible Assets	2	61,327	68,830
(d) Right of Use Assets	2	15,167	852
(e) Financial Assets			
(i) Investments	3 (a)	17,512	14,269
(ii) Others	5 (a)	192	47
(f) Deferred Tax Assets (Net)	9	–	1,553
(g) Income Tax Assets (Net)	10 (a)	2,910	5,529
(h) Other Non-Current Assets	11 (a)	1,087	173
Sub-Total		1,03,918	98,432
2 Current Assets			
(a) Financial Assets			
(i) Investments	3 (b)	46,450	35,664
(ii) Trade Receivables	6	40,388	41,134
(iii) Cash and Cash Equivalents	7	5,420	5,247
(iv) Other Bank Balances	8	–	20,000
(v) Loans	4	–	–
(vi) Others	5 (b)	30,580	27,666
(b) Other Current Assets	11 (b)	11,004	8,329
Sub-Total		1,33,842	1,38,040
TOTAL		2,37,760	2,36,472
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	12	8,800	8,800
(b) Other Equity		1,23,190	1,33,795
Sub-Total		1,31,990	1,42,595
2 Non-current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	25	14,081	394
(ii) Other Financial Liabilities	13 (b)	668	1,731
(iii) Payable towards acquisition of Business and Commercial Rights	36	28,154	21,327
(b) Provisions	14 (a)	2,613	4,104
(c) Deferred Tax Liabilities (Net)	9	200	–
(d) Other Non Current Liabilities	15 (a)	1,839	–
Sub-Total		47,555	27,556
3 Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	25	1,497	461
(ii) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises	13 (a)	–	14
- Total outstanding dues other than micro enterprises and small enterprises	13 (a)	10,879	13,690
(iii) Other Financial Liabilities	13 (c)	21,807	16,173
(iv) Payable towards acquisition of Business and Commercial Rights	36	11,857	30,947
(b) Other Current Liabilities	15 (b)	8,394	3,068
(c) Provisions	14 (b)	1,612	1,968
(d) Current Tax Liabilities (Net)	10 (b)	2,169	–
Sub-Total		58,215	66,321
TOTAL		2,37,760	2,36,472

The accompanying notes 1 to 39 are an integral part of the Standalone Financial Statements
This is the Balance Sheet referred to in our Report of even date.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number : 117366W/W-100018

Girish Bagri

Partner

Membership Number : 066572

Place : Bengaluru

Date : 06 May, 2024

On behalf of the Board**S. Singh**Managing Director
Bengaluru**N. Khandelwal**Chief Financial Officer
Bengaluru**S. Sivakumar**Vice Chairman
Hyderabad**S. Jain**Company Secretary
Bengaluru

Date : 06 May, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Note No.	For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
I Revenue from Operations	16	2,86,929	2,63,230
II Other Income	17	7,267	4,100
III Total Income (I + II)		<u>2,94,196</u>	<u>2,67,330</u>
IV Expenses			
Employee Benefits Expense	18	1,62,201	1,56,700
Finance Costs	19	656	349
Depreciation and Amortization Expense	2	10,597	8,647
Other Expenses	20	66,419	55,255
Total Expenses (IV)		<u>2,39,873</u>	<u>2,20,951</u>
V Profit Before Tax (III-IV)		54,323	46,379
VI Tax Expenses	21 (a)		
Current Tax		14,353	9,012
Deferred Tax		1,749	2,029
		<u>16,102</u>	<u>11,041</u>
VII Profit for the Year (V-VI)		<u>38,221</u>	<u>35,338</u>
VIII Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement Gain of Net Defined Benefit Liability		296	48
Less: Tax Relating to Items that will not be reclassified to profit or loss	21 (b)	(74)	(12)
(b) Items that will be reclassified to profit or loss			
- Effective portion of losses on designated portion of hedging instruments in a cash flow hedge		(278)	(496)
Less: Tax Relating to Items that will be reclassified to profit or loss		70	125
Total Other Comprehensive Income		<u>14</u>	<u>(335)</u>
IX Total Comprehensive Income for the Year (VII+VIII)		<u>38,235</u>	<u>35,003</u>
X Earnings Per Share (in ₹) (Face value ₹ 10 each) (Basic and Diluted)	27	<u>43.43</u>	<u>40.69</u>

The accompanying notes 1 to 39 are an integral part of the Standalone Financial Statements
This is the Statement of Profit and Loss referred to in our Report of even date.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number : 117366W/W-100018

Girish Bagri

Partner

Membership Number : 066572

Place : Bengaluru

Date : 06 May, 2024

On behalf of the Board

S. Singh

Managing Director
Bengaluru

N. Khandelwal

Chief Financial Officer
Bengaluru

S. Sivakumar

Vice Chairman
Hyderabad

S. Jain

Company Secretary
Bengaluru

Date : 06 May, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

A. Equity Share Capital

(₹ in Lakhs)

	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2024	8,800	-	8,800
For the year ended 31st March, 2023	8,520	280	8,800

B. Other Equity

(₹ in Lakhs)

	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Retained Earning	Securities Premium	Capital Contribution for Share Based Payments	Effective Portion of Cash Flow Hedges	
Balance as at 1st April, 2023	81,259	44,520	8,387	(371)	1,33,795
- Profit for the Year	38,221	-	-	-	38,221
- Other Comprehensive Income (Net of Tax)	222	-	-	(208)	14
Total Comprehensive Income for the year	38,443	-	-	(208)	38,235
- Payment of Interim Dividend* : @ ₹ 20.00/- per share on 8,80,00,000 Shares: ₹ 17,600 Lakhs in Sep'23 @ ₹ 22.50/- per share on 8,80,00,000 Shares: ₹ 19,800 Lakhs in Dec'23 @ ₹ 13.00/- per share on 8,80,00,000 Shares: ₹ 11,440 Lakhs in Mar'24	(48,840)	-	-	-	(48,840)
- Options Lapsed during the Year	82	-	(82)	-	-
Balance as at 31st March, 2024	70,944	44,520	8,305	(579)	1,23,190

(₹ in Lakhs)

	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Retained Earning	Securities Premium	Capital Contribution for Share Based Payments	Effective Portion of Cash Flow Hedges	
Balance as at 1st April, 2022	60,384	-	8,796	-	69,180
- Profit for the Year	35,338	-	-	-	35,338
- Other Comprehensive Income (Net of Tax)	36	-	-	(371)	(335)
Total Comprehensive Income for the year	35,374	-	-	(371)	35,003
- Issue of Equity Shares to Parent	-	44,520	-	-	44,520
- Payment of Interim Dividend* : @ ₹ 17.00/- per share on 8,80,00,000 Shares: ₹ 14,960 Lakhs	(14,960)	-	-	-	(14,960)
- Recognition of Share Based Payment (Refer Note 29)	-	-	52	-	52
- Options Lapsed during the Year	461	-	(461)	-	-
Balance as at 31st March, 2023	81,259	44,520	8,387	(371)	1,33,795

* Payment of interim dividend in compliance with Companies Act, 2013.

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

Securities Premium: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

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

Effective Portion of Cash Flow Hedges: This Reserve represents the cumulative effective portion of changes in Fair Value of hedging instrument that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy.

The accompanying notes 1 to 39 are an integral part of the Financial Statements.

This is the Statement of Changes in Equity referred to in our Report of even date.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number : 117366W/W-100018

On behalf of the Board

Girish Bagri

Partner

Membership Number : 066572

S. Singh

Managing Director
Bengaluru

S. Sivakumar

Vice Chairman
Hyderabad

N. Khandelwal

Chief Financial Officer
Bengaluru

S. Jain

Company Secretary
Bengaluru

Place : Bengaluru

Date : 06 May, 2024

Date : 06 May, 2024

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

	For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT BEFORE TAX	54,323	46,379
ADJUSTMENTS FOR :		
Depreciation and Amortisation Expense	10,597	8,647
Dividend Income from Subsidiary Company	(2,118)	–
Net Gain on Sale of Investments	(2,954)	(1,293)
Property, Plant and Equipment - Loss / (Gain) on Sale / Discarded [net]	85	(48)
Unrealised Loss on Exchange [net]	318	232
Share based Payments to Employees	–	52
Provision for Doubtful Receivables [charge]	113	651
Net loss arising on liabilities measured at FVTPL	508	5,063
Interest Income	(1,272)	(1,126)
Finance Costs on Lease Liabilities	656	349
Liabilities no Longer Required Written Back	(6)	(15)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	60,250	58,891
ADJUSTMENTS FOR :		
Trade Receivables, Loans and Advances and Other Assets	(7,309)	(18,989)
Trade Payables, Other Liabilities and Provisions	5,528	9,530
CASH FROM OPERATIONS	58,469	49,432
Income Tax Paid (Net)	(9,564)	(11,987)
NET CASH FROM OPERATING ACTIVITIES	48,905	37,445
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant and Equipment and Capitalized Software	(3,234)	(5,351)
Payment towards acquisition of Intangible Assets - Business and Commercial Rights*	(10,149)	(25,219)
Purchase of Current Investments	(5,79,071)	(4,80,176)
Investment in Bank Deposits (original maturity more than 3 months)	(20,000)	(40,000)
Maturity of Bank Deposits (original maturity more than 3 months)	40,000	40,000
Sale / Redemption of Current Investments	5,71,239	4,52,709
Investment in Subsidiaries	(3,243)	(5,565)
Sale of Property, Plant and Equipment	2,819	225
Interest Received on maturity of Bank Deposits	1,537	1,178
Dividend Income from Subsidiary Company (net of withholding taxes)	1,798	–
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	1,696	(62,200)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Infusion of share capital (including Securities Premium)	–	44,800
Interim dividend paid on Equity Shares (Net of TDS)	(43,956)	(13,464)
Tax deducted at source on dividend paid	(4,884)	(1,496)
Proceeds from borrowings	–	26,000
Repayment of borrowings	–	(26,000)
Interest paid on borrowings	–	(336)
Repayment of lease liability (Refer Note 25)	(1,606)	(467)
NET CASH (USED IN) / FORM FINANCING ACTIVITIES	(50,446)	29,037
NET INCREASE IN CASH AND CASH EQUIVALENTS	155	4,283
OPENING CASH AND CASH EQUIVALENTS	5,247	970
CLOSING CASH AND CASH EQUIVALENTS	5,402	5,253
CASH AND CASH EQUIVALENTS COMPRISE :		
Cash and Cash Equivalents as above	5,402	5,253
Unrealised Gain / (Loss) on Foreign Currency Cash and Cash Equivalents	18	(6)
Cash and Cash Equivalents (Note 7)	5,420	5,247

*Excludes settlement of consideration for Business and Commercial Rights through standardisation projects and service credits for the year ended 31st March, 2024 of ₹ 1,129 Lakhs (2023 - ₹ 164 Lakhs)

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

The accompanying notes 1 to 39 are an integral part of the Standalone Financial Statements

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

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number : 117366W/W-100018

Girish Bagri

Partner

Membership Number : 066572

On behalf of the Board

S. Singh

Managing Director
Bengaluru

S. Sivakumar

Vice Chairman
Hyderabad

N. Khandelwal

Chief Financial Officer
Bengaluru

S. Jain

Company Secretary
Bengaluru

Place : Bengaluru

Date : 06 May, 2024

Date : 06 May, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note No.

NATURE OF OPERATIONS

ITC Infotech India Limited ("the Company") [CIN: U65991WB1996PLC077341] is a wholly owned subsidiary of ITC Limited ("the Holding Company") providing information technology services to enterprise clients. The Company is incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India.

1 MATERIAL ACCOUNTING POLICIES

a) Statement of Compliance

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

b) Basis of Preparation

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

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

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

The following are the key judgements applied in the preparation of the financial statements

1. **Recognition of intangible assets:** The Company had recognized intangible assets relating to Business and Commercial Rights in FY 2022-23. These assets are being amortized over 10 years considering the expected economic benefits arising out of the agreement with PTC Inc. The useful life of the intangible assets are reviewed periodically and the impact of changes in the estimated useful life is considered in the period in which the estimate is revised. These assets are tested for impairment when there is an indicator.

2. **Hedging:** The Company follows the principal of Hedge Accounting for managing the risk arising from cash flow variability on revenue forecast transactions. The amount accumulated in Other Comprehensive Income are recycled on recognition of the hedged item. In the event such hedge is rendered ineffective or the forecast transactions are not expected to occur, the cumulative amount accumulated in the Other Comprehensive Income is immediately recognized in Statement of Profit and Loss.

c) Operating Cycle

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

d) Property, Plant and Equipment

Property, plant and equipment (PP&E) are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

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

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

The estimated useful lives of PP&E are as follows:

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

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

e) Other Intangible Assets

Other Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination, at fair value on the date of acquisition.
- for separately acquired assets, at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Variable consideration, if any, for the purchase of intangible assets not acquired in a business combination are initially included in the cost of intangible assets at the fair value of all variable payments. The Company recognizes a financial liability for such variable payments. Subsequent changes in fair value of such financial liability is remeasured through the Statement of Profit or Loss, unless designated under hedge accounting in which case, principles of hedge accounting are followed.

Intangible assets represents purchased software and business and commercial rights having finite useful lives. Such assets are amortized over their estimated useful lives by the straight-line method unless it is practical to reliably determine the pattern of benefits arising from the asset.

The cost of acquisition of Business and Commercial Rights is amortised on the straight-line method over a period of 10 years and the cost of acquisition of software is capitalised in the year in which the software is implemented for use and is amortised on the straight-line method over a period of 3 to 5 years.

Amortization expenses and impairment losses and reversal of impairment losses are included in the 'Depreciation and amortization expense' in the Statement of Profit and Loss.

f) Impairment of Assets

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

g) Foreign Currency Transactions

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

h) Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses are recognised in statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in statement of profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item.

The Company complies with the principles of hedge accounting where derivative contracts and / or non-derivative financial assets / liabilities that are permitted under applicable accounting standards are designated as hedging instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

(i) Fair value hedges

Changes in fair value of the designated portion of hedging instrument that qualify as fair value hedges are recognised in statement of profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Such fair value changes are recognised in the line item relating to the hedged item in Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument is derecognised, expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to statement of profit or loss from that date.

(ii) Cash flow hedges

The effective portion of changes in the fair value of hedging instrument that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to the ineffective portion are recognised in the Statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to statement of profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non - financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non - financial asset.

Hedge accounting is discontinued when the hedging instrument is derecognised, expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains / losses recognised in other comprehensive income and accumulated in equity at that time remain in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity are recognised immediately in the Statement of Profit and Loss.

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

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include cash and cash equivalents, investments, fixed deposits, trade receivables, advances and security deposits. Such assets are initially recognised either at transaction price or at fair value, as applicable, on becoming a party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

Financial assets are classified as those measured at:

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

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

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

In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of credit loss in future.

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

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

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

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

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

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

Investment in Subsidiaries

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

j) Revenue from Sale of Products and Services

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

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

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

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

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

Revenue is recognised from services performed on other "time bound fixed-price engagements" based on efforts expended using the percentage of completion method of accounting, if work completed can be reasonably estimated.

The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated.

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

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

The incremental costs of obtaining a contract are recognized as an asset and amortized to revenues in accordance with Ind AS 115 - Revenue from contracts with customers. Capitalised costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalised costs.

k) Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

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

The cost of providing benefits under the defined benefit obligation is calculated by an independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of

remeasurements are recognised immediately in Other Comprehensive Income in the period in which they occur.

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

l) Employee Share Based Compensation

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

In case of equity settled awards, the fair value of awards at the grant date is amortised on a straight-line basis over the vesting period. In case of cash settled awards, the fair value of awards at the grant date is initially recognised and remeasured at each reporting date, until settled.

The cost in respect of such share based payments is recognised as an employee benefits expenses in the Statement of Profit and Loss with a corresponding increase in equity / other financial liabilities, as applicable.

m) Leases

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

Company as a Lessee

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease. The Company recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities are also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

Company as a Lessor

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

n) Taxes on Income

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

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

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

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

o) Dividend Distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

p) Operating Segments

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

q) Borrowing Cost

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

r) Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is

a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

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

s) Claims

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

t) New Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after 1 April 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the standalone financial statements.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases

The Company previously recognised for deferred tax on leases on a net basis. Pursuant to the aforementioned amendment, the Company has grossed-up the deferred tax assets and deferred tax liabilities recognised in relation to leases w.e.f. 1st April, 2022. Accordingly, both deferred tax assets and deferred tax liabilities as on 31st March, 2023 have been increased by ₹ 214 lakhs. However, there is no impact on the net deferred tax liabilities in the Standalone Balance Sheet.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 2 : PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS - FY 2023-24

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 31st March, 2023	Additions	Withdrawals / Adjustments	As at 31st March, 2024	As at 31st March, 2023	Charge for the Year	On Withdrawals / Adjustments	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
a) PROPERTY, PLANT AND EQUIPMENT										
Leasehold Properties - Building Improvement	244	630	148	726	244	5	148	101	625	0
Plant and Equipment	305	247	230	322	270	3	206	67	255	35
Furniture and Fixtures	548	411	162	797	496	6	143	359	438	52
Motor Vehicles	9	-	-	9	8	-	-	8	1	1
Office Equipment	612	224	183	653	509	32	149	392	261	103
Computers, Servers and Networks	8,578	2,186	291	10,473	5,426	1,547	100	6,873	3,600	3,152
Electrical Installations and Equipment	1,067	324	844	547	948	4	756	196	351	119
SUB TOTAL	11,363	4,022	1,858	13,527	7,901	1,597	1,502	7,996	5,531	3,462
b) CAPITAL-WORK-IN-PROGRESS (CWIP)										
Capital work-in-progress (Refer Note 2A below) (Also refer Note 34)	3,717	1,288	4,813	192	-	-	-	-	192	3,717
c) OTHER INTANGIBLE ASSETS										
Capitalised Software	2,393	139	-	2,532	1,889	189	-	2,078	454	504
Business and Commercial Rights	74,538	-	-	74,538	6,212	7,453	-	13,665	60,873	68,326
SUB TOTAL	76,931	139	-	77,070	8,101	7,642	-	15,743	61,327	68,830
GRAND TOTAL	92,011	5,449	6,671	90,789	16,002	9,239	1,502	23,739	67,050	76,009
d) RIGHT-OF-USE ASSETS [Refer Note 1 (m)]										
Right-of-Use Assets - Buildings	1,230	15,673	577	16,326	560	1,232	577	1,215	15,111	670
Right-of-Use Assets - Car	292	-	99	193	110	126	99	137	56	182
TOTAL	1,522	15,673	676	16,519	670	1,358	676	1,352	15,167	852

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

Note 2A : Ageing of CWIP:

(₹ in Lakhs)

As at 31st March, 2024	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	192	-	-	-	192

Note: There are no capital work in progress projects which have exceeded the cost, based on approved plan.

Note 2 : PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS - FY 2022-23

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 31st March, 2022	Additions	Withdrawals / Adjustments	As at 31st March, 2023	As at 31st March, 2022	Charge for the Year	Withdrawals / Adjustments	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
(a) PROPERTY, PLANT AND EQUIPMENT										
Leasehold Properties - Building Improvement	804	-	560	244	804	-	560	244	0	0
Plant and Equipment	436	-	131	305	387	1	118	270	35	49
Furniture and Fixtures	945	-	397	548	853	4	361	496	52	92
Motor Vehicles	9	-	-	9	8	-	-	8	1	1
Office Equipment	855	41	284	612	740	32	263	509	103	115
Computers, Servers and Networks	7,494	1,776	692	8,578	4,306	1,744	624	5,426	3,152	3,188
Electrical Installations and Equipment	1,745	-	678	1,067	1,586	1	639	948	119	159
SUB TOTAL	12,288	1,817	2,742	11,363	8,684	1,782	2,565	7,901	3,462	3,604
(b) CAPITAL-WORK-IN-PROGRESS (CWIP)										
Capital-work-in-progress (Refer Note 2A below)	87	3,630	-	3,717	-	-	-	-	3,717	87
(c) OTHER INTANGIBLE ASSETS										
Capitalised Software	2,095	298	-	2,393	1,686	203	-	1,889	504	409
Business and Commercial Rights (Refer Note 36)	-	74,538	-	74,538	-	6,212	-	6,212	68,326	-
SUB TOTAL	2,095	74,836	-	76,931	1,686	6,415	-	8,101	68,830	409
GRAND TOTAL	14,470	80,283	2,742	92,011	10,370	8,197	2,565	16,002	76,009	4,100
(d) Right-of-Use Assets [Refer Note 1 (m)]										
Right-of-Use Assets - Buildings	577	653	-	1,230	220	340	-	560	670	357
Right-of-Use Assets - Car	-	292	-	292	-	110	-	110	182	-
TOTAL	577	945	-	1,522	220	450	-	670	852	357

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

Note 2A : Ageing of CWIP

(₹ in Lakhs)

As at 31st March, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	3,630	87	-	-	3,717

Completion schedule for Projects in Capital work-in-progress, which are overdue compared to its original plan

(₹ in Lakhs)

As at 31st March, 2023	Project to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
GC- BLR	3,717	-	-	-	3,717

Note: There are no capital work in progress projects which have exceeded the cost, based on approved plan.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024	(₹ in Lakhs) As at 31st March, 2023		As at 31st March, 2024	(₹ in Lakhs) As at 31st March, 2023
3. INVESTMENTS			4. LOANS		
3 (a) Non-Current			Current		
In Subsidiaries			Loans to Employees		
Investments in Equity Instruments- (At Cost) Unquoted			– Unsecured, Considered Good	–	–
ITC Infotech Limited (UK)	687	687	– Unsecured, Considered Doubtful	–	1
6,85,815 (2023 - 6,85,815) Equity Shares of				–	1
GBP 1 each, fully paid					
ITC Infotech (USA), Inc.	8,017	8,017	Less : Allowance for Doubtful Loans	–	(1)
1,82,000 (2023 - 1,82,000) Ordinary Shares			Total	–	–
without par value, fully paid					
ITC Infotech Do Brasil LTDA	422	422			
26,00,000 (2023 - 26,00,000) Equity Shares of			5. OTHER FINANCIAL ASSETS		
BRL 1 each, fully paid			5 (a) Non-Current		
ITC Infotech France SAS	2,662	2,662	Unsecured Considered Good, Unless Otherwise Stated		
30,00,000 (2023 - 30,00,000) Equity Shares of			Security Deposits (includes deposits for		
EUR 1 each, fully paid			Company accommodations, offices etc.)	192	47
ITC Infotech GmbH	2,481	2,481	Total	192	47
57,00,000 (2023 - 57,00,000) Equity Shares of					
EUR 1 each, partly paid up to EUR 0.5 each			5 (b) Current		
ITC Infotech Malaysia SDN. BHD.	1,473	–	Unbilled Revenue - time and material basis &		
80,00,000 (2023 - Nil) Equity Shares of			fixed price support contracts *	30,035	26,614
MYR 1 each, fully paid			Security Deposits (includes deposits for Company		
ITC Infotech de México, S.A. de C.V.	1,770	–	accommodations, offices etc.)	279	233
36,49,999 (2023 - Nil) Equity Shares of			Foreign Currency Forward Contracts	29	115
MXN 1 each, fully paid			Interest Accrued on Deposits	–	401
Total	17,512	14,269	Advances considered Good, Unless Otherwise Stated		
			(includes advance to employees)	237	303
3 (b) Current (at fair value through profit or loss)			Total	30,580	27,666
Investment in Mutual Funds - Unquoted					
Axis Liquid Fund - 5,94,531 Units (2023 - 1,61,108 Units) of ₹ 1,000 Each	15,840	4,002			
SBI Liquid Fund - Nil (2023 - 4,52,713 Units) of ₹ 1,000 Each	–	15,827			
Nippon India Liquid Fund - 2,73,525 Units (2023 - 2,90,560 Units) of ₹ 1,000 Each	15,984	15,835			
HDFC Liquid Fund Growth - 3,11,330 Units (2023 - Nil) of ₹ 1,000 Each	14,626	–			
Total	46,450	35,664			

6. TRADE RECEIVABLES		
Unsecured, Considered Good	40,897	41,643
Credit Impaired	831	1,070
	41,728	42,713
Less: Expected Credit Loss Allowance	(1,340)	(1,579)
Total	40,388	41,134

(₹ in Lakhs)

Trade Receivables as at 31st March, 2024	Outstanding for following periods						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	22,719	15,412	2,436	179	86	65	40,897
Undisputed Trade Receivables - credit impaired	–	18	4	532	254	23	831
Gross	22,719	15,430	2,440	711	340	88	41,728
Less : Expected Credit Loss Allowance							1,340
Net							40,388

(₹ in Lakhs)

Trade Receivables as at 31st March, 2023	Outstanding for following periods						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	25,721	14,948	865	139	46	(76)	41,643
Undisputed Trade Receivables - credit impaired	–	13	434	308	289	26	1,070
Gross	25,721	14,961	1,299	447	335	(50)	42,713
Less : Expected Credit Loss Allowance							1,579
Net							41,134

	As at 31st March, 2024	(₹ in Lakhs) As at 31st March, 2023		Opening Balance	Recognized in profit or loss	Recognized in OCI	Closing Balance
7. CASH AND CASH EQUIVALENTS *			Movement in Deferred Tax				
Balances with Banks :			FY 2023-24				
Current Accounts	5,420	5,247	Deferred Tax Assets :				
Total	5,420	5,247	On provision for employees'				
			separation and retirement etc.	1,686	209	(74)	1,821
* Cash and cash equivalents include cheques, drafts on hand, cash at bank and deposits			On provision for doubtful receivables	405	(64)	–	341
with banks with original maturity of 3 months or less. The Company does not have any			On fiscal allowances on property,				
significant cash and cash equivalents that are not available for use.			plant and equipment	646	(61)	–	585
8. OTHER BANK BALANCES			On lease liabilities	215	3,706	–	3,921
In Deposit Accounts*	–	20,000	Other timing differences (includes				
Total	–	20,000	provision for expenses)	1,152	49	–	1,201
			Total Deferred Tax Assets	4,104	3,839	(74)	7,869
* Represents deposits with original maturity of more than 3 months having remaining			Deferred Tax Liabilities :				
maturity of less than 12 months from the Balance Sheet date.			On Business and Commercial Rights	2,319	1,920	(70)	4,169
9. DEFERRED TAX ASSETS / LIABILITY (NET)			On Right-of-Use Assets	215	3,603	–	3,818
Deferred Tax Assets	7,869	4,104	Other timing differences	17	65	–	82
Less: Deferred Tax Liabilities	8,069	2,551	Total Deferred Tax Liabilities	2,551	5,588	(70)	8,069
Deferred Tax Assets / (Liability)(Net)	(200)	1,553	Deferred Tax Assets (Net)	1,553	(1,749)	(4)	(200)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	(₹ in Lakhs)					As at 31st March, 2024	As at 31st March, 2023
	Opening Balance	Recognized in profit or loss	Recognized in OCI	Closing Balance			
FY 2022-23					10(a) INCOME TAX ASSETS (NET)		
Deferred Tax Assets :					Advance Tax (Net of Provision for Income Tax)	2,910	5,529
On provision for employees' separation and retirement etc.	1,673	25	(12)	1,686	Total	2,910	5,529
On provision for doubtful receivables and advances	312	93	-	405	10(b) CURRENT TAX LIABILITIES		
On fiscal allowances on property, plant and equipment	739	(93)	-	646	Provision for Income Tax (Net of Advance Tax)	2,169	-
On lease Liabilities	91	124	-	215	Total	2,169	-
Other timing differences (includes provision for expenses)	745	407	-	1,152	11 OTHER ASSETS		
Total Deferred Tax Assets	3,560	556	(12)	4,104	11(a) Non-Current		
Deferred Tax Liabilities :					Advances other than Capital Advances		
On Business and Commercial Rights	-	2,444	(125)	2,319	With Statutory Authorities	50	50
On Right-of-Use Assets	90	125	-	215	Other Advances (Unexpired Expenses)	83	123
Other timing differences	1	16	-	17	Advance to related parties (Refer Note 34)	954	-
Total Deferred Tax Liabilities	91	2,585	(125)	2,551	Total	1,087	173
Deferred Tax Assets (Net)	3,469	(2,029)	113	1,553	11(b) Current		
					Unbilled Revenue - percentage of completion *	4,196	2,242
					Advances other than Capital Advances		
					With Statutory Authorities	3,672	3,452
					Other Advances (includes Unexpired Expenses)	3,136	2,059
					Advance to related parties (Refer Note 34)	-	576
					Total	11,004	8,329

*Contractual right to consideration is dependent on completion of contractual milestones. During the year ended 31st March, 2024 and 31st March, 2023, ₹ 2,204 lakhs and ₹ 1,624 lakhs, respectively, of Unbilled Revenue - percentage of completion pertaining to fixed price development contracts have been reclassified to Trade Receivables on completion of milestones.

		As at 31st March, 2024	As at 31st March, 2023
12 EQUITY SHARE CAPITAL			
Authorised:			
10,00,00,000 (2023 - 10,00,00,000) Equity Shares of ₹ 10 each		10,000	10,000
Issued and subscribed :			
8,80,00,000 (2023 - 8,80,00,000)			
Equity Shares of ₹ 10 each, fully paid		8,800	8,800
[All equity shares are held by ITC Limited, the Holding Company.			
The Equity Shares of the Company, having par value of ₹ 10 per share, rank pari passu in all respects including entitlement to dividend].			
Total		8,800	8,800

12(a) Shares held by Promoters

Particulars	Promoter Name	As at 31 March 2024			As at 31 March 2023		
		No. of shares as at end of the year	% of Total Shares	% change during the year	No. of shares as at end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 10 each, fully paid	ITC Limited	8,80,00,000	100%	-	8,80,00,000	100%	-

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

13 (a) Trade Payables

Ageing schedule

(₹ in Lakhs)

Trade Payable as at 31st March, 2024	Outstanding for following periods							Total
	Unbilled (Accrued)	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
MSME - Undisputed	-	-	-	-	-	-	-	-
Others - Undisputed	9,835	670	373	-	-	1	-	10,879
Total	9,835	670	373	-	-	1	-	10,879

Trade Payable as at 31st March, 2023	Outstanding for following periods							Total
	Unbilled (Accrued)	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
MSME - Undisputed	-	14	-	-	-	-	-	14
Others - Undisputed	11,953	380	1,356	-	1	-	-	13,690
Total	11,953	394	1,356	-	1	-	-	13,704

Relationship with struck off Companies

(₹ in Lakhs)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31st March 2024	Relationship with the struck off company, if any, to be disclosed
Thought Works Consulting Private Limited	Payables	1	Vendor

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31st March 2023	Relationship with the struck off company, if any, to be disclosed
Thought Works Consulting Private Limited	Payables	1	Vendor

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024	(₹ in Lakhs) As at 31st March, 2023
13 (b) Non- Current		
Employee Payable	654	1,651
ESAR Liability (Refer to Note 34)	14	80
Total	668	1,731
13 (c) Current		
Employee Payable	11,824	14,857
Foreign Currency Forward Contracts	119	44
ESAR Liability (Refer to Note 34)	83	137
Inter-company payable (Refer to Note 34)	9,159	422
Other Liabilities [includes payables for property, plant and equipment ₹ 622 Lakhs (2023 - ₹ 708 Lakhs)] [₹ 3 lakhs towards MSME vendors (2023 - NIL)]	622	713
Total	21,807	16,173
14 PROVISIONS		
14 (a) Non- Current		
Provision for Employee Benefits*		
Retirement Benefits	510	2,004
Compensated Absences	2,103	2,100
Total	2,613	4,104
14 (b) Current		
Provision for Employee Benefits*		
Retirement Benefits	907	1,004
Compensated Absences	705	964
Total	1,612	1,968
<i>*Includes provision for pension, gratuity and compensated absences. For details refer to note 26.</i>		
15 OTHER LIABILITIES		
15(a) Non-Current		
Contract Liability	1,839	-
Total	1,839	-
15(b) Current		
Statutory Dues	2,801	2,865
Contract Liability	5,593	203
[Out of last year's amount of ₹ 203 Lakhs as at 31st March 2023 (₹ 96 Lakhs as at 31st March 2022), revenue recognised in current year is ₹ 120 Lakhs (FY 2023 : 12 Lakhs)]		
Total	8,394	3,068
	For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
16 REVENUE FROM OPERATIONS		
Sale of Services*		
Exports	2,25,442	1,97,157
Domestic	60,894	65,557
Resale of Software and Hardware (including Support Charges)*		
Exports	228	93
Domestic	440	410
Total Sales#	2,86,804	2,63,217
OTHER OPERATING REVENUES	125	13
Total	2,86,929	2,63,230
<i>* For disaggregated revenues from contracts with customers by geography, please refer Note 33 on Segment Reporting</i>		
<i># The percentage of revenue from fixed-price contracts for the year ended 31st March, 2024 and 31st March, 2023 is approximately 65% and 57%, respectively. The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. The Company has applied the practical expedients as given in Ind AS 115 - Revenue from Contracts with Customers, and not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis and unit of work based contracts, and contracts with contract term or original expected duration of one year or less. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialised and adjustments for currency fluctuations.</i>		
<i>The aggregate value of performance obligations that are completely or partially unsatisfied as at 31st March, 2024, other than those meeting the exclusion criteria mentioned above, is ₹ 67,232 lakhs. Out of this, the company expects to recognize revenue of around 32.7% within the next one year and the remaining thereafter.</i>		
17 OTHER INCOME		
Interest Income	1,778	1,126
Dividend Income	2,118	-
Other Non Operating Income	3,371	2,974
Total	7,267	4,100
Interest income comprises Interest from:		
Deposits	1,272	1,126
Others (from statutory authorities)	506	-
	1,778	1,126
Other Non Operating Income		
Net Foreign Exchange Gains	295	1,367
Net Gain on Investments [includes unrealised gain: ₹ 246 Lakhs (2023 - ₹ 65 Lakhs)]	2,954	1,293
Others	122	314
	3,371	2,974

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	For the year ended 31st March, 2023 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
18 EMPLOYEE BENEFITS EXPENSE		
Salaries and Bonus	1,50,325	1,46,034
Contribution to Provident and Other Funds (Refer Note 26)	8,585	7,918
Share based Payments to Employees (Refer Note 29)	143	289
Staff Welfare Expenses	1,277	1,393
Reimbursement of Contractual Remuneration, net	1,871	1,066
Total	1,62,201	1,56,700
19 FINANCE COSTS		
Interest Expense		
On Lease Liabilities, Borrowings etc.	656	349
Total	656	349
20 OTHER EXPENSES		
Rent (Refer Note 25)	2,000	2,597
Rates and Taxes	224	120
Insurance	1,534	1,089
Travelling and Conveyance	8,382	8,026
Recruitment Expenses	1,428	1,568
Communication	981	961
Power and Fuel	510	490
Outsourcing Charges	31,634	20,268
Software and Related Expenses	4,994	5,078
Purchase of Hardware and Software for Resale	330	314
Business Development Expenses	568	1,365
Repairs and Maintenance		
- Buildings	72	68
- Machinery	98	124
- Others	37	58
Legal, Professional and Consultancy Expenses	6,811	4,969
Doubtful and Bad Receivables	113	651
Property, Plant and Equipment Discarded, net	85	(48)
Auditor's Remuneration and Expenses (Refer Note 28)	50	54
Expenditure on Corporate Social Responsibility (Refer Note 22)	1,180	1,014
Training and Development	562	844
Bank Charges.	143	106
Printing and Stationery	17	15
Fair value loss arising on payable for Business and Commercial Rights (Refer Note 36)	508	5,063
Miscellaneous Expenses*	4,158	461
Total	66,419	55,255
* During the year, the following donations were made by the Company in compliance with section 182 of the Companies Act, 2013: Bharatiya Janata Party – ₹ 3,000 lakhs (2023 – NIL), Indian National Congress – ₹ 500 lakhs (2023 – NIL)		
21 TAX EXPENSES		
21(a) Tax Expense Recognised in Statement of Profit and Loss		
Current Tax	12,814	9,377
[including tax on foreign branches ₹ 2,600 Lakhs (2023 - ₹ 608 Lakhs)]		
Charge / (Credits) related to previous years*	1,539	(365)
	14,353	9,012
Deferred Tax Charge	3,433	2,632
Credits related to previous years	(1,684)	(603)
	1,749	2,029
Total	16,102	11,041
* ₹ 1684 lakhs (2023 - ₹ 603 lakhs) represents changes on account of filing of tax returns.		
21(b) Tax Expense Recognised in Other Comprehensive Income		
Deferred Tax Credit / (Charge)		
Arising on Remeasurement of Net Defined Benefit Liability	(74)	(12)
Arising on Effective portion of losses on designated portion of hedging instruments in a cash flow hedge	70	125
Total	(4)	113
21(c) The reconciliation between the income tax expenses and amounts computed by applying the standard rate of income tax to profit before taxes is as follows:		
Profit before tax	54,322	46,379
Income tax expense calculated at 25.168% (2023 - 25.168%)	13,672	11,673
Effects of:		
-Effect of tax relating to uncertain tax positions	36	-
-Effect of different tax rate on certain items	2,036	-
-Other differences	661	336
-Change in Tax Rates	-	-
-Adjustments recognised in the current year in relation to the current tax of prior years	(303)	(968)
Income Tax expenses recognised in Statement of Profit and Loss	16,102	11,041

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

22 Expenditure on Corporate Social Responsibility

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

- Gross amount required to be spent by the Company during the year ₹ 1,180 Lakhs (2023 - ₹ 1,013 Lakhs).
- Amount spent during the year in cash for purpose other than construction / acquisition of an asset ₹ 1,180 Lakhs (2023 - ₹ 1,014 Lakhs).
- Nature of CSR activities in the year are as follows:
 - Primary education through ITC Bhadrachalam Education Trust, Secunderabad
 - Science, Technology, Engineering and Mathematics (STEM) education through ICT Academy of Tamil Nadu, NASSCOM and Coursera
 - Integrated Watershed Management Programme and School Infrastructure Development through ITC Rural Development Trust, Kolkata
 - Environmental Sustainability through SayTrees NGO and Biome Environmental Trust

CSR expenditure does not include any spends on construction / acquisition of assets.

23 Commitments and Contingencies

- There are contracts remaining to be executed on capital account and not provided ₹ 160 Lakhs (2023 - ₹ 1,596 Lakhs).
- Claims against the Company not acknowledged as debts ₹ 4,846 Lakhs (2023 - ₹ 3,724 Lakhs). These comprise:
 - Income tax claims disputed by the Company relating to issues of applicability and determination aggregating ₹ 4,226 Lakhs (2023 - ₹ 3,444 Lakhs)
 - Service tax claims disputed by the Company relating to issues of applicability aggregating ₹ 606 Lakhs (2023 - ₹ 266 Lakhs)
 - Other matters aggregating ₹ 14 Lakhs (2023 - 14 Lakhs)

It is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flow, if any, in respect of the above. An amount of ₹ 44 Lakhs (2023 - ₹ 32 Lakhs) has been deposited under protest and is included under Other Non-Current Assets. [Refer Note 11(a)]

24 Micro and Small Enterprises

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

	As at 31st March, 2024	As at 31st March, 2023
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.		
Principal amount due [Refer Note 13 (c) for FY 2023-24]	3	14
Interest amount due thereon	—	—
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	—	—
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	—	—
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	—
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	—	—

25 Leases

The amount of ROU Asset and Lease Liabilities recognised in the Balance Sheet are disclosed in Note 2 and on the face of the Balance Sheet respectively. The total cash outflow for leases for the year is ₹3,606 Lakhs (2023 - ₹ 3,064 Lakhs) [including payments in respect of short-term leases aggregating ₹ 2,000 Lakhs (2023 - ₹ 2,597 Lakhs)]. These lease arrangements generally range between 2 years and 10 years. Also Refer to Note 32 (b) for Contractual maturities of lease liabilities.

Movement of Lease Liabilities during the year

	As at 31st March, 2024	As at 31st March, 2023
Opening Lease Liabilities	855	363
New Lease recognised	15,673	946
Interest expense on Lease Liability	656	13
Payments of Lease Liability made	(1,606)	(467)
Closing balance of Lease Liability	15,578	855

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

Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and Other Funds in Note 18: ₹ 7,705 Lakhs (2023 - ₹ 7,078 Lakhs).

(b) Defined Benefit Plan

The Company also makes contribution to defined benefit pension and gratuity plans. The cost of providing benefits under the defined benefit obligation is calculated by an independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through Other Comprehensive Income in the period in which they occur. Gratuity and Pension Benefits are both funded as well as unfunded; and Leave Encashment Benefits are unfunded in nature.

Risk Management

The defined benefit plans expose the Company to actuarial deficit arising out of investment risk, interest rate risk, salary cost inflation risk. These plans are not exposed to any unusual, entity specific or scheme specific risks but there are general risks. Investment risks may arise from volatility in asset values and losses arising due to impairment of assets. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the Government security yields. A decrease in yields will increase the fund liabilities, leading to accounting deficit in the funds. However, this may be partially offset by an increase in capital value of the scheme assets that have similar characteristics. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

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

The following table sets out the Defined Benefit Plans / Long-Term Compensated Absences as per Actuarial Valuation as on 31st March, 2024 and recognised in the financial statements in respect of Employee Benefit Schemes:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

			For the year ended 31st March, 2024			For the year ended 31st March, 2023		
			Pension	Gratuity	Compensated absences	Pension	Gratuity	Compensated absences
			Partly Funded	Partly Funded	Unfunded	Partly Funded	Partly Funded	Unfunded
I	Components of Employer Expense							
	-	Recognised in Profit or Loss						
	1	Current Service Cost	131	726	1,103	180	617	560
	2	Net Interest Cost (Income)	(26)	49	133	27	16	102
	3	Total expense recognised in the Statement of Profit and Loss	105	775	1,236	207	633	662
	-	Re-measurements recognised in Other Comprehensive Income						
	4	Return on plan assets (excluding amounts included in Net interest cost)	(131)	(1)	-	79	43	
	5	Effect of changes in demographic assumptions	-	-	-	-	1	-
	6	Effect of changes in financial assumptions	53	79	33	(382)	(232)	(45)
	7	Effect of experience adjustments	(357)	7	21	7	366	115
	8	Total re-measurements included in OCI	(435)	85	54	(296)	178	70
	9	Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (3+8)	(330)	860	1,290	(89)	811	732
The current service cost and net interest expense for the year pertaining to Pension and Gratuity expenses have been recognised in “Contribution to Provident and other funds” and Compensated absences in “Salaries and Bonus”. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.								
II	Actual Returns		378	275	-	147	191	-
III	Net (Asset)/Liability recognised in Balance Sheet							
	1	Present Value of Defined Benefit Obligation	2,839	5,341	2,310	4,638	4,625	1,981
	2	Obligation w.r.t Overseas branches	-	-	498	-	-	1,083
	3	Fair Value of Plan Assets	3,556	4,161	-	3,404	3,427	-
	4	Status [(Surplus)/Deficit]*	(717)	1,180	2,808	1,234	1,198	3,064
	5	Net (Asset)/Liability recognised in Balance Sheet	As at 31st March, 2024			As at 31st March, 2023		
			Current		Non-Current	Current		Non-Current
		- Pension*	123		(840)	(457)		1,691
		- Gratuity	784		396	885		313
		- Compensated absences	705		2,103	964		2,100
* This includes ₹ 954 Lakhs (FY 23: ₹ 576 lakhs) of India Pension which is represented under Note no 11 as Advances to related parties.								
			For the year ended 31st March, 2024			For the year ended 31st March, 2023		
			Pension	Gratuity	Compensated absences	Pension	Gratuity	Compensated absences
			Partly Funded	Partly Funded	Unfunded	Partly Funded	Partly Funded	Unfunded
IV	Change in Defined Benefit Obligation (DBO)							
	1	Present Value of DBO at the beginning of the year	4,638	4,625	1,981	3,188	4,322	1,796
	2	Current Service Cost	131	726	546	180	617	566
	3	Interest Cost	221	323	133	253	250	102
	4	Remeasurement (Gains) / Losses:						
		Effect of changes in demographic assumptions	-	-	-	-	1	-
		Effect of changes in financial assumptions	53	79	33	(382)	(232)	(45)
		Effect of experience adjustments	(357)	7	21	7	366	115
	5	Transfer of Obligation	(1,610)	-	-	1,560	20	5
	6	Exchange difference on foreign plans	(11)	2	-	-	31	-
	7	Benefits Paid	(226)	(421)	(404)	(168)	(750)	(558)
	8	Present Value of DBO at the end of the year	2,839	5,341	2,310	4,638	4,625	1,981
	Best Estimate of Employers’ Expected Contribution for the next year		As at 31st March, 2024			As at 31st March, 2023		
		- Pension	74			89		
		- Gratuity	829			679		
		- Compensated Absences	-			-		
V	Change in Fair Value of Assets							
	1	Plan Assets at the beginning of the year	3,404	3,427	-	3,425	3,700	-
	2	Expected Return on Plan Assets	247	274	-	226	234	-
	3	Remeasurement Gains/(Losses) on plan assets	131	1	-	(79)	(43)	-
	4	Actual Company Contributions	-	880	-	-	286	-
	5	Benefits Paid	(226)	(421)	-	(168)	(750)	-
	6	Plan Assets at the end of the year	3,556	4,161	-	3,404	3,427	-
VI	Actuarial Assumptions				As at 31st March, 2024		As at 31st March, 2023	
	1	Discount Rate (%)		7.00%		7.50%		
	2	Expected Return on Plan Assets (%)		7.00%		7.50%		
	3	Long term rate of compensation increase		7.50%		7.50%		
VII	Major Category of Plan Assets as a % of the Total Plan Assets				As at 31st March, 2024		As at 31st March, 2023	
	1	Government Securities/Special Deposit with RBI		13%		15%		
	2	High Quality Corporate Bonds		11%		10%		
	3	Insurer Managed Funds*		65%		65%		
	4	Mutual Funds		7%		6%		
	5	Cash and Cash Equivalents		4%		4%		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

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

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

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

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

(₹ in Lakhs)

IX	Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
		Pension	Gratuity	Compensated absences	Pension	Gratuity	Compensated absences
		Partly Funded	Partly Funded	Unfunded	Partly Funded	Partly Funded	Unfunded
1	Present Value of Defined Benefit Obligation	2,839	5,341	2,310	4,638	4,625	1,981
2	Fair Value of Plan Assets	3,556	4,161	-	3,404	3,427	-
3	Status [(Surplus) / Deficit]	(717)	1,180	2,310	1,234	1,198	1,981
4	Experience Adjustment of Plan Assets [(Gain) / Loss]	(131)	(1)	-	79	43	-
5	Experience Adjustment of obligation [(Gain) / Loss]	(357)	7	21	7	366	115

X Sensitivity Analysis

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

XI	Sl. No.	Particulars	DBO as at 31st March, 2024	DBO as at 31st March, 2023
	1	Discount Rate + 100 basis points	10,129	10,686
	2	Discount Rate - 100 basis points	10,879	11,834
	3	Long term Compensation Increase Rate + 1%	10,854	11,720
	4	Long term Compensation Increase Rate - 1%	10,145	10,800

XII	Sl. No.	Maturity Analysis of the Benefit Payments	31st March, 2024	31st March, 2023
	1	Year 1	2,224	2,461
	2	Year 2	1,616	1,729
	3	Year 3	1,742	1,727
	4	Year 4	1,672	2,388
	5	Year 5	1,070	2,642
	6	Next 5 Years	4,392	8,162

		For the year ended 31st March, 2024	For the year ended 31st March, 2023
27	Earnings per share (Basic and Diluted)		
(a)	Profit after Tax	₹ in Lakhs 38,221	35,338
(b)	Weighted average number of Equity Shares	No. 8,80,00,000	8,68,49,315
(c)	Earnings Per Share	₹ 43.43	40.69
	(Face value of ₹ 10 per share)		

		For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
28	Auditor's Remuneration and Expenses		
	(Net of input tax credit)		
	Audit Fees	26	33
	Tax Audit Fees	3	2
	Fees for Auditor's Certifications and Reports	19	16
	Reimbursement of Expenses	2	3
	Total	50	54

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

29 (i) Share Based Payments

The eligible employees of the Company, including employees deputed from ITC Limited (ITC), have been granted:

- (a) stock options under the ITC Employee Stock Option Schemes (ITC ESOS) and
(b) employee cash settled stock appreciation linked reward units (ESAR units) under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR plan) by ITC in accordance with the terms and conditions of such schemes, details of which are as under:

ITC ESOS:

Each option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of ITC of ₹ 1.00 each upon payment of exercise price. These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting. These options have been granted at 'market price' within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

ITC ESAR:

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

- (ii) The cost of stock options granted under ITC ESOS / ESAR units granted under ITC ESAR Plan have been recognised as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of the aforesaid arrangement, the Company accounts for the cost of the fair value of options / ESAR units granted to the eligible employees on receipt of advice / on - charge by ITC respectively, as applicable, as employee benefits expense with a corresponding increase in equity / other financial liabilities, as applicable. The fair value of the options / ESAR units granted is determined, using the Black Scholes Option Pricing model, by ITC for all the Optionees covered under ITC ESOS / ITC ESAR Plan as a whole.
- (iii) The summary of movement of such options granted by ITC and status of the outstanding options is as under:

Particulars	As at 31st March, 2024 No. of Options	As at 31st March, 2023 No. of Options
Outstanding at the beginning of the year	4,02,066	9,16,022
Add: Granted during the year	12,550	10,250
Less: Lapsed during the year	(2,606)	(46,338)
Less: Movement of employees to whom options are granted	(44,513)	(27,914)
Less: Exercised during the year	(2,05,260)	(4,49,954)
Outstanding at the end of the year	1,62,237	4,02,066
Options exercisable at the end of the year	1,46,677	3,84,251

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

- (iv) In accordance with Ind AS 102, - Shared Based Payments, the Company has recognised an amount of ₹ 105 Lakhs (2023: ₹ 52 Lakhs) towards ITC ESOS and ₹ 38 Lakhs [2023: ₹ 237 Lakhs] towards ITC ESAR Plan (Refer Note 18). Such charge has been recognised as employee benefits expense.

Out of the above, ₹ 101 Lakhs (2023: ₹ 185 Lakhs) is attributable to key management personnel [Mr. Navneet Khandelwal ₹ 46 Lakhs (2023 - Not Applicable), Mr. R. Batra: ₹ 54 Lakhs (2023 - ₹ 181 Lakhs), Mr. Sharad Jain: ₹ 1 Lakh (2023 - ₹ 4 lakhs)].

30 Capital Management

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

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

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

31 Categories of Financial Instruments

(₹ in Lakhs)

	As at 31st March, 2024		As at 31st March, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Measured at amortised cost				
Cash and Cash Equivalents	5,420	5,420	5,247	5,247
Other Bank Balances	–	–	20,000	20,000
Trade Receivables	40,388	40,388	41,134	41,134
Other Financial Assets	30,743	30,663	27,598	27,588
	76,551	76,471	93,979	93,969
Measured at fair value through profit and loss (FVTPL)				
Investments in Mutual Funds	46,450	46,450	35,664	35,664
Foreign Currency Forward Contracts	29	29	115	115
	46,479	46,479	35,779	35,779
Total	1,23,030	1,22,950	1,29,758	1,29,748
Financial Liabilities				
Measured at amortised cost				
Trade Payables	10,879	10,879	13,704	13,704
Lease Liability	15,578	15,578	855	855
Other Financial Liabilities	22,356	22,240	17,438	17,240
	48,813	48,697	31,997	31,799
Measured at fair value through profit and loss (FVTPL)				
Foreign Currency Forward Contracts	119	119	44	44
Consideration Payable towards acquisition of Business and Commercial Rights	40,011	40,011	52,274	52,274
	40,130	40,130	52,318	52,318
Total	88,943	88,827	84,315	84,117

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

32 Financial Risk Management Objectives

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

a) Market Risk

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

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

i) Foreign Currency Risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and translation risks arising from recognised assets and liabilities. A significant portion of these transactions are in US Dollar (USD), Pound Sterling (GBP) and EURO.

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

(₹ in Lakhs)

As at 31st March, 2024	USD	GBP	EURO	Others	Total
Financial Assets	26,386	17,574	13,528	4,594	62,082
Financial Liabilities *	175	5	723	1,162	2,065

As at 31st March, 2023	USD	GBP	EURO	Others	Total
Financial Assets	21,646	4,782	18,932	6,641	52,001
Financial Liabilities*	809	1	834	300	1,944

*The above does not include the consideration payable to PTC Inc. towards acquisition of business and commercial rights since the same is hedged through cash flow hedge.

The Company uses Forward Exchange Contracts to hedge its exposures in foreign currency related to underlying transactions and firm commitments. Notional value of Forward exchange Contracts outstanding as at year end which are not designated under hedge accounting are as below:

(in Lakhs)

Currency	Cross Currency	31st March, 2024		31st March, 2023	
		Buy	Sell	Buy	Sell
GBP	USD	-	12	-	10
EUR	USD	-	28	29	-
USD	INR	-	311	124	216
SEK	USD	2	-	41	-
PLN	USD	4	-	10	-
ZAR	USD	-	331	-	112
CHF	USD	-	4	-	-
CAD	USD	3	-	-	-
AUD	USD	1	-	-	-

Hedges of Foreign Currency Risk and Derivative Financial Instruments

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

The Company has designated the foreign exchange risk component of the payable towards acquisition of Business and Commercial Rights as a hedge of the highly probable forecast USD denominated revenues. The above will result in matching of foreign exchange gain / loss arising from changes in spot rates of the highly probable forecast revenues with the loss/gain arising from translation of non – derivative financial liabilities carried in the Balance Sheet (details of such hedge instrument are provided in Note 36). The foreign exchange risk component designated under hedge accounting are evaluated basis the currency, amount and timing of such highly probable forecast transactions that are matched to the hedging instrument. Changes in the fair value of the effective portion of such cash flow hedges are recognised as cash flow hedging reserve in Other Comprehensive Income. Whilst ineffectiveness in the hedge relationship may arise due to changes in timing of the forecast USD denominated revenues, the probability of such hedges becoming ineffective is very low and such ineffective portion, if any, is immediately recognised in the Statement of Profit and Loss.

The movement in the cash flow hedging reserve in respect of designated cash flow hedges is summarised below:

(₹ in Lakhs)

Particulars	2024	2023
At the beginning of the year	371	-
Add: Loss recognised in OCI on fair value change of effective portion of hedge instrument	558	565
Less: Amounts transferred to the Statement of Profit and Loss on occurrence of forecast hedge transactions during the year	(280)	(69)
Less : Deferred tax	(70)	(125)
At the end of the year	579	371
Of the above, balances remaining in cash flow hedge reserve for matured hedging relationships	-	-

Once the hedged transaction materialises, the amount accumulated in the cash flow hedging reserve is expected to be reclassified to profit or loss in the anticipated timeframes given below:

Outstanding balance in cash Flow Hedge Reserve to be subsequently recycled from OCI	As at 31st March, 2024	As at 31st March, 2023
Within One Year	121	148
Between One and Three Years	247	152
More than Three Years	201	71

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Foreign Currency Sensitivity

The sensitivity analysis arises on account of outstanding foreign currency denominated assets and liabilities, including derivative contracts. The Company considers a sensitivity of 1% (2023 - 1%) in applicable foreign currency rates, holding all other variables constant. In the event the exchange rate fluctuates by +1%, the profit before tax for the year ended 31st March, 2024 and pre-tax total equity as at 31st March, 2024 will be higher by ₹ 553 Lakhs (2023 - ₹ 501 Lakhs). If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on profit before tax and pre-tax total equity.

ii) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments in fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility. As majority of the other financial assets and liabilities of the Company are non-interest bearing, the Company's net exposure to interest risk is negligible.

iii) Other Price Risk

The Company invests its surplus funds primarily for short tenure in debt mutual funds. Aggregate value of investments in debt mutual funds, which are measured at fair value through profit or loss, as at 31st March, 2024 is ₹ 46,450 Lakhs (2023 - ₹ 35,664 Lakhs). Accordingly, given the relatively short tenure of these investments, these do not pose any significant price risk.

b) Liquidity Risk

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

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

(₹ in Lakhs)

As at 31st March, 2024 Contractual Cash flows*							
	Carrying value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year up to 3 years	Beyond 3 years	Total
Trade Payables	10,879	10,879	-	-	-	-	10,879
Lease Liability	15,578	652	652	1,296	4,620	14,682	21,902
Other Financial Liabilities	22,475	9,284	11,824	699	668	-	22,475
Payable towards acquisition of Business and Commercial Rights	40,011	5,155	2,374	5,737	18,341	14,824	46,431
Total	88,943	25,970	14,850	7,732	23,629	29,506	1,01,687
As at 31st March, 2023 Contractual Cash flows*							
	Carrying value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year up to 3 years	Beyond 3 years	Total
Trade Payables	13,704	13,704	-	-	-	-	13,704
Lease Liability	855	141	112	209	412	-	874
Other Financial Liabilities	17,482	788	14,826	137	1,731	-	17,482
Payable towards acquisition of Business and Commercial Rights	52,274	12,771	2,419	5,812	22,150	14,203	57,355
Total	84,315	27,404	17,357	6,158	24,293	14,203	89,415

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

c) Credit Risk

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

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

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

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

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

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	1,579	1,183
Effects of foreign exchange fluctuation	14	28
Add: Expected credit loss provisions made during the year	241	657
Less: Utilisation for Impairment / De-recognition	(494)	(289)
Closing Balance	1,340	1,579

For age wise break-up of receivables, refer to Note 6.

Investment in debt mutual funds are made only with approved mutual funds and credit risk in such funds are limited because the underlying investments are diversified and the Company's investment framework considers the credit quality of the underlying investments made by the fund house. There are limits for any exposure to financial institutions. Deployment in fixed deposits are with highly rated banks and are held at amortised cost. Thus, counter party risk attached to such assets is considered to be insignificant.

The carrying amount of financial assets, net of loss allowance recognised in accordance with Ind AS 109 - Financial Instruments and any amounts offset in accordance with Ind AS 32 - Financial Instruments (Presentation), that represents the Company's maximum exposure to credit risk as at 31st March, 2024 is ₹ 1,21,806 Lakhs (2023 - ₹ 1,26,753 Lakhs) represented by carrying amounts of Investments (except investments in subsidiaries), Trade Receivables, Unbilled Revenue, Loans, Other financial assets measured at amortised cost and Other financial assets measured at Fair Value.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

d) Fair Value Measurement

Fair value hierarchy

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

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

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

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

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

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

(₹ in Lakhs)

	Fair Value Hierarchy	Fair Value as at	
		31st March 2024	31st March 2023
Financial Assets			
Mandatorily Measured at Fair Value Through Profit and Loss (FVTPL)			
Investments in Mutual Funds	1	46,450	35,664
		46,450	35,664
Derivatives measured at fair value			
Foreign Currency Forward Contracts	2	29	115
		29	115
Total		46,479	35,779
Financial Liabilities			
Measured at amortized cost			
Other Financial Liabilities*	3	552	1,533
		552	1,533
Derivatives measured at fair value			
Foreign Currency Forward Contracts	2	119	44
Measurement at fair value through profit and loss (FVTPL)			
Payable towards acquisition of Business and Commercial Rights (Refer Note 36)	3	40,011	52,274
		40,130	52,318
Total		40,682	53,851

* Represents Fair value of Non-current Financial Instruments

33 Segment Reporting

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

(₹ in Lakhs)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Segment Revenue		
India	61,134	65,557
North America	76,264	69,260
Europe	1,03,375	89,348
Middle East and Africa	38,586	32,228
Rest of the World	7,445	6,824
Total	2,86,804	2,63,217

Revenues of ₹ 40,157 Lakhs are derived from a single external customer / group in the year ended 31st March, 2024. No single external customer / group individually accounted for more than 10% of the revenues in the year ended 31st March, 2023.

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Non-Current Assets*		
India	86,214	82,116
Europe	187	480
Middle East and Africa	5	13
Total	86,406	82,609

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

34 RELATED PARTY DISCLOSURES

(i) HOLDING COMPANY:

ITC Limited

(ii) ENTERPRISES WHERE CONTROL EXISTS:

Wholly Owned Subsidiaries:

ITC Infotech Limited (UK)

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

ITC Infotech Do Brasil LTDA

ITC Infotech Malaysia SDN. BHD.

ITC Infotech France SAS

ITC Infotech GmbH

ITC Infotech de México, S.A. de C.V. (w.e.f. 17th April, 2023)

ITC Infotech Arabia Limited (w.e.f 17th December, 2023)

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

Fellow Subsidiary Companies	Associates of the Holding Company	Subsidiaries of Ultimate Parent	Employee Trusts
Surya Nepal Private Limited	International Travel House Limited	Company of Tobacco Manufacturers	ITC Management Staff Gratuity Fund
Surya Nepal Ventures Private Limited	ATC Limited	(India) Limited (TMI) of which the	ITC Pension Fund
Technico Agri Sciences Limited		Holding Company is an Associate	ITC Gratuity Fund - C
North East Nutrients Private Limited			
Fortune Park Hotels Limited			
Russell Credit Limited			
ITC Indivision Limited			
ITC Integrated Business Services Limited			

(iv) KEY MANAGEMENT PERSONNEL

Non-Executive Directors

Mr. S. Puri - Chairman (DIN: 00280529)

Mr. S. Sivakumar - Vice Chairman (DIN: 00341392)

Ms. P. Balaji (DIN: 08900013)

Mr. S. Dutta (DIN: 01804345)

Mr. R. K. Singhi (DIN: 00009931)

Others (Members of Executive Management Committee)

Mr. S. Singh, Managing Director & CEO (DIN: 08345392)

Mr. R. Batra, Chief Financial Officer (up to 2nd November, 2023)

Mr. N. Khandelwal, Chief Financial Officer (appointed w.e.f. 3rd November, 2023)

Mr. K. Ray, Chief Human Resources Officer (up to 6th October, 2023)

Ms. M. Rajkumar, Chief Human Resources Officer (appointed w.e.f. 14th October, 2023)

Mr. M. Chakraborty, Chief Operating Officer (appointed w.e.f. 3rd May, 2023)

Company Secretary

Mr. S. Jain

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

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

Sl. No.		Description	Holding Company		Wholly Owned Subsidiaries										Fellow Subsidiaries		
			2024	2023	2024					2023					2024	2023	
					ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech Malaysia SDN. BHD	ITC Infotech de México, S.A. de C.V. (w.e.f. 17.04.2023)	ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA (w.e.f. 10.10.2022)			ITC Infotech France SAS (w.e.f. 08.02.2023)
1		Sale of Goods / Services	21,382	19,719	16,483	73,350	-	-	4,222	-	-	11,595	69,189	-	-	546	343
2		Purchase of Goods / Services	357	428	-	-	1,210	5,048	-	1,400	263	-	-	219	6	-	-
3		Sale of Property, Plant and Equipment	2,859	18	-	-	-	87	116	-	-	-	-	-	-	-	-
4		Cost incurred towards Property, Plant and Equipment	69	160	-	-	-	-	-	-	-	22	-	-	-	-	-
5		Issue of shares to Holding Company	-	44,800	-	-	-	-	-	-	-	-	-	-	-	-	-
6		Investment in Subsidiaries	-	-	-	-	-	-	-	1,473	1,770	-	-	422	2,662	2,481	-
7		Rent Paid	2,295	2,020	-	-	-	-	-	-	-	-	-	-	-	-	-
8		Reimbursement of Contractual Remuneration [includes remuneration to KMP ₹ 405 Lakhs (2023 : ₹ 261 Lakhs)]	1,551	1,066	-	-	-	-	-	-	-	-	-	-	-	-	-
9		Transfer of employee liabilities	-	-	-	-	-	2,338	2,644	-	-	-	-	-	-	-	-
10		Services rendered to PTC Inc. on behalf of the Company against settlement of consideration pursuant to Strategic Partner Agreement	-	-	-	1,762	-	-	-	-	-	-	-	-	-	-	-
11		Expenses Recovered	5	5	89	70	-	58	76	54	-	46	31	-	-	-	-
12		Expenses Reimbursed	432	374	170	-	-	-	-	-	-	73	164	-	-	-	-
13		Capital Contribution for Share Based Payments	-	52	-	-	-	-	-	-	-	-	-	-	-	-	-
14		Employee Share Based Payments	143	237	-	-	-	-	-	-	-	-	-	-	-	-	-
15		Interim Dividend	48,840	14,960	-	-	-	-	-	-	-	-	-	-	-	-	-
16		Dividend Income from Subsidiary	-	-	-	2,118	-	-	-	-	-	-	-	-	-	-	-

(₹ in Lakhs)

Sl. No.	Description	Associates of the Holding Company		Subsidiaries of Ultimate Parent Company of TMI of which the Holding Company is an Associate		Employee Trusts		Key Management Personnel	
		2024	2023	2024	2023	2024	2023	2024	2023
1	Sale of Goods / Services	57	146	40,157	21,844	-	-	-	-
2	Purchase of Goods / Services	2,491	1,846	-	-	-	-	-	-
3	Remuneration to Key Management Personnel (KMP)	-	-	-	-	-	-	-	-
(i) Directors		-	-	-	-	-	-	632	606
(ii) Others		-	-	-	-	-	-	392	194
4	Contribution to Employees' Benefit Plans	-	-	-	-	880	285	-	-

(vi) DISCLOSURE OF OUTSTANDING BALANCES

Description	Holding Company		Wholly Owned Subsidiaries										Fellow Subsidiaries																																																																																																																																																																																																																																																																																																
	2024	2023	2024					2023					ITC Infotech France SAS	ITC Infotech Malaysia SDN. BHD	ITC Infotech de México, S.A. de C.V.	ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	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ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	ITC Infotech (USA), Inc.	ITC Infotech Do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech (UK)	IT

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Description	Associates of the Holding Company		Subsidiaries of Ultimate Parent Company of TMI of which the Holding Company is an Associate		Employee Trusts	
	2024	2023	2024	2023	2024	2023
Balances as at 31st March,						
i) Trade Receivables	–	5	18,315	5,925	–	–
ii) Trade Payables	–	6	–	–	–	–
iii) Advances Given	–	–	–	–	954	576

(vii) INFORMATION REGARDING SIGNIFICANT TRANSACTIONS

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

(₹ in Lakhs)

Related Party Transactions	2024	2023
Purchase of Goods / Services		
International Travel House Limited	2,491	1,846
Contribution to Employees' Benefit Plans		
ITC Gratuity Fund	37	–
ITC Management Staff Gratuity Fund	843	285

Related Party Transactions	2024*	2023*
Remuneration to Key Management Personnel (KMP)		
Mr. S. Singh	632	606
Mr. R. Batra	214	216
Mr. N. Khandelwal	129	–
Mr. M. Chakraborty	239	–
Mr. K. Ray	69	194
Ms. M. Rajkumar	84	–
Mr. S. Jain	62	45

* Includes provision for incentives, as applicable, which gets finalised subsequently. Remuneration shown here is for the period of time the concerned people were Key Management Personnel, as per Point (iv) above.

(viii) INFORMATION REGARDING SIGNIFICANT BALANCES

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

(₹ in Lakhs)

Related Party Balances	2024	2023
Trade Payables		
International Travel House Limited	–	6
Advances Given		
ITC Pension Fund	954	576
Other Payables		
ITC Gratuity Fund C	163	36
ITC Management Staff Gratuity Fund	613	843

(ix) COMPENSATION OF KEY MANAGEMENT PERSONNEL*

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

(₹ in Lakhs)

	2024	2023
Employee Benefits	1,429	1,110

*Post employment benefits are actuarially determined on overall basis, hence not separately available and not included above. Further, value of employee share based payments is not included above, refer note 29 for details.

(x) SIGNIFICANT TERMS AND CONDITIONS OF OUTSTANDING BALANCES

All outstanding balances are unsecured and are repayable in cash.

35 Ratios

Particulars	Numerator	Denominator	31st March 2024	31st March 2023
Current Ratio	Current Assets	Current Liabilities	2.4	2.1
Debt-Equity Ratio ¹	Total Debt	Shareholder's Equity	0.1	0.0
Debt Service Coverage Ratio ²	Earnings available for Debt Service ³	Debt Service ²	30.9	55.2
Return on Equity	Net Profits after Taxes	Average Shareholder's Equity	27.8%	32.1%
Trade Receivables turnover ratio	Revenue	Average Trade Receivable	7.0	7.6
Trade Payables turnover ratio	Adjusted Other Expenses ⁴	Average Trade Payables	4.9	4.8
Net capital turnover ratio	Revenue	Working Capital	3.7	3.7
Net profit ratio	Net Profit	Revenue	13.3%	13.4%
Return on capital employed (ROCE)	Earning before Interest and Taxes	Average Capital Employed	37.8%	42.2%
Return on Investment(ROI) ⁵	Income generated from Investments	Average Investments	8.3%	5.9%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

¹ Increase in the debt equity ratio by over 25% is due to increase in lease liabilities.

² Debt service represents Lease Payments. The change in the debt service coverage ratio by over 25% is due to increase in lease payments.

³ Earnings available for Debt Service: Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

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

⁵ Investments represent Investment in Debt Mutual Funds. The change in the return on investment ratio by over 25% is due to higher return on Mutual Fund investments.

36 Business and Commercial Rights

In FY 22-23, the Company had entered into an agreement with PTC Inc., a global technology company headquartered in Boston, USA, to acquire a part of PTC's PLM implementation services business and create a new service line focused on the adoption of PTC's industry-leading Windchill PLM software as a service (SaaS).

The consideration against the above agreement is payable to PTC over a period of time by way of cash consideration and also involves contingent consideration which is subject to achievement of revenue and business targets. The contingent consideration is recognized as a level 3 input as they are dependent on achievement of revenue and business targets. The movement of the PTC liability is as below:

(₹ in Lakhs)

Particulars	31st March, 2024	31st March 2023
Opening Balance	52,274	–
Net Consideration payable to PTC Inc. on the date of acquisition (1st June 2022)	–	72,098
Initial consideration paid on 1st June 2022 [Refer Statement of Cash Flows]	–	(25,219)
Referral Fees [Refer Statement of Cash Flows]	(10,149)	–
Settlement of consideration by offset of trade receivables [Refer Statement of Cash Flows]	(2,900)	(164)
Changes in fair value recognised in Other Expenses [Refer Note 20]	508	5,063
Change in fair value transferred to Hedge Reserve [Refer Note 32]	278	496
Closing Balance*	40,011	52,274

*Out of the total closing balance of ₹ 40,011 lakhs (2023 - ₹ 52,274 lakhs), ₹ 28,154 lakhs (2023 - ₹ 21,327 lakhs) is non-current liability and ₹ 11,857 lakhs (2023 - ₹ 30,947 lakhs) is current liability.

37 Subsequent Events

On 18th April, 2024, the Company has entered into a Share Purchase Agreement for the acquisition of 100% shares of Blazeclan Technologies Private Limited for total consideration up to INR 48,500 Lakhs including contingent consideration which is subject to achievement of prescribed targets.

Blazeclan is an AWS Premier Partner, Snowflake Elite Partner and a leader in providing Cloud transformation solutions to customers globally. Blazeclan has strong expertise in Cloud Migration, Digital Services, Digital Cloud Consulting and Data Analytics & Insights.

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

38 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 6th May, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

39 Comparatives

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Form AOC-1 (PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (ACCOUNTS) RULES, 2014) STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES										(₹ in Lakhs)
PART A: SUBSIDIARIES										
1	SI. No.	1	2	3	4	5	6	7	8	
2	Name of the Subsidiary*	ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	Indivate Inc. (Note 2)	ITC Infotech do Brasil LTDA	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech Malaysia SDN. BHD.	ITC Infotech de Mexico, S.A. de C.V. (Note 2)	
3	The date since when subsidiary was acquired	19th June, 2001	24th May, 2001	18th November, 2016	10th October, 2022	8th February, 2023	10th March, 2023	3rd February, 2023	17th April, 2023	
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
5	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Reporting currency - GBP	Reporting currency - USD	Reporting currency - USD	Reporting currency - BRL	Reporting currency - EUR	Reporting currency - EUR	Reporting currency - MYR	Reporting currency - MXN	
6	Share Capital	Exchange rate GBP 1 = ₹ 105.0325	Exchange rate USD 1 = ₹ 83.4050	Exchange rate USD 1 = ₹ 83.4050	Exchange rate BRL 1 = ₹ 16.7044	Exchange rate EUR 1 = ₹ 89.8775	Exchange rate EUR 1 = ₹ 89.8775	Exchange rate MYR 1 = ₹ 17.6225	Exchange rate MXN 1 = ₹ 5.0324	
7	Reserves and Surplus	720	15,180	83	434	2,696	2,562	1,410	1,837	
8	Total Assets	10,103	10,122	3,725	120	353	2,520	65	38	
9	Total Liabilities	17,171	40,031	5,609	734	7,341	10,978	2,040	1,934	
10	Investments (excluding Investments in subsidiaries)	17,171	40,031	5,609	734	7,341	10,978	2,040	1,934	
11	Turnover (Note 1)	-	-	-	-	-	-	-	-	
12	Profit before Taxation	36,097	1,21,091	11,389	1,270	5,464	12,825	1,400	305	
13	Provision for Taxation	1,758	4,347	3,032	146	520	796	92	28	
14	Profit after Taxation	191	1,797	-	46	130	(1,724)	27	(10)	
15	Proposed Dividend (Paid during the year)	1,567	2,550	3,032	101	390	2,520	65	38	
16	Extent of Shareholding (%)	-	2,125	-	-	-	-	-	-	
		100%	100%	100%	100%	100%	100%	100%	100%	

While a new subsidiary of the Company has been incorporated in Saudi Arabia in the name of ITC Infotech Arabia Limited on 17th December 2023, there have been no transactions in the subsidiary during the year.

Note 1: Turnover includes other income and other operating revenue

Note 2: Shareholding in Indivate Inc. & ITC Infotech de México, S.A. de C.V. includes shares held by ITC Infotech (USA), Inc.

PART B: ASSOCIATES AND JOINT VENTURES - NOT APPLICABLE

On behalf of the Board

S. Singh
Managing Director
Bengaluru

S. Sivakumar
Vice Chairman
Hyderabad

N. Khandelwal
Chief Financial Officer
Bengaluru

S. Jain
Company Secretary
Bengaluru

Date : 06th May, 2024

Strategic Report

The Directors present their Strategic Report for the year ended 31st March 2024.

Key Performance Indicators

	£ (million)	
Year Ended March 31,	2024	2023
Total Revenue	34.11	30.30
Cost of Sales	26.45	23.83
Gross Profit	7.66	6.47
Profit before Tax	1.67	1.64
Profit after Tax	1.49	1.45

Business review

In 2023-24 the Company achieved a revenue of GBP 34.11 million with net profit at GBP 1.49 million. Revenue growth in the current year was driven by our expanded global presence and capability-led partnerships across key accounts, in the backdrop of vendor consolidation and cautious discretionary spending in our clients' IT landscape. The Company further continued to invest in sharpening delivery excellence and building focused capabilities, towards securing long-term growth and differentiation. The Company's portfolio of client and industry-focused capabilities include Data & Analytics, Direct to Consumer (D2C), Open Hospitality (Hotels-in-a-Box), PLM-led Digital Thread Solutions, Digital Manufacturing, SAP S/4HANA and Cloud amongst others. The Company witnessed a strong performance across verticals, particularly in Hospitality, Consumer & Packaged Goods and Manufacturing. The Company also saw good demand for its Data & Analytics, SAP, Infrastructure Services, D2C, PLM-led Digital Thread, Digital Manufacturing and Hospitality capabilities. Majority of the customers of the Company are based in UK, please refer to Note 14.

Section 172(1) statement

During the year ended 31 March 2024, the directors have complied with their duties with regard to the matters set out in section 172(1) (a)-(f) of the Companies Act 2006. The directors believe that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. Further information is set out in this Strategic Report and the Directors' Report.

Customers

Customer centricity is one of the strategic pillars of the Company. Towards fulfilling our vision of providing business-friendly solutions to our clients, the Company has remained focused on strengthening key customer relationships across all industry verticals. The Company's strategic and trusted partnerships with key customers across its portfolio, its expanded nearshore capabilities, its high standard of delivery excellence and its investments in building focused capabilities enable it to drive opportunities for long-term, sustainable, and profitable growth.

Directors' Report

Your Directors present their Report together with the Audited Financial Statements for the year ended 31st March 2024.

The Company is a wholly owned subsidiary of ITC Infotech India Limited, incorporated in India. The Company has foreign branches in Singapore and Czech Republic. Details of the future outlook for the Company can be found in the Strategic Report which forms part of this report.

Principal activities

The Company is engaged in providing information technology services to enterprise clients.

Financial risk management objectives and policies

The objective of financial risk management is to protect the value of the Company's financial assets against possible erosion due to adverse materialisation of risks related to credit, liquidity, and foreign currency exposures.

The existence of financial assets exposes the Company to a number of financial risks. The main risks are market risk due to currency risk, credit risk and liquidity risk.

a) Market risk - currency risk

The Company is exposed to translation and transaction foreign exchange risks. While the Company makes payments, mostly in GBP, to its major supplier(s), 19% (2023: 26%) of its sales in the year under review were in US dollars and 27% (2023: 24%) in Euro. The Company has bank accounts in multiple currencies. The Company reviews its foreign exchange management processes on a regular basis and ensures that fund flow position is maintained in a manner to minimize the impact of foreign exchange fluctuations.

b) Credit risk

The Company's principal financial assets are cash and trade debtors. The Company has robust processes to assess customer credit worthiness and consequently there are no significant risks on this count.

Employees

The Company's employee-centric and high-performance culture enables it to attract, train and retain high-quality talent. The Company's differentiated employee value proposition is built on the core tenets of a compelling purpose & culture, holistic well-being, and global career opportunities. To strengthen its culture of continuous learning and to support long-term growth aspirations, the Company continued to invest in building employee competencies through domain and technology-led training and career development programs.

Future Outlook

Cost optimization, vendor consolidation, digital transformation and the need for integrated service delivery will drive the strategic priorities of clients. The Company is committed to investing in mining and growing key client relationships towards becoming their trusted partners in driving their growth and transformation agendas.

The Company will further sharpen its alliance ecosystem with future ready Software Vendors in identified capability areas in Digital, Data & Analytics, Cloud and Infrastructure Services amongst others. The Company will sustain its investments in hiring and training the right talent with a focus on strengthening its employee-centric and high-performance culture, driven by continuous learning.

Principal Risks and Uncertainties

The cautious economic outlook is expected to weigh on client sentiment and IT spending leading to sustained focus on cost-optimization and vendor consolidation. Clients are increasingly looking for trusted partners who are jointly invested in shaping and driving their growth and transformation agenda. The Company's investments in increasing its nearshore capabilities through its expanded global presence and local hiring, its investments in strengthening its Sales teams (hiring & sales enablement training) and its investments in building focused capabilities and strengthening learning & development for its employees will enable us to stay relevant to the evolving business priorities of our clients. The Company is also focused on increasing its client relevance through differentiated and integrated offerings across its portfolio of services. In addition, the volatility around British Pound, USD and Euro are also key risks for the Company. The Company reviews its foreign exchange management processes on a regular basis and ensures that fund flow position is maintained in a manner to minimize the impact of foreign exchange fluctuations. The Company will focus on the stated strategy to grow the business in identified markets in the European region, which presents a significant growth opportunity. Attracting, training, and retaining high-quality talent, particularly in niche and future-focused technologies remains a top priority to succeed in the global technology landscape.

Approved by the Board on 6th May 2024 and signed on behalf of the Board by

S. Singh
Director

S. Sivakumar
Vice Chairman

ITC Infotech Limited
1st Floor,
101 Great Portland Street,
London, W1W 6QE,
United Kingdom

c) Liquidity risk

The Company seeks to manage financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Dividend

No dividends were declared and paid to the shareholder during the year ended 31 March 2024 (2023: NIL) and no dividends have been proposed after the balance sheet date for the said year.

Directors

The Directors in office at the end of the year are listed below. The Directors did not have any interest in the shares of the Company during the year and to the date of signing this report as indicated below:

	Ordinary Shares
S. Puri	-
S. Sivakumar	-
S. Dutta	-
R. K. Singhi	-
S. Singh	-

Mr. S. Sivakumar, Vice Chairman & Director, and Mr. S. Dutta, Director, will retire by rotation at the next Annual General Meeting and, being eligible, offer themselves for re-election.

Equal Opportunities for Employees

The Company believes that people are our most valuable asset and will give our business a distinct competitive advantage. Our people strategies are designed to enable our employees to enhance their professional skills and actualise their potential. The Company is committed to building a work culture that will enable people to derive the maximum professional satisfaction and help them harness their potential in achieving individual and organisational goals.

The Company strives to give full and fair consideration to applications for employment made by differently abled persons, having regard to their

particular aptitudes and abilities, and extends full support during their employment by providing, inter alia, appropriate training and opportunities for career development.

The Company is an equal opportunity employer and all positions within the Company are open to all regardless of sex, race, religion, colour or marital status. This also covers opportunities for promotion within ITC Infotech. The Company continues to be guided by its values of Customer focus, Respect for People, Excellence, Abounding Innovation, Trusteeship and Ethical Corporate Citizenship.

Business Relationships

As stated in the Strategic Report, the Company is focused on achieving growth through well defined offerings aligned to the theme of delivering Business Friendly Solutions to select industry verticals. Strengthening alliances with a select set of Software Vendors will continue to be an important focus area of the Company, while forming and nurturing new partnerships with emerging, future ready Software Vendors.

Going Concern Assessment

The Company has considered internal and external sources of information up to the date of approval of these financial statements, including credit reports and related information, economic forecasts etc. The Company has also performed sensitivity analysis on the assumptions used, and based on current estimates, does not expect any material impact on such carrying values for a period of 12 months from the date of signing the financial statements.

For its day-to-day working capital requirements, the Company uses its cash reserves, when required. In this context, the key factors considered in assessing the going concern status of the Company are:

1. The transfer pricing arrangements with its parent company, whereby the Company will earn a minimum return on relevant costs.
2. The results of the forecasts and projections prepared by the Company for its business plan for 12 months from the date of signing of the financial statements which, taking into account reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves.
3. The Company's FY 2023-24 collections from customers have remained robust which is evident in increase in collection from £29.29 million in FY 2022-23 to £30.6 million in FY 2023-24.

Based on the above, the Directors are confident that the business plan projections support their reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Confirmation

Each of the directors, whose names are listed in Directors' Report confirm that, to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with IFRSs as adopted by the U.K., give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Disclosure of Information to Auditor

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approved by the Board on 6th May, 2024 and signed on behalf of the Board by

S. Singh
Director

S. Sivakumar
Vice Chairman

ITC Infotech Limited
1st Floor,
101 Great Portland Street,
London, W1W 6QE,
United Kingdom

Independent auditors' report to the members of ITC Infotech Limited**Report on the audit of the financial statements****Opinion**

In our opinion the financial statements of ITC Infotech Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 ISAs (UK) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Anti-bribery Act, GDPR, health and safety rules and employment law.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

The existence assertion of unbilled revenue and the associated occurrence and cut-off assertions of revenue, both specifically relating to Time and Material contracts, have been pinpointed as the potential risks of fraud. This requires manual input and some extent of judgement, hence, may be subject to fraud. Our audit procedures included the test of unbilled revenue against timesheet data and the underlying contracts, which provided us reasonable assurance over the existence of unbilled revenue and the related occurrence and cut-off assertion of revenue.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To

the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Wademan FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor Newcastle, U.K.

16th May 2024 | 12:19:14 BST

Income Statement

Year ended March 31,

		2024	2024	2023	2023
		£	₹	£	₹
			Unaudited		Unaudited
Revenue					
- Sale of Services		33,846,293	3,554,960,750	30,022,946	3,051,757,398
-Resale of Software/Hardware		261,702	27,487,233	278,744	28,333,623
Total Revenue	14	34,107,995	3,582,447,983	30,301,690	3,080,091,021
Cost of sales	15	(26,446,139)	(2,777,704,055)	(23,828,098)	(2,422,066,576)
Gross profit		7,661,856	804,743,928	6,473,592	658,024,445
Other Operating Income	17	299,139	31,419,262	–	–
Selling, general and administrative expenses	15	(6,247,331)	(656,172,777)	(4,910,219)	(499,111,487)
Operating Profit		1,713,664	179,990,413	1,563,373	158,912,958
Foreign exchange (loss)/gain		(123,670)	(12,989,316)	40,419	4,108,514
Finance and other income	18	84,128	8,836,162	34,216	3,477,953
Profit before income tax		1,674,122	175,837,259	1,638,008	166,499,425
Income tax expense	12	(182,294)	(19,146,828)	(187,134)	(19,021,711)
Profit for the year		1,491,828	156,690,431	1,450,874	147,477,714

All the above results relate to continuing activities.

There are no recognised gains or losses in the current and prior year other than as included in the income statement. Accordingly, no statement of comprehensive income is presented.

The accompanying notes on pages 47 to 57 form an integral part of these financial statements.

Statement of Financial Position

Company Reg No - 02777705

	Note	As at 31 March 2024 £	As at 31 March 2024 ₹ Unaudited	As at 31 March 2023 £	As at 31 March 2023 ₹ Unaudited
Assets					
Property, plant and equipment	4	45,059	4,732,578	167,254	17,000,886
Other non-current assets	7	42,940	4,510,096	2,500	254,119
Deferred tax asset	12	9,881	1,037,826	–	–
Non-current - Contract asset (capitalized cost)	20	–	–	606,449	61,644,043
Right-of-Use Asset	19	323,445	33,972,246	58,946	5,991,739
Total non-current assets		421,325	44,252,746	835,149	84,890,787
Current tax asset		42,078	4,419,557	58,649	5,961,524
Trade receivables	5	8,503,092	893,101,007	4,916,218	499,721,267
Contract assets-Unbilled revenue	5	3,537,800	371,583,978	3,615,969	367,554,209
Other current assets	7	128,985	13,547,617	207,798	21,122,249
Cash and cash equivalents	6	3,714,848	390,179,773	2,721,793	276,663,454
Total current assets		15,926,803	1,672,831,932	11,520,427	1,171,022,703
Total assets		16,348,128	1,717,084,678	12,355,576	1,255,913,490
Equity					
Share capital	13	685,815	72,032,864	685,815	69,711,380
Retained earnings		9,618,951	1,010,302,306	8,127,123	826,101,648
Equity attributable to owners of the company		10,304,766	1,082,335,170	8,812,938	895,813,028
Total equity		10,304,766	1,082,335,170	8,812,938	895,813,028
Non-current - Lease liability	19	137,290	14,419,920	–	–
Non-current - Other liabilities	9	139,835	14,687,220	115,782	11,768,951
Deferred income tax liability	12	–	–	38,521	3,915,564
Total Non-current liabilities		277,125	29,107,140	154,303	15,684,515
Trade payables and accrued expenses	8	2,246,507	235,956,329	730,780	74,282,173
Unearned revenue	10	499,989	52,515,095	78,004	7,928,793
Current - Lease liability	19	190,799	20,040,047	65,683	6,676,584
Current - Contract liability	20	–	–	909,674	92,466,088
Other current liabilities	9	2,828,942	297,130,897	1,604,194	163,062,309
Total current liabilities		5,766,237	605,642,368	3,388,335	344,415,947
Total liabilities		6,043,362	634,749,508	3,542,638	360,100,462
Total equity and liabilities		16,348,128	1,717,084,678	12,355,576	1,255,913,490

These financial statements on pages 44 to 57 were approved by the directors on 6th May, 2024 and are signed on their behalf by:

Anindya Roy
President

Karan Shukla
Financial Controller

S. Singh
Director

S. Sivakumar
Vice Chairman

The accompanying notes on pages 47 to 57 form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31st March, 2024

Note	No. of Shares	Share Capital		Retained Earnings		Total equity	
		£	₹ Unaudited	£	₹ Unaudited	£	₹ Unaudited
Balance as at April 1, 2022	685,815	685,815	69,711,380	6,676,249	678,623,934	7,362,064	748,335,314
Profit for the year	-	-	-	1,450,874	147,477,714	1,450,874	147,477,714
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,450,874	147,477,714	1,450,874	147,477,714
Transactions with owners in their capacity as owners:							
Cash dividend paid	-	-	-	-	-	-	-
Balance as at March 31, 2023	685,815	685,815	69,711,380	8,127,123	826,101,648	8,812,938	895,813,028
Balance as at April 1, 2023	685,815	685,815	72,032,864	8,127,123	853,611,875	8,812,938	925,644,739
Profit for the year	-	-	-	1,491,828	156,690,431	1,491,828	156,690,431
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,491,828	156,690,431	1,491,828	156,690,431
Transactions with owners in their capacity as owners:							
Cash dividend paid	-	-	-	-	-	-	-
Balance as at March 31, 2024	685,815	685,815	72,032,864	9,618,951	1,010,302,306	10,304,766	1,082,335,170

For simplicity, the unaudited brought forward Rupee amounts as at 1st April have been translated using the exchange rate as at the 31st March of the respective financial year. The accompanying notes on pages 47 to 57 form an integral part of these financial statements.

Statement of Cash Flows

Note	2024		Year ended March 31,	
	£	₹ Unaudited	2023	₹ Unaudited
Cash flows from operating activities				
Profit for the year	1,491,828	156,690,431	1,450,874	147,477,714
Adjustment for:				
Depreciation	4 50,060	5,258,007	59,018	5,999,050
Loss on disposal of asset	4 95,620	10,043,138	23	2,256
ROU Depreciation	18 123,742	12,996,885	78,595	7,989,030
Interest on Lease Liability	18 8,390	881,223	2,222	225,907
Interest income	18 (84,128)	(8,836,162)	(34,216)	(3,477,953)
Income tax expense	12 182,294	19,146,828	187,134	19,021,711
<i>Changes in operating assets and liabilities</i>				
Trade receivables	5 (3,586,874)	(376,738,320)	254,795	25,899,225
Contract Assets-Unbilled revenues	5 78,169	8,210,239	(1,268,842)	(128,974,664)
Contract Asset (capitalized cost)	20 606,449	63,696,872	523,154	53,177,284
Contract Liability	20 (909,674)	(95,545,363)	53,020	5,389,399
Other assets	7 38,373	4,030,424	(104,456)	(10,617,640)
Trade payables and accrued expenses	8 1,515,727	159,200,610	(3,254,820)	(330,844,329)
Unearned revenues	10 421,985	44,322,156	(1)	(64)
Other liabilities	9 1,248,801	131,164,695	710,329	72,203,075
Net cash provided by operating activities before taxes	1,280,762	134,521,663	(1,343,171)	(136,529,999)
Income tax paid (net)	(214,125)	(22,490,101)	(256,312)	(26,053,524)
Net cash (utilised by)/generated in operating activities	1,066,637	112,031,562	(1,599,483)	(162,583,523)
Cash flows from investing activities				
Purchase of Property, Plant and Equipment	4 (23,485)	(2,466,688)	(38,879)	(3,951,932)
Sale of Property, Plant and Equipment	4 -	-	21,611	2,203,318
Interest received	18 84,128	8,836,162	34,216	3,477,953
Net cash used in investing activities	60,643	6,369,474	16,948	1,729,339
Cash flows from financing activities				
Lease Liability Payment	19 (134,225)	(14,097,987)	(87,274)	(8,877,726)
Net cash used in financing activities	(134,225)	(14,097,987)	(87,274)	(8,877,726)
Net (decrease)/increase in cash and cash equivalents	993,055	104,303,049	(1,669,809)	(169,731,910)
Cash and cash equivalents at beginning of the year	6 2,721,793	285,876,723	4,391,602	446,395,364
Cash and cash equivalents at end of the year	6 3,714,848	390,179,772	2,721,793	276,663,454

For simplicity, the unaudited brought forward Rupee amounts as at 1st April have been translated using the exchange rate as at the 31st March of the respective financial year.

The accompanying notes on pages 47 to 57 form an integral part of these financial statements.

Notes to the financial statements

Supplementary information - Indian Rupee amounts

The financial statements of ITC Infotech Limited are prepared in accordance with International Financial Reporting Standards and are presented in GBP. The supplementary information (comprising the pro-forma financial information disclosed in Indian Rupees) requested by the parent company has been arrived at by applying the year end interbank exchange rate of £1 = ₹105.03 (2023: £1 = ₹101.65) as provided by the parent company. The supplementary information has not been audited.

1. Company overview

The Company is engaged in providing information technology services to enterprise clients.

The Company is a private company limited by shares incorporated and registered in England and Wales and has its registered office at 1st Floor, 101 Great Portland Street, London, W1W6QE, United Kingdom.

2. Basis of preparation of financial statements

(a) Statement of compliance

These financial statements as at and for the year ended March 31, 2024, have been prepared in accordance with The Companies Act 2006 as applicable to companies using International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee (IFRS IC).

(b) Basis of measurement

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable IFRS. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

(c) Going Concern Assessment

The Company has considered internal and external sources of information up to the date of approval of these financial statements, including credit reports and related information, economic forecasts etc. The Company has also performed sensitivity analysis on the assumptions used, and based on current estimates, does not expect any material impact on such carrying values for a period of 12 months from the date of signing the financial statements.

For its day-to-day working capital requirements, the Company uses its cash reserves, when required. In this context, the key factors considered in assessing the going concern status of the Company are:

1. The transfer pricing arrangements with its parent company, whereby the Company will earn a minimum return on relevant costs.
2. The results of the forecasts and projections prepared by the Company for its business plan for 12 months from the date of signing of the financial statements which, taking into account reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves.
3. The Company's FY 2023-24 collections from customers has remained robust which is evident in increase in collection from £29.29 million in FY 2022-23 to £30.6 million in FY 2023-24.

Based on the above, the Directors are confident that the business plan projections support their reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

(d) Functional and presentation currency

The financial statements are presented in British pound, which is the functional currency of the company which is the currency of the primary economic environment in which the entity operates.

(e) Use of estimates

There are no judgments other than the estimates involving judgments as stated below. The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Revenue recognition:* The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognised revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the year in which the loss becomes probable. Due to the nature of the contracts under unbilled revenue, it is not feasible to prepare a sensitivity analysis. Contract assets-unbilled revenues represent amounts recognised based on services performed in advance of billing in accordance with contract terms. The Company recognises contract assets-unbilled revenues based on underlying contractual documents for services rendered, further evidenced by timesheet approval where applicable. The carrying value has been disclosed in Note 5.

3. Material accounting policies

Financial instruments

Non-derivative financial instruments of the Company comprise of trade and other receivables and trade and other liabilities.

There are no derivative financial instruments.

The classification of financial instruments depends on the purpose for which those were acquired. Management determines the classification of its financial instruments at initial recognition.

(i) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Trade and other receivables are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Credit is extended to customers after evaluating them against key parameters such as financial position, credit ratings, market intelligence, past experience etc., as may be appropriate. Trade receivables are monitored regularly. Concentration of credit risk, with respect to trade receivables, is limited, due to the Company's customer base being large and internationally dispersed. Some of the Company's key Customers have been transacting for many years and the incidence of bad debts is negligible. The Company recognises provision for expected credit loss on an individual customer basis, based on risk assessment, which are conducted regularly and considers all aspects with respect to debts such as invoice ageing, credit information, etc. The Company writes off a financial asset when there is no probability of recovery of the debt, any recoveries made post write off are recognised in the profit & loss account.

Notes to the financial statements (Contd.)

In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default (i.e., no longer recoverable) in future. Refer to note 5 for values of Trade Receivables and provisions.

Trade and other receivables are represented by trade receivables, contract assets-unbilled revenue, employee loans and other advances.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which are unrestricted for withdrawal and usage.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system.

(iii) Trade and other payables

Trade and other payables are presented as current liabilities, except for those maturing later than 12 months after the reporting date which are presented as non-current liabilities. Trade and other payables are initially recognised at fair value, and subsequently carried at amortized cost using the effective interest method.

(iv) Contract assets and liabilities

The incremental costs of obtaining a contract are recognized as an asset and amortized to revenues in accordance with IFRS 15. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

Revenue

The Company is engaged in providing information technology services to enterprise clients. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable.

Revenue is recognised upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services ("transaction price"). The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group allocates the transaction price to each distinct performance obligation based on expected cost-plus margin. Revenue excludes amounts collected on behalf of third parties, such as value added tax.

- Revenue is recognised from services performed on a "time and material" basis, as and when the services are performed.
- Revenue from Fixed price support services is recognised on a straight-line basis when services are performed through a series of repetitive acts over a specified period.
- Revenue is recognised from services performed on "time bound fixed-price engagements" based on efforts expended using the percentage of completion method of accounting, if work completed can be reasonably estimated. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated.
- Revenue from sales of third-party vendor software / hardware is recognised from trading in software packages / licenses / hardware upon delivery to customer.

The billing schedules agreed with customers include periodic performance-based billing and/or milestone-based progress billings.

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

Property, plant and equipment

All fixed assets are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. Deposits and advances paid towards the acquisition of fixed assets outstanding as of each reporting date and the cost of fixed assets not available for use before such date are disclosed under capital work- in-progress.

Depreciation

The Company depreciates fixed assets over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life or the related lease term.

The estimated useful lives of assets for the current and comparative period of significant items of fixed assets are as follows:

Category	Useful life
Leasehold improvements	10 years
Fixtures & fittings	10 years
Computer equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of income except to the extent it relates to items directly recognised in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period.

b) Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account except those gains and losses arising from the retranslation of the opening retained earnings in overseas branches are adjusted against the reserves.

Notes to the financial statements (Contd.)

Employee Benefits

The employer and employees each make periodic contributions to the pension fund equal to a specified percentage of the covered employee's salary. It is a defined contribution plan. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service.

Leases**As a Lessee**

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

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

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

The amount of ROU Asset and Lease Liabilities recognised in the Balance Sheet are disclosed in Note 19.

As a Lessor

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

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Title	Subject	Effective date per IASB
Newly mandatorily effective in the current period		
IFRS 17	Insurance Contracts	1 Jan 2023
Amendments to IFRS 17	IFRS 17	1 Jan 2023
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	1 Jan 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	1 Jan 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023
Amendments to IAS 8	Definition of accounting estimates	1 Jan 2023
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 —Comparative Information	1 Jan 2023
Amendment to IAS 12	International Tax Reform — Pillar Two Model Rules	1 Jan 2023

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and, in some cases, had not yet been adopted by the IASB.

The directors do not expect that the adoption of the Standards listed above will have a material impact on these financial statements in future periods, except if indicated below.

Title	Subject	Effective date per IASB
Not yet mandatorily effective		
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback	1 Jan 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 Jan 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 Jan 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 Jan 2024
IFRS S2 — Climate-related Disclosures	IFRS S2 — Climate-related Disclosures	1 Jan 2024
Amendments to IAS 1	Classification of liabilities as current or non-current	1 Jan 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 Jan 2024
	— Deferral of Effective Date	
Amendments to IAS 21	Lack of exchangeability	1 Jan 2025
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed

Notes to the financial statements (Contd.)

4. Property, plant, and equipment

	Leasehold improvements		Computer equipment		Fixtures & fittings		Total	
	£	₹	£	₹	£	₹	£	₹
	Unaudited		Unaudited		Unaudited		Unaudited	
Gross carrying value:								
As at 1 April 2022	147,829	15,026,448	200,301	20,360,096	57,060	5,800,006	405,190	41,186,550
Additions	–	–	38,879	3,951,932	–	–	38,879	3,951,932
Disposal	–	–	(49,145)	(4,995,492)	–	–	(49,145)	(4,995,492)
As at March 31, 2023	147,829	15,026,448	190,035	19,316,536	57,060	5,800,006	394,924	40,142,990
Accumulated depreciation:								
As at 1 April 2022	45,500	4,624,961	113,571	11,544,208	37,093	3,770,411	196,164	19,939,580
Depreciation	14,791	1,503,468	41,349	4,203,012	2,878	292,570	59,018	5,999,050
Disposal	–	–	(27,512)	(2,796,526)	–	–	(27,512)	(2,796,526)
As at March 31, 2023	60,291	6,128,429	127,408	12,950,694	39,971	4,062,981	227,670	23,142,104
Net carrying value as at March 31, 2023	87,538	8,898,019	62,627	6,365,842	17,089	1,737,025	167,254	17,000,886
Gross carrying value:								
As at 1 April 2023	147,829	15,526,849	190,035	19,959,851	57,060	5,993,154	394,924	41,479,854
Additions	–	–	23,485	2,466,688	–	–	23,485	2,466,688
Disposal	(147,829)	(15,526,849)	(70,416)	(7,395,969)	(57,355)	(6,024,139)	(275,600)	(28,946,957)
As at March 31, 2024	–	–	143,104	15,030,570	(295)	(30,985)	142,809	14,999,585
Accumulated depreciation:								
As at 1 April 2023	60,291	6,332,514	127,408	13,381,981	39,971	4,198,254	227,670	23,912,749
Depreciation	9,884	1,038,141	38,259	4,018,519	1,917	201,347	50,060	5,258,007
Disposal	(70,175)	(7,370,655)	(67,622)	(7,102,508)	(42,183)	(4,430,586)	(179,980)	(18,903,749)
As at March 31, 2024	–	–	98,045	10,297,992	(295)	(30,985)	97,750	10,267,007
Net carrying value as at March 31, 2024	–	–	45,059	4,732,578	–	–	45,059	4,732,578

For simplicity, the unaudited brought forward Rupee amounts as at 1st April have been translated using the exchange rate as at the 31st March of the respective financial year.

5. Trade receivables

	As at 31 March 2024 £	As at 31 March 2024 ₹ Unaudited	As at 31 March 2023 £	As at 31 March 2023 ₹ Unaudited	As at 31 March 2022 £	As at 31 March 2022 ₹ Unaudited
Trade Receivables	8,503,092	893,101,007	4,916,218	499,721,267	5,171,013	514,283,098
Contract Assets-Unbilled Revenue						
- Time & Material	3,017,024	316,885,573	3,227,512	328,068,496	2,041,209	203,008,417
- Fixed Price contracts based on % Completion	520,776	54,698,405	388,457	39,485,713	305,918	30,425,099
Total	12,040,892	1,264,684,985	8,532,187	867,275,476	7,518,140	747,716,614

An expected credit loss provision of £165,359 (2023: £159,359) against Trade Receivables is included in the figures above. Contract assets-unbilled revenue receivables represent amounts recognised based on services performed in advance of billing in accordance with contract terms, (refer to note 2(e)(i) for further details):

- a) in a Time & Material Contract – Right to consideration from customer that is unconditional upon passage of time
b) in a Milestone Contract – Contractual right to consideration is dependent on completion of contractual milestones.

For receivables from group companies, please refer to Note 21.

6. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at 31 March 2024 £	As at 31 March 2024 ₹ Unaudited	As at 31 March 2023 £	As at 31 March 2023 ₹ Unaudited
Cash at bank	3,714,848	390,179,773	2,721,793	276,663,454
Cash and cash equivalents on statement of financial position	3,714,848	390,179,773	2,721,793	276,663,454
Cash and cash equivalents in the cash flow statement	3,714,848	390,179,773	2,721,793	276,663,454

7. Other Assets

	As at 31 March 2024 £	As at 31 March 2024 ₹ Unaudited	As at 31 March 2023 £	As at 31 March 2023 ₹ Unaudited
Non-current				
Security deposits	42,940	4,510,096	100	10,165
Loans and Advances to employees	–	–	2,400	243,954
	42,940	4,510,096	2,500	254,119
Current				
Prepaid Expenses	62,106	6,523,148	47,964	4,875,481
Loans and Advances to Employees	65,403	6,869,441	69,030	7,016,768
Others	1,476	155,028	90,804	9,230,000
	128,985	13,547,617	207,798	21,122,249
Total	171,925	18,057,713	210,298	21,376,368

Notes to the financial statements (Contd.)

8. Trade payables and accrued expenses

Trade payables and accrued expenses consist of the following:

	As at 31 March 2024 £	As at 31 March 2024 ₹ Unaudited	As at 31 March 2023 £	As at 31 March 2023 ₹ Unaudited
Trade payables	1,163,321	122,186,513	(119,496)	(12,146,063)
Accrued expenses	1,083,186	113,769,817	850,276	86,428,236
Total	2,246,507	235,956,329	730,780	74,282,173

For payables to group companies, please refer to Note 21.

9. Other liabilities

	As at 31 March 2024 £	As at 31 March 2024 ₹ Unaudited	As at 31 March 2023 £	As at 31 March 2023 ₹ Unaudited
Non-current				
Employee and other liabilities	139,835	14,687,220	115,782	11,768,951
	139,835	14,687,220	115,782	11,768,951
Current				
Employee and other liabilities	1,424,474	149,616,112	1,209,577	122,950,478
Statutory dues payable	1,404,468	147,514,785	394,617	40,111,831
	2,828,942	297,130,897	1,604,194	163,062,309
Total	2,968,777	311,818,116	1,719,976	174,831,260

10. Unearned Revenue

	As at 31 March 2024 £	As at 31 March 2024 ₹ Unaudited	As at 31 March 2023 £	As at 31 March 2023 ₹ Unaudited	As at 31 March 2022 £	As at 31 March 2022 ₹ Unaudited
Amounts received in advance of delivery for service	499,989	52,515,095	78,004	7,928,793	78,005	7,757,960
Total	499,989	52,515,095	78,004	7,928,793	78,005	7,757,960

Revenue of 2023-24 includes an amount of £ 7,885 (2023: £ 78,005) recognised as 'Unearned Revenue' in financial year 2022-23. There were no significant changes in unearned revenue balances during the year.

11. Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2024 are as follows:

	Trade and Other receivables		Financial liabilities measured at amortized cost		Total carrying amount		Fair value	
	£	₹	£	₹	£	₹	£	₹
	Unaudited		Unaudited		Unaudited		Unaudited	
Assets:								
Trade receivables	8,503,092	893,101,007	–	–	8,503,092	893,101,007	8,503,092	893,101,007
Contract Assets-Unbilled revenue	3,537,800	371,583,978	–	–	3,537,800	371,583,978	3,537,800	371,583,978
Cash and cash equivalents	3,714,848	390,179,773	–	–	3,714,848	390,179,773	3,714,848	390,179,773
Contract Asset (capitalized cost)	–	–	–	–	–	–	–	–
Other Assets	171,925	18,057,713	–	–	171,925	18,057,713	171,925	18,057,713
Total assets	15,927,665	1,672,922,471	–	–	15,927,665	1,672,922,471	15,927,665	1,672,922,471
Liabilities:								
Trade payables and accrued expenses	–	–	2,246,507	235,956,330	2,246,507	235,956,330	2,246,507	235,956,330
Contract Liability	–	–	–	–	–	–	–	–
Unearned revenue	–	–	499,989	52,515,095	499,989	52,515,095	499,989	52,515,095
Total liabilities	–	–	2,746,496	288,471,425	2,746,496	288,471,425	2,746,496	288,471,425

The carrying value and fair value of financial instruments by categories as at March 31, 2023 are as follows:

	Trade and Other receivables		Financial liabilities measured at amortized cost		Total carrying amount		Fair value	
	£	₹	£	₹	£	₹	£	₹
	Unaudited		Unaudited		Unaudited		Unaudited	
Assets:								
Trade receivables	4,916,218	499,721,267	–	–	4,916,218	499,721,267	4,916,218	499,721,267
Contract Assets-Unbilled revenue	3,615,969	367,554,209	–	–	3,615,969	367,554,209	3,615,969	367,554,209
Cash and cash equivalents	2,721,793	276,663,454	–	–	2,721,793	276,663,454	2,721,793	276,663,454
Contract Asset (capitalized cost)	606,449	61,644,043	–	–	606,449	61,644,043	606,449	61,644,043
Other Assets	210,298	21,376,368	–	–	210,298	21,376,368	210,298	21,376,368
Total assets	12,070,727	1,226,959,341	–	–	12,070,727	1,226,959,341	12,070,727	1,226,959,341
Liabilities:								
Trade payables and accrued expenses	–	–	730,780	74,282,173	730,780	74,282,173	730,780	74,282,173
Contract Liability	–	–	909,674	92,466,106	909,674	92,466,106	909,674	92,466,106
Unearned revenue	–	–	78,004	7,928,793	78,004	7,928,793	78,004	7,928,793
Total liabilities	–	–	1,718,458	174,677,071	1,718,458	174,677,071	1,718,458	174,677,071

Notes to the financial statements (Contd.)

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The objective of financial risk management is to protect the value of the Company's financial assets against possible erosion due to adverse materialisation of risks related to credit, liquidity, interest rate and foreign currency exposures.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customer. The Company's principal financial assets are cash and trade debtors. The Company has robust processes to assess customer credit worthiness and consequently there are no significant risks on this count. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of receivables.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

	Year ended March 31,			
	2024	2024	2023	2023
	£	₹	£	₹
	Unaudited		Unaudited	
Revenue from top customer	7,521,275	789,978,314	3,668,460	372,889,821
Revenue from top 5 customers	17,028,536	1,788,549,672	12,921,312	1,313,419,049

There is no other class of financial assets that is past due but not impaired except for trade receivables. The company's credit period generally ranges from 30-120 days (2022-23: 30-120 days). The age wise break up of trade receivables, net of allowances that are past due, is given below:

Period (in days)	As at 31 March 2024		As at 31 March 2023	
	£	₹	£	₹
	Unaudited		Unaudited	
Past due 0-30 days	2,116,914	222,344,770	656,773	66,759,334
Past due 30-60 days	315,715	33,160,336	244,119	24,814,086
Past due 60-90 days	21,987	2,309,350	95,187	9,675,521
Past due over 90 days	(33,359)	(3,503,776)	37,857	3,848,069
Total past due and not impaired	2,421,257	254,310,680	1,033,936	105,097,010

The allowance for impairment in respect of trade receivables at the year ended March 31, 2024, and March 31, 2023 was £ 165,359 and £ 159,359, respectively. The movement in the allowance for impairment in respect of trade receivables is as follows:

	For the year ended / As at 31 March 2024	For the year ended / As at 31 March 2024	For the year ended / As at 31 March 2023	For the year ended / As at 31 March 2023
	£	₹	£	₹
	Unaudited		Unaudited	
Balance at the beginning of the year	159,359	16,737,874	159,359	16,198,444
Additions during the year	6,000	630,195	—	—
Received during the year	—	—	—	—
Written off during the year	—	—	—	—
Balance at the end of the year	165,359	17,368,069	159,359	16,198,444

For simplicity, the unaudited brought forward Rupee amounts as at 1st April have been translated using the exchange rate as at the 31st March of the respective financial year.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company seeks to manage financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The cash position of the company is given below:

	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2023
	£	₹	£	₹
	Unaudited		Unaudited	
Cash and cash equivalents	3,714,848	390,179,773	2,721,793	276,663,454
Total	3,714,848	390,179,773	2,721,793	276,663,454

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 and March 31, 2023:

	As At 31st March 2024					
	Less than 1 year		1-2 years		2 years and above	
	£	₹	£	₹	£	₹
	Unaudited		Unaudited		Unaudited	
Trade payables and accrued expenses	2,246,507	235,956,329	—	—	—	—
Other liabilities	2,828,942	297,130,897	139,835	14,687,220	—	—

	As At 31st March 2023					
	Less than 1 year		1-2 years		2 years and above	
	£	₹	£	₹	£	₹
	Unaudited		Unaudited		Unaudited	
Trade payables and accrued expenses	730,780	74,282,173	—	—	—	—
Other liabilities	1,604,194	163,062,309	115,782	11,768,951	—	—

Notes to the financial statements (Contd.)

Market Risk- Foreign Currency risk

The Company is exposed to translation and transaction foreign exchange risks. While the Company makes payments, mostly in GBP, to its major suppliers, 19% (2023: 26%) of its sales in the year under review were in US dollars and 27% (2023: 24%) in Euro. The Company has bank accounts in multiple currencies and during the year under review it did not hold any hedging instruments. Foreign exchange management is, however, kept under regular review.

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2024 and March 31, 2023.

As at 31st March 2024

	EUR		USD		Other Currencies*		Total	
	£	₹	£	₹	£	₹	£	₹
	Unaudited		Unaudited		Unaudited		Unaudited	
Asset								
Trade Receivables	3,238,479	340,145,494	1,148,547	120,634,759	138,287	14,524,658	4,525,313	475,304,911
Contract Assets-Unbilled Revenue	1,139,014	119,633,535	501,929	52,718,826	68,422	7,186,554	1,709,365	179,538,915
Cash and cash equivalents	280,780	29,491,057	289,459	30,402,589	301,260	31,642,044	871,499	91,535,690
Liabilities								
Trade payables and accrued expenses	256,358	26,925,922	71,204	7,478,749	13,287	1,395,561	340,849	35,800,232
Unearned Sales	–	–	8,877	932,337	–	–	8,877	932,337
Other liabilities	–	–	–	–	26,632	2,797,275	26,632	2,797,275
Net assets/liabilities	4,401,915	462,344,164	1,859,854	195,345,088	468,050	49,160,420	6,729,819	706,849,672

As at 31st March 2023

	EUR		USD		Other Currencies*		Total	
	£	₹	£	₹	£	₹	£	₹
	Unaudited		Unaudited		Unaudited		Unaudited	
Asset								
Trade Receivables	1,634,547	166,147,639	1,281,061	130,216,643	178,420	18,135,933	3,094,028	314,500,215
Contract Assets-Unbilled Revenue	837,548	85,134,643	854,617	86,869,679	275,635	28,017,578	1,967,800	200,021,900
Contract Asset (capitalized cost)	–	–	606,449	61,644,025	–	–	606,449	61,644,025
Cash and cash equivalents	648,656	65,934,211	873,853	88,825,009	205,459	20,884,410	1,727,968	175,643,630
Liabilities								
Trade payables and accrued expenses	121,323	12,332,131	12,832	1,304,390	53,357	5,423,586	187,512	19,060,107
Contract Liability	–	–	909,674	92,466,106	–	–	909,674	92,466,106
Unearned Sales	–	–	1,794	182,353	–	–	1,794	182,353
Other liabilities	–	–	–	–	15,637	1,589,412	15,637	1,589,412
Net assets/liabilities	2,999,428	304,884,362	2,691,680	273,602,507	590,520	60,024,923	6,281,628	638,511,792

* Others include currencies such as Singapore- \$ (SGD), Czech Republic- Koruna (CZK), Switzerland- Franc (CHF), Turkey-Lira (TRY), Hungary- Forint (HUF)

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the functional currencies of the Company.

For the year ended March 31, 2024 and 2023 respectively, every 1% appreciation / depreciation of the respective foreign currencies compared to functional currency of the Company would increase / decrease operating margins by £ 67,298 and £ 62,816, respectively.

12. Income tax expense

Income tax expense in the statement of income consists of:

	Year ended March 31,		2023	
	2024	2024	2023	2023
	£	₹	£	₹
	Unaudited		Unaudited	
Current taxes				
UK Corporation tax on profits of the year	276,662	29,058,535	238,387	24,231,450
Adjustment in respect of previous years	(45,966)	(4,827,924)	(42,349)	(4,304,670)
Total	230,696	24,230,611	196,038	19,926,780
Deferred taxes				
Origination and reversal of timing differences	(48,402)	(5,083,783)	(8,904)	(905,069)
Total	(48,402)	(5,083,783)	(8,904)	(905,069)
Grand Total	182,294	19,146,828	187,134	19,021,711

Notes to the financial statements (Contd.)

The reconciliation between the provision of corporation tax of the Company and amounts computed by applying the standard rate of UK corporation tax to profit before taxes is as follows:

	Year ended March 31,			
	2024	2024	2023	2023
	£	₹	£	₹
	Unaudited		Unaudited	
Profit before income tax	1,674,122	175,837,259	1,638,008	166,499,425
Profit multiplied by rate of tax	418,530	43,959,308	311,221	31,634,928
Expenses not deductible for tax purposes	15,844	1,664,113	8,658	880,064
Movement in capital allowances, foreign tax credit etc.		–	(6,734)	(684,578)
Tax credit on group share based payments	(157,712)	(16,564,886)	(74,758)	(7,598,964)
Adjustment in respect of previous years	(45,966)	(4,827,924)	(42,349)	(4,304,670)
Deferred tax	(48,402)	(5,083,783)	(8,904)	(905,069)
Total tax expense	182,294	19,146,828	187,134	19,021,711

The standard rates of UK corporation tax, for the year ended March 31, 2024 and March 31, 2023 are 25% and 19% respectively. In his budget of 2021, the Chancellor of Exchequer proposed to increase the standard rate of corporation tax from the current 19% to 25% for companies with profits over £250,000, but to remain at 19% for companies with profits of not more than £50,000 effective 1 April 2023.

The components of deferred tax asset/(liability) are as follows:

	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2023
	£	₹	£	₹
	Unaudited		Unaudited	
Property, Plant and Equipment	(11,399)	(1,197,266)	(41,608)	(4,229,309)
Provision	21,280	2,235,092	3,087	313,745
Net deferred tax asset/(liability)	9,881	1,037,826	(38,521)	(3,915,564)

The deferred tax included in the Balance Sheet is as follows:

	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2023
	£	₹	£	₹
	Unaudited		Unaudited	
Deferred tax asset/(liability)	9,881	1,037,826	(38,521)	(3,915,564)
Balance brought forward	(38,521)	(4,045,957)	(47,425)	(4,820,633)
Profit and loss account movement arising during the year	48,402	5,083,783	8,904	905,069
Total deferred tax asset/(liability)	9,881	1,037,826	(38,521)	(3,915,564)

For simplicity, the brought forward Rupee amounts as at 1st April have been translated using the exchange rate as at the 31st of March of the respective financial year.

Pillar II Update

ITC Infotech Limited has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the company neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

On 11 July 2023, the UK Finance (No. 2) Act 2023, enacted the Pillar Two legislation effective from 1 January 2024. Under this legislation, ITC Infotech Limited, a subsidiary of ITC Limited registered in India (where Pillar Two is not yet enacted), will be required to pay a top-up tax in the United Kingdom on its profits if its effective tax rate (ETR) falls below 15%.

Though ITC Infotech Limited's ETR was 10.89% for the year ended 31 March 2024, it may be noted that it is based on the profits and tax expense determined as part of the preparation of these financial statements and not as per Pillar Two legislation. While we may expect an increase in future years' tax expense because of the global minimum tax, we do not anticipate a material impact for the year ended 31 March 2024. This is because, had the Pillar Two legislation been in effect for the FY 2023-24, no top-up tax liability would have fallen due on ITC Infotech Limited in the UK or its branches' jurisdictions, namely Singapore or Czech Republic, on the grounds of clearing the Transitional CbCR Safe Harbour.

Nevertheless, the actual impact of Pillar Two on ITC Infotech Limited's future financial performance will depend on various factors, including potential changes in the company's profitability, tax rates in the UK and other jurisdictions where it operates, and any future developments or clarifications in the implementation of Pillar Two legislation. The company will continue to assess the impact of the Pillar Two legislation on its future financial performance.

13. Equity

a) Share capital

The company has only one class of equity shares. The authorized share capital of the Company is 1,629,700 (2023: 1,629,700) equity shares of £1 each. Par value of the equity shares is recorded as share capital and each equity share carries the same voting rights.

The Issued, subscribed and paid-up capital of the Company is 685,815 (2023: 685,815) equity shares of £1 each amounting to £685,815 (2023: £685,815).

All equity shares are held by ITC Infotech India Limited, the Holding Company. The company has only one class of shares referred to as equity shares having a par value of £1, rank pari passu in all respects including entitlement to dividend. No new equity shares have been issued during the year.

The Company declares and pays dividends in GBP/EURO/USD.

b) Retained earnings

Retained earnings comprises of the Company's prior years' undistributed earnings after taxes.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2023
	£	₹	£	₹
	Unaudited		Unaudited	
Total equity attributable to the equity share holders of the company	10,304,766	1,082,335,170	8,812,938	895,813,028
As percentage of total capital	100%	100%	100%	100%
Total capital	10,304,766	1,082,335,170	8,812,938	895,813,028

The Company is equity financed which is evident from the capital structure table.

Notes to the financial statements (Contd.)

14. Revenue

The Company derives revenue primarily from delivery of IT services. The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. An analysis of turnover is given below:

Country	Year ended March 31,			
	2024	2024	2023	2023
	£	₹	£	₹
	Unaudited		Unaudited	
United Kingdom	25,047,132	2,630,762,839	22,009,190	2,237,179,119
Rest of the Europe	7,885,072	828,188,825	7,144,999	726,271,286
Singapore	1,097,164	115,237,929	923,735	93,895,361
Others	78,627	8,258,390	223,766	22,745,254
Total	34,107,995	3,582,447,983	30,301,690	3,080,091,021

15. Expenses by nature

	Year ended March 31,			
	2024	2024	2023	2023
	£	₹	£	₹
	Unaudited		Unaudited	
Employee benefits	11,840,009	1,243,585,747	11,809,688	1,200,425,297
Sub-contractor charges/Outsourced charges	17,934,807	1,883,737,612	14,300,654	1,453,625,760
Travel and conveyance	1,129,123	118,594,597	756,672	76,913,758
Sales & Marketing expenses	115,233	12,103,231	71,337	7,251,238
Staff welfare	122,616	12,878,635	137,726	13,999,472
Legal, Professional and Consultancy Expenses	505,093	53,051,120	398,982	40,555,515
Communication expenses	24,211	2,542,926	38,854	3,949,397
Lease rentals/charges	64,656	6,791,001	71,618	7,279,816
Recruitment	239,037	25,106,667	29,301	2,978,325
Audit Fees	63,917	6,713,334	55,478	5,639,228
Depreciation charges	173,801	18,254,796	137,613	13,988,007
Amortisation/Impairment charges	–	–	610,500	62,055,777
Provision for doubtful trade receivables	6,000	630,195	–	–
Others	474,967	49,886,971	319,894	32,516,473
Total cost of sales, selling, general and administrative expenses	32,693,470	3,433,876,832	28,738,317	2,921,178,063

The total cost of sales, selling, general and administrative expenses in the table above includes £26,446,139 (2023: £23,828,098) towards cost of sales and £6,247,331 (2023: £4,910,219) towards selling, general and administrative expenses. Depreciation charges above include depreciation on Property, Plant and Equipment (refer Note 4) and depreciation on ROU assets (refer Note 19).

Cost of Sales

Cost of Sales primarily include employee compensation of personnel engaged in providing services, travel expenses, employee allowances, payroll related taxes, fees to external consultants engaged in providing services, communication costs and other project related expenses.

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel costs, advertising, business promotion expenses, allowances for delinquent receivables and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortization of non-production equipment and software, facility expenses for administrative offices, communication costs, fees to external consultants and other general expenses.

All fees paid or payable to the auditors of the company related to the statutory audit of the company for the year ended 31 March 2024. There were no non-audit services received from the auditors during the year.

16. Employee benefits

The average monthly number of staff employed by the company during the financial year amounted to:

By Activity	2024	2023
	No	No
Delivery	82	99
Marketing	12	12
Administration	10	8
	104	119

Employee benefits include:

	Year ended March 31,			
	2024	2024	2023	2023
	£	₹	£	₹
	Unaudited		Unaudited	
Wages and salaries	10,691,801	1,122,986,626	10,405,519	1,057,695,028
Social security costs	1,036,824	108,900,181	1,302,744	132,420,677
Other pension costs	111,384	11,698,940	101,425	10,309,592
Total	11,840,009	1,243,585,747	11,809,688	1,200,425,297

The employee benefit cost is recognised in the following line items in the statement of income:

	Year ended March 31,			
	2024	2024	2023	2023
	£	₹	£	₹
	Unaudited		Unaudited	
Cost of sales	7,067,060	742,270,979	7,963,034	809,422,543
Selling, general and administrative expenses	4,772,949	501,314,768	3,846,654	391,002,754
Total	11,840,009	1,243,585,747	11,809,688	1,200,425,297

Notes to the financial statements (Contd.)

17. Other Operating Income

	Year ended March 31,		Year ended March 31,	
	2024	2024	2023	2023
	£	₹	£	₹
	Unaudited		Unaudited	
Derecognition of Contract Asset and Contract Liability	299,139	31,419,262	–	–
Total	299,139	31,419,262	–	–

The Company terminated a contract on 13 November 2023, the costs to obtain and the related liability of which were originally capitalized for a total amount of \$ 1.5 million (£1.13 million) during the year ended 31 March 2022. As a result of the termination, a net gain of £299,139 has been recognised in the income statement.

18. Finance and other income

	Year ended March 31,		Year ended March 31,	
	2024	2024	2023	2023
	£	₹	£	₹
	Unaudited		Unaudited	
Interest Income	84,128	8,836,162	33,748	3,430,382
Others	–	–	468	47,571
Total	84,128	8,836,162	34,216	3,477,953

19. Leases

In relation to leases under IFRS 16, the group has recognised depreciation and interest costs as per the table below.

Right of Use Asset

	As at		As at	
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
	£	₹	£	₹
	Unaudited		Unaudited	
Cost				
Opening Balance	373,328	39,211,573	373,328	37,947,858
Add: Additions	388,240	40,777,869	–	–
Less: Disposal	(373,328)	(39,211,584)	–	–
Closing Balance	388,240	40,777,858	373,328	37,947,858
Accumulated Depreciation				
Opening Balance	(314,382)	(33,020,301)	(235,787)	(23,967,134)
Add: Depreciation	(123,741)	(12,996,878)	(78,595)	(7,988,985)
Less: Disposal	373,328	39,211,567	–	–
Closing Balance	(64,795)	(6,805,612)	(314,382)	(31,956,119)

Right of Use Asset Net

Lease Liability

	323,445	33,972,246	58,946	5,991,739
Opening Lease Liability	65,683	6,898,873	150,735	15,321,881
Add: New Lease Liability	388,241	40,777,901	–	–
Add: Interest Cost on the Leases	8,390	881,223	2,222	225,907
Less: Lease Payments	(134,225)	(14,098,030)	(87,274)	(8,871,204)
Closing Lease Liability	328,089	34,459,967	65,683	6,676,584

The total cash outflow for leases for the year is £198,881 (including payments in respect short-term leases of £64,656 and lease of low value assets NIL). The non-current portion of lease liability of £137,290 shall be paid in FY 2025-26. The undiscounted potential future cash outflows amount to £346,000.

20. Contract Asset and Contract Liability

Contract Asset (capitalized cost)

	As at		As at	
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
	£	₹	£	₹
	Unaudited		Unaudited	
Opening Contract Asset (capitalized cost)	606,449	63,696,872	1,129,603	114,821,309
(Less): Derecognition of Contract Asset	(598,277)	(62,838,525)	(610,500)	(62,055,769)
(Less)/Add: Forex Reinstatement	(8,172)	(858,347)	87,346	8,878,503
Closing Contract Asset (capitalized cost)	–	–	606,449	61,644,043
- Current	–	–	–	–
- Non Current	–	–	606,449	61,644,043
	–	–	606,449	61,644,043

Contract Liability

	As at		As at	
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
	£	₹	£	₹
	Unaudited		Unaudited	
Opening Contract Liability	909,674	95,545,353	856,654	87,076,708
(Less): Extinguishment of Contract Liability	(897,415)	(94,257,787)	–	–
(Less)/Add: Forex Reinstatement	(12,259)	(1,287,566)	53,020	5,389,398
Closing Contract Liability	–	–	909,674	92,466,106
- Current	–	–	909,674	92,466,106
- Non Current	–	–	–	–
	–	–	909,674	92,466,106

For details about the movement during the year, please refer to Note 17.

Notes to the financial statements (Contd.)

21. Related party relationships and transactions

Name of related party

i) Ultimate Parent Company:

ITC Limited, Virginia House, 37 J. L. Nehru Road, Kolkata – 700071, India

ii) Immediate Parent Company:

ITC Infotech India Limited, Virginia House, 37 J. L. Nehru Road, Kolkata – 700071, India

iii) Other Related Parties With Whom The Company Had Transactions.

Subsidiaries of Immediate Parent Company:

ITC Infotech (USA), Inc.

Indivate Inc.

Transactions with the above related parties during the year were:

	Holding Company		Fellow Subsidiaries		Fellow Subsidiaries		Fellow Subsidiaries	
	For the year ended / As at 31 March 2024	For the year ended / As at 31 March 2024	For the year ended / As at 31 March 2023	For the year ended / As at 31 March 2023	For the year ended / As at 31 March 2024	For the year ended / As at 31 March 2024	For the year ended / As at 31 March 2023	For the year ended / As at 31 March 2023
	£	₹	£	₹	£	₹	£	₹
		Unaudited		Unaudited		Unaudited		Unaudited
Sale of goods/Services	–	–	–	–	–	–	28,202	2,866,704
Reimbursement of Expenses	163,496	17,172,394	75,447	7,668,979	–	–	–	–
Purchase of goods/Services	14,911,674	1,566,210,425	12,005,735	1,220,352,948	–	–	–	–
Balance as on 31st March								
Trade receivables	118,515	12,447,880	29,384	2,986,830	–	–	–	–
Trade payables	1,082,104	113,656,088	(161,646)	(16,430,912)	–	–	–	–

Key Managerial Personnel:

Non-Executive Directors

S. Puri	Chairman
S. Sivakumar	Vice Chairman
R. Singhi	Director
S. Dutta	Director
S. Singh	Director

Others

A. Roy	President

Transactions with key management personnel are as given below:

Key management personnel comprise directors and president of the Company. Particulars of compensation of the key management personnel during the year ended March 31, 2024, and March 31, 2023 have been detailed below:

	Year ended March 31,		Year ended March 31,	
	2024	2024	2023	2023
	£	₹	£	₹
		Unaudited		Unaudited
President:				
Short term benefits	583,691	61,306,502	611,222	62,129,219
Total	<u>583,691</u>	<u>61,306,502</u>	<u>611,222</u>	<u>62,129,219</u>

None of the directors received any emoluments for their services to the company, nor were any amounts recharged by or payable to any other organization or company for the directors' services to the company.

22. Ultimate parent company and immediate parent company

The immediate parent undertaking is ITC Infotech India Limited, with its registered office at 37 J. L. Nehru Road, Kolkata - 700071, India and is a wholly owned subsidiary of ITC Limited. This is the smallest group of undertakings for which consolidated financial statements are being drawn up including this company.

The ultimate parent undertaking and controlling related party is ITC Limited, which is incorporated in India. This is the largest group of undertakings for which consolidated financial statements are being drawn up including this company. Copies of ITC Limited consolidated financial statements can be obtained from the Company Secretary at 37 J. L. Nehru Road, Kolkata - 700071, India.

MANAGEMENT REPORT

The Administrators of the Company submit the Management Report together with the Audited Financial Statements for the year ended 31st March, 2024.

The Company is a wholly owned subsidiary of ITC Infotech India Limited, incorporated in India.

Principal Activities

The Company, incorporated on 10th October, 2022, is engaged in the business of providing Information Technology Services and Solutions.

Business Review

During the year under review, the Company was involved in delivering Information Technology Services and Solutions to clients in areas such as product lifecycle management (PLM)-led Digital Thread Solutions and Digital Manufacturing, strengthening its near-shore presence in the Americas. The Company will continue to work towards fostering key client relationships towards becoming their trusted partners in driving their growth and transformation agendas.

Financial Results

For the financial year ended 31st March, 2024, the Company's performance was as under:

(BRL '000)

Period Ended March 31,	2024	2023*
Total Revenue	7586.11	1373.06
Operating Income / (Loss)	875.70	169.21
Profit / (Loss) After Tax	601.96	117.68

* for the period from 10th October, 2022 to 31st March, 2023.

Profits (Losses) Allocation

The Administrators recommend the retention of profit earned during the year ended 31st March, 2024, in order to meet the Company's annual budget and growth requirements.

Auditors

Audit of the Financial Statements of the Company is not mandatory as per local laws. However, as a measure of good governance, the Company has engaged Messrs. Deloitte Haskins & Sells LLP, India (Registration Number 117366W/W-100018), as the Auditors for the period under review. Their Report is annexed to the Financial Statements of the Company.

On behalf of ITC Infotech Do Brasil LTDA.

Mauricio Dias Junior
Administrator

Date: 5th May, 2024

INDEPENDENT AUDITOR'S REPORT

To The Management Committee of

ITC Infotech DO Brasil LTDA.

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of ITC Infotech DO Brasil LTDA (the "Company"), which comprise the Special Purpose Balance Sheet as at March 31, 2024, the Special Purpose Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Statement of Changes in Equity and the Special Purpose Statement of Cash Flows for the year ended on that date, and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Special Purpose Financial Statements"). The Special Purpose Financial Statements are prepared for inclusion in the annual report of the Ultimate Holding Company ("ITC Limited") under the requirements of section 129(3) of the Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements are prepared, in all material respects, in accordance with the basis of preparation set out in Note 1(a) to the Special Purpose Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing (the "SAs") issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our ethical responsibilities in accordance with the requirements of the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

Emphasis of Matter

Basis of preparation and restriction on distribution and use

We draw attention to Note 1(a) to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Financial Statements have been prepared by the Company for the purpose of the information and use of the Company's management. The Special Purpose Financial Statements may not be suitable for any another purpose. Our report is intended solely for the information and use of the

Management Committee and management of the Company and its group companies and is not intended to be and should not be referred to or used by any other party or for any other purpose except with our prior consent in writing. We neither accept nor assume any duty, responsibility or liability to any other party or for any other purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

The Company's Management Committee are responsible for the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the basis described in Note 1(a) to the Special Purpose Financial Statements.

This responsibility also includes maintenance of adequate accounting records 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, the Company's Management Committee are 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 either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management Committee are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Special Purpose 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 Special Purpose 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 but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose 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 Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose 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 Special Purpose 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.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No: 117366W/W-100018

Girish Bagri

Partner

Membership No. 066572

UDIN: 24066572BKFUMW4349

Place: Bengaluru

Date: May 5, 2024

SPECIAL PURPOSE STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2024

	Note No.	As at 31st March 2024 (BRL)	As at 31st March 2024 (INR) (Unaudited)	As 31st March 2023 (BRL)	As 31st March 2023 (INR) (Unaudited)
I ASSETS					
1 Non-current Assets					
(a) Property, Plant and Equipment	2	39,941	667,190	–	–
(b) Deferred Tax Assets (Net)	6	202,642	3,385,013	131,760	2,125,183
Sub-Total		<u>242,583</u>	<u>4,052,203</u>	<u>131,760</u>	<u>2,125,183</u>
2 Current Assets					
(a) Financial Assets					
(i) Trade Receivables	3	1,835,729	30,664,752	–	–
(ii) Cash and Cash Equivalents	4	1,006,685	16,816,069	1,656,995	26,726,004
(iii) Others	5	858,844	14,346,474	1,610,077	25,969,254
(b) Other Current Assets	7	448,408	7,490,387	44,434	716,686
Sub-Total		<u>4,149,666</u>	<u>69,317,682</u>	<u>3,311,506</u>	<u>53,411,944</u>
TOTAL		<u>4,392,249</u>	<u>73,369,885</u>	<u>3,443,266</u>	<u>55,537,127</u>
II EQUITY AND LIABILITIES					
1 Equity					
(a) Equity Share Capital	8	2,600,000	43,431,440	2,600,000	41,935,920
(b) Other Equity		719,642	12,021,188	117,681	1,898,100
Sub-Total		<u>3,319,642</u>	<u>55,452,628</u>	<u>2,717,681</u>	<u>43,834,020</u>
2 Non-current Liabilities					
(a) Financial Liabilities					
(i) Others	9	–	–	80,162	1,292,949
Sub-Total		<u>–</u>	<u>–</u>	<u>80,162</u>	<u>1,292,949</u>
3 Current Liabilities					
(a) Financial Liabilities					
(i) Trade Payables and Accrued expenses	10	148,272	2,476,795	37,512	605,039
(ii) Others	11	337,930	5,644,919	295,401	4,764,582
(b) Other Current Liabilities	13	230,658	3,853,003	116,052	1,871,827
(c) Provisions	12	355,747	5,942,540	196,458	3,168,710
Sub-Total		<u>1,072,607</u>	<u>17,917,257</u>	<u>645,423</u>	<u>10,410,158</u>
TOTAL		<u>4,392,249</u>	<u>73,369,885</u>	<u>3,443,266</u>	<u>55,537,127</u>

The accompanying notes 1 to 26 are an integral part of the Special purpose Standalone Financial Statements.

This is the Special Purpose Standalone Balance Sheet referred to in our Report of even date

For Deloitte Haskins & Sells LLP,

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri

Partner

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

On behalf of the Company

Mauricio Dias

Administrator

Soumyarup Roy

Management Committee Member

SPECIAL PURPOSE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Note No.	As at 31st March 2024 (BRL)	As at 31st March 2024 (INR) (Unaudited)	As 31st March 2023 (BRL)	As 31st March 2023 (INR) (Unaudited)
I Revenue from Operations	14	7,586,110	126,721,416	1,373,055	22,146,279
II Other Income	15	16,199	270,595	–	–
III Total Income (I + II)		<u>7,602,309</u>	<u>126,992,011</u>	<u>1,373,055</u>	<u>22,146,279</u>
IV Expenses					
Employee Benefits Expense	16	4,665,620	77,936,383	1,027,261	16,568,899
Depreciation and Amortization Expense	2	3,631	60,654	–	–
Other Expenses	17	2,057,360	34,366,964	176,580	2,848,094
Total Expenses		<u>6,726,611</u>	<u>112,364,001</u>	<u>1,203,841</u>	<u>19,416,993</u>
V Profit Before Tax (III-IV)		875,698	14,628,010	169,214	2,729,286
VI Tax Expenses	18				
Current Tax		344,619	5,756,654	183,293	2,956,369
Deferred Tax (Credit)		(70,882)	(1,184,041)	(131,760)	(2,125,183)
		<u>273,737</u>	<u>4,572,613</u>	<u>51,533</u>	<u>831,186</u>
VII Profit for the Year / Period (V-VI)		<u>601,961</u>	<u>10,055,397</u>	<u>117,681</u>	<u>1,898,100</u>
VII Earnings Per Share (Face value BRL 1 each) (Basic and diluted)	19	0.23	3.87	0.10	1.55

There were no items of other comprehensive income in the periods, and accordingly, no statement of comprehensive Income is presented.

The accompanying notes 1 to 26 are an integral part of the Special Purpose Standalone Financial Statements.

This is the Special Purpose Standalone Statement of Profit and Loss referred to in our Report of even date

For Deloitte Haskins & Sells LLP,

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri

Partner

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

On behalf of the Company

Mauricio Dias

Administrator

Soumyarup Roy

Management Committee Member

SPECIAL PURPOSE STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2024

A. Equity Share Capital

Balance at 31st March, 2022	Changes in Equity Share Capital during the year (BRL)	Balance at 31st March, 2023 (BRL)	Balance at 31st March, 2023 (INR) (Unaudited)	Changes in Equity Share Capital during the year	Balance at 31st March, 2024 (BRL)	Balance at 31st March, 2024 (INR) (Unaudited)
–	2,600,000*	2,600,000	41,935,920	–	2,600,000	43,431,440

* Capital contribution by ITC Infotech India Limited ("the Parent") at the time of incorporation of the company

B. Other Equity

	Retained Earning (BRL)	Total (BRL)	Total (INR) (Unaudited)
Balance as at 1st April, 2023	117,681	117,681	1,965,791
Profit for the Period	601,961	601,961	10,055,397
Total Comprehensive Income	601,961	601,961	10,055,397
Balance as at 31st March, 2024	719,642	719,642	12,021,188
Balance as at 1st April, 2022	–	–	–
Profit for the Period	117,681	117,681	1,898,100
Total Comprehensive Income	117,681	117,681	1,898,100
Balance as at 31st March, 2023	117,681	117,681	1,898,100

Retained Earnings: This represents the cumulative profits of the Company.

The accompanying notes 1 to 26 are an integral part of the Special Purpose Standalone Financial Statements.

This is the Special Purpose Standalone Statement of Changes in Equity referred to in our Report of even date.

For Deloitte Haskins & Sells LLP,

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri

Partner

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

On behalf of the Company

Mauricio Dias

Administrator

Soumyarup Roy

Management Committee Member

SPECIAL PURPOSE STANDALONE STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH, 2024

		For the year ended 31st March'24		For the year ended 31st March'24		For the year ended 31st March'23		For the year ended 31st March'23	
		(BRL)		(INR) (Unaudited)		(BRL)		(INR) (Unaudited)	
A	CASH FLOW FROM OPERATING ACTIVITIES :								
	PROFIT BEFORE TAX		875,698		14,628,010		169,214		2,729,286
	ADJUSTMENTS FOR :								
	Depreciation and Amortization Expense	3,631		60,654		-		-	
	Interest Received on Term Deposits	(9,412)		(157,222)		-		-	
			(5,781)		(96,568)		-		-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		869,917		14,531,442		169,214		2,729,286
	ADJUSTMENTS FOR :								
	Other Assets	(1,199,178)		(20,031,549)		(1,654,511)		(26,685,939)	
	Trade Payables, Other Liabilities and Provisions	530,316	(668,862)	8,858,612	(11,172,937)	542,292	(1,112,219)	8,746,737	(17,939,202)
	CASH FROM OPERATIONS		201,055		3,358,505		(943,005)		(15,209,916)
	Income Tax Paid		(817,205)		(13,650,922)		-		-
	NET CASH USED IN OPERATING ACTIVITIES		(616,150)		(10,292,417)		(943,005)		(15,209,916)
B	CASH FLOW FROM INVESTING ACTIVITIES :								
	Purchase of Property, Plant and Equipment	(43,572)		(727,844)		-		-	
	Interest Received on Term Deposits	9,412		157,222		-		-	
	NET CASH USED IN INVESTING ACTIVITIES		(34,160)		(570,622)		-		-
C	CASH FLOW FROM FINANCING ACTIVITIES :								
	Capital infusion from Parent	-		-		2,600,000		41,935,920	
	NET CASH FROM FINANCING ACTIVITIES		-		-		2,600,000		41,935,920
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(650,310)		(10,863,039)		1,656,995		26,726,004
	OPENING CASH AND CASH EQUIVALENTS		1,656,995		27,679,108		-		-
	CLOSING CASH AND CASH EQUIVALENTS		1,006,685		16,816,069		1,656,995		26,726,004
	CASH AND CASH EQUIVALENTS COMPRISE :								
	Cash and Cash Equivalents	1,006,685		16,816,069		1,656,995		26,726,004	
	Cash and Cash Equivalents		1,006,685		16,816,069		1,656,995		26,726,004

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

The accompanying notes 1 to 26 are an integral part of the Special Purpose Standalone Financial Statements.

This is the Special Purpose Standalone Statement of Cash Flows referred to in our Report of even date

For Deloitte Haskins & Sells LLP,
Firm Registration Number: 117366 W/W-100018
Chartered Accountants

Girish Bagri
Partner
Membership Number: 066572
Place: Bengaluru
Date: 5th May, 2024

On behalf of the Company
Mauricio Dias
Administrator
Soumyarup Roy
Management Committee Member

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

NATURE OF OPERATIONS

ITC Infotech DO Brasil LTDA (the "Company"), a company incorporated in Brazil, is engaged in providing information technology services. The Company is a wholly-owned subsidiary of ITC Infotech India Limited., an Indian company. There are 2,600,000 common shares authorized and issued to ITC Infotech India Limited.

The Company is incorporated and domiciled in Brazil and has its registered office at Avenida Cauaxi, 293, Room 2202, Alphaville Centro Industrial E Empresarial/ Alphav, Barueri, SP 06454020. The Company was incorporated on 10th October, 2022.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation and statement of compliance

These Special Purpose Standalone Financial Statements comprising the Special Purpose Standalone Balance Sheet as at 31st March, 2024 and as at 31st March, 2023 and Special Purpose Standalone Statement of Profit and Loss, Special Purpose Standalone Statement of Changes in Equity and Special Purpose Standalone Cash Flow statement for the financial year ended 31st March, 2024 and period 10th October, 2022 till 31st March, 2023 and a summary of material accounting policies and other explanatory information (together referred to as "Special Purpose Standalone Financial Statements") are prepared for inclusion in the annual report of the Ultimate Holding Company (ITC Limited) under the requirements of section 129(3) of the Companies Act, 2013*. The financial performance and position of the Company are included in the consolidated financial statements of the Holding Company, ITC Infotech India Limited, incorporated under the Companies Act, 2013, and having its registered office 37 J. L. Nehru Road, Kolkata 700071, India.

These Special Purpose Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") and generally accepted accounting principles in India. Accordingly, these Special Purpose financial statements do not purport to follow Brazil GAAP.

These Special Purpose Standalone Financial Statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at amortized cost or fair value as required by the relevant Ind AS and explained in the accounting policy on financial instruments classified as fair value through profit or loss.

Accounting policies have been applied consistently throughout the periods presented in these Special Purpose Standalone Financial Statements. Disclosures have been given which are relevant to and materially affect the company's financial position, and financial performance of the Company. Accordingly, financial information for comparative period is not presented.

* Companies Act, 2013 refers to the Companies Act, 2013 of India

(b) Convenience Translation (unaudited)

These Special Purpose Standalone financial statements are presented in Brazilian Real. However, as required by the parent company ITC Infotech India Limited., the Indian Rupee equivalent figures, arrived at by applying the average interbank exchange rate of BRL= INR 16.7044 for year ended 31st March, 2024 (BRL= INR 16.1292 for period ended 31st March, 2023) as provided by ITC Infotech India Limited, have been included solely for informational purposes and is not in conformity with the provisions of Ind AS.

(c) Use of Estimates and Judgment

The preparation of the Special Purpose Standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in Income taxes note.

(d) Operating Cycle

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

(e) Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. Expenses capitalized also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss. Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis.

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

Computers	5 Years

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

(f) Impairment loss, if any, is provided to the extent that the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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

(g) Foreign Currency Transactions

The presentation currency of the Company is the Brazilian Real.

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

(h) Financial instruments, Financial assets and Financial liabilities

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value, except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

Financial Assets

Recognition: Financial assets include Trade receivables, Unbilled receivables, deposits, advances and cash and cash equivalents. Such assets are initially recognized either at transaction price or at fair value, as applicable, on becoming a party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

Financial assets are classified as those measured at:

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

Trade receivables, advances, security deposits, cash and cash equivalents etc. are classified for measurement at amortized cost.

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

In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of credit loss in future.

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

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

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

Income Recognition on Financial Assets: Interest income is recognized in the Statement of Profit and Loss using the effective interest method.

Financial Liabilities

Trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations. They are

subsequently measured at amortized cost. Any discount or premium on redemption / settlement is recognized in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognized when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

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

(i) Revenue from Sale of Products and Services

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

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

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

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

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

Revenue is recognized from services performed on other "time bound fixed-price engagements" based on efforts expended using the percentage of completion method of accounting, if work completed can be reasonably estimated.

The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated.

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

The incremental costs of obtaining a contract are recognized as an asset and amortized to revenues in accordance with Ind AS 115 - Revenue from contracts with customers. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

(i) Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognized for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

The Company maintains a Supplemental Pension Plan for employees. Employees may contribute an amount not exceeding 5.42% of their base salary. The Company makes a matching contribution equal to 100% of the employee's contribution. The Pension expense for the years ended March 31, 2024 was BRL 63,398 (INR 1,059,027) (March 31, 2023 was BRL 14,724 (INR 237,493)).

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

(k) Taxes on Income

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

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

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

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

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

(l) Operating Segments

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

(m) Provisions

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

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

(n) Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

2. FIXED ASSETS

DESCRIPTION	Gross Block (BRL)			Depreciation and Amortization (BRL)				Net Block (BRL)		
	As at 31st March, 2023	Additions	Withdrawals / Adj	As at 31st March, 2024	As at 31st March, 2023	Charge For the Year	On Withdrawals / Adj	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Computers etc.	–	43,572	–	43,572	–	3,631	–	3,631	39,941	–
TOTAL	–	43,572	–	43,572	–	3,631	–	3,631	39,941	–

DESCRIPTION	Gross Block (INR) (Unaudited)			Depreciation and Amortization (INR) (Unaudited)				Net Block (INR) (Unaudited)		
	As at 31st March, 2023	Additions	Withdrawals / Adj	As at 31st March, 2024	As at 31st March, 2023	Charge For the Year	On Withdrawals / Adj	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Computers etc.	–	727,844	–	727,844	–	60,654	–	60,654	667,190	–
TOTAL	–	727,844	–	727,844	–	60,654	–	60,654	667,190	–

3. TRADE RECEIVABLES

	As at 31st March, 2024 (BRL)	As at 31st March, 2024 (INR) (Unaudited)	As at 31st March, 2023 (BRL)	As at 31st March, 2023 (INR) (Unaudited)
Unsecured, Considered Good	1,835,729	30,664,752	–	–
TOTAL	1,835,729	30,664,752	–	–

Trade Receivables as at 31st March, 2024	Outstanding for the following periods			
	Not Due (BRL)	Less than 6 months (BRL)	Total (BRL)	Total (INR) (Unaudited)
Undisputed Trade Receivables - considered good	90,091	1,745,638	1,835,729	30,664,752
Gross	90,091	1,745,638	1,835,729	30,664,752
Less : Expected Credit Loss Allowance	–	–	–	–
NET	90,091	1,745,638	1,835,729	30,664,752

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

4. CURRENT ASSETS : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

	As at 31st March, 2024 (BRL)	As at 31st March, 2024 (INR) (Unaudited)	As at 31st March, 2023 (BRL)	As at 31st March, 2023 (INR) (Unaudited)
Balance with Banks :				
Current Accounts	1,006,685	16,816,069	1,656,995	26,726,004
TOTAL	1,006,685	16,816,069	1,656,995	26,726,004

The Company does not have any significant cash and cash equivalents that are not available for use.

5. CURRENT ASSETS : FINANCIAL ASSETS - OTHERS

	As at 31st March, 2024 (BRL)	As at 31st March, 2024 (INR) (Unaudited)	As at 31st March, 2023 (BRL)	As at 31st March, 2023 (INR) (Unaudited)
Unsecured Considered Good, Unless Otherwise Stated				
Unbilled Revenue	753,358	12,584,394	1,373,055	22,146,279
Advances (includes advances to employees) - Considered Good	105,486	1,762,080	237,022	3,822,975
TOTAL	858,844	14,346,474	1,610,077	25,969,254

6. DEFERRED TAX ASSETS

	Opening Balance (BRL)	Recognized in Statement of profit or loss (BRL)	Recognized in OCI (BRL)	Closing Balance (BRL)	Closing Balance (INR) (Unaudited)
FY 2023-24					
Deferred Tax Assets					
On provision for employees' separation and retirement, etc.	131,760	70,882	-	202,642	3,385,013
Total Deferred Tax Assets	131,760	70,882	-	202,642	3,385,013
Deferred Tax Liabilities :					
Total Deferred Tax Liabilities	-	-	-	-	-
Deferred Tax Assets (Net)	131,760	70,882	-	202,642	3,385,013

	Opening Balance (BRL)	Recognized in Statement of profit or loss (BRL)	Recognized in OCI (BRL)	Closing Balance (BRL)	Closing Balance (INR) (Unaudited)
FY 2022-23					
Deferred Tax Assets					
On provision for employees' separation and retirement, etc.	-	131,760	-	131,760	2,125,183
Total Deferred Tax Assets	-	131,760	-	131,760	2,125,183
Deferred Tax Liabilities :					
Total Deferred Tax Liabilities	-	-	-	-	-
Deferred Tax Assets (Net)	-	131,760	-	131,760	2,125,183

7. OTHER CURRENT ASSETS

	As at 31st March, 2024 (BRL)	As at 31st March, 2024 (INR) (Unaudited)	As at 31st March, 2023 (BRL)	As at 31st March, 2023 (INR) (Unaudited)
Advances with Statutory Authorities	289,293	4,832,466	-	-
Prepaid expenses	159,115	2,657,921	44,434	716,686
TOTAL	448,408	7,490,387	44,434	716,686

8. EQUITY SHARE CAPITAL

	As at 31st March, 2024 (BRL)	As at 31st March, 2024 (INR) (Unaudited)	As at 31st March, 2023 (BRL)	As at 31st March, 2023 (INR) (Unaudited)
EQUITY SHARE CAPITAL				
Authorised				
2,600,000 Equity Shares of BRL 1 each	2,600,000	43,431,440	2,600,000	41,935,920
Issued and Subscribed :				
2,600,000 Equity Shares of BRL 1 each, fully paid (All equity shares are held by ITC Infotech India Limited., the Parent Company. The equity shares of the company, having par value of BRL 1 each per share, rank pari passu in all respects including entitlement to Dividend)	2,600,000	43,431,440	2,600,000	41,935,920
TOTAL	2,600,000	43,431,440	2,600,000	41,935,920

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

SHARES HELD BY PROMOTERS:

Particulars	Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
		No. of shares as at end of the year	% of Total Shares	% change during the year	No. of shares as at end of the year	% of Total Shares	% change during the year
Equity shares of BRL 1 each, fully paid	ITC Infotech India Limited.	2,600,000	100%	-	2,600,000	100%	100%

9. NON-CURRENT FINANCIAL LIABILITIES – OTHERS

	As at 31st March, 2024 (BRL)	As at 31st March, 2024 (INR) (Unaudited)	As at 31st March, 2023 (BRL)	As at 31st March, 2023 (INR) (Unaudited)
Employee Payable	-	-	80,162	1,292,949
Total	-	-	80,162	1,292,949

10. FINANCIAL LIABILITIES – TRADE PAYABLES

Trade Payable as at 31st March, 2024	Outstanding for following periods							Total (INR) (Unaudited)
	Not Due	Accrued	Less than 6 months	6 months -1 year	1-2 years	2-3 years	Total (BRL)	
Others	-	148,272	-	-	-	-	148,272	2,476,795
Total	-	148,272	-	-	-	-	148,272	2,476,795

Trade Payable as at 31st March, 2023	Outstanding for following periods							Total (INR) (Unaudited)
	Not Due	Accrued	Less than 6 months	6 months -1 year	1-2 years	2-3 years	Total	
Others	-	37,512	-	-	-	-	37,512	605,039
Total	-	37,512	-	-	-	-	37,512	605,039

11. CURRENT FINANCIAL LIABILITIES – OTHERS

	As at 31st March, 2024 (BRL)	As at 31st March, 2024 (INR) (Unaudited)	As at 31st March, 2023 (BRL)	As at 31st March, 2023 (INR) (Unaudited)
Employee Payable	337,930	5,644,919	295,401	4,764,582
Total	337,930	5,644,919	295,401	4,764,582

12. PROVISIONS

	As at 31st March, 2024 (BRL)	As at 31st March, 2024 (INR) (Unaudited)	As at 31st March, 2023 (BRL)	As at 31st March, 2023 (INR) (Unaudited)
Provisions for Income Tax (Net)	-	-	183,293	2,956,369
Provisions for Employee Benefits Compensated Absences	355,747	5,942,540	13,165	212,341
Total	355,747	5,942,540	196,458	3,168,710

13. OTHER CURRENT LIABILITIES

	As at 31st March, 2024 (BRL)	As at 31st March, 2024 (INR) (Unaudited)	As at 31st March, 2023 (BRL)	As at 31st March, 2023 (INR) (Unaudited)
Statutory Dues	230,658	3,853,003	116,052	1,871,827
Total	230,658	3,853,003	116,052	1,871,827

14. REVENUE FROM OPERATIONS

	For the year ended 31st March, 2024 (BRL)	For the year ended 31st March, 2024 (INR) (Unaudited)	For the year ended 31st March, 2023 (BRL)	For the year ended 31st March, 2023 (INR) (Unaudited)
Sale of Services	7,586,110	126,721,416	1,373,055	22,146,279
Total	7,586,110	126,721,416	1,373,055	22,146,279

The percentage of revenue from Fixed Price contracts for the year ended 31st March, 2024 is approximately 5% (2023 – Nil)

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

15. OTHER INCOME

	For the year ended 31st March, 2024 (BRL)	For the year ended 31st March, 2024 (INR) (Unaudited)	For the year ended 31st March, 2023 (BRL)	For the year ended 31st March, 2023 (INR) (Unaudited)
Bank Interest	16,199	270,595	–	–
Total	16,199	270,595	–	–

16. EMPLOYEE BENEFITS

	For the year ended 31st March, 2024 (BRL)	For the year ended 31st March, 2024 (INR) (Unaudited)	For the year ended 31st March, 2023 (BRL)	For the year ended 31st March, 2023 (INR) (Unaudited)
Salaries and Bonus	3,540,298	59,138,554	790,002	12,742,100
Contribution to Provident and Other Funds	1,064,610	17,783,671	224,210	3,616,329
Staff Welfare Expenses	60,712	1,014,158	13,049	210,470
Total	4,665,620	77,936,383	1,027,261	16,568,899

17. OTHER EXPENSES

	For the year ended 31st March, 2024 (BRL)	For the year ended 31st March, 2024 (INR) (Unaudited)	For the year ended 31st March, 2023 (BRL)	For the year ended 31st March, 2023 (INR) (Unaudited)
Rates and Taxes	143,635	2,399,336	9,880	159,356
Insurance	1,067,527	17,832,398	119,889	1,933,714
Travelling and Conveyance	130,508	2,180,058	–	–
Communication	21,075	352,045	2,250	36,291
Outsourcing Charges	350,124	5,848,611	–	–
Legal, Professional and Consultancy Expenses	246,559	4,118,620	12,686	204,615
Auditors' Remuneration and Expenses	31,970	534,040	31,000	500,005
Bank Charges	1,103	18,425	875	14,113
Loss on Exchange (Net)	42,095	703,172	–	–
Miscellaneous Expenses	22,764	380,259	–	–
Total	2,057,360	34,366,964	176,580	2,848,094

18. A. TAX EXPENSES

	For the year ended 31st March, 2024 (BRL)	For the year ended 31st March, 2024 (INR) (Unaudited)	For the year ended 31st March, 2023 (BRL)	For the year ended 31st March, 2023 (INR) (Unaudited)
Current Tax	344,619	5,756,654	183,293	2,956,369
	344,619	5,756,654	183,293	2,956,369
Deferred Tax (Credit)	(70,882)	(1,184,041)	(131,760)	(2,125,183)
Total	273,737	4,572,613	51,533	831,186

B. THE RECONCILIATION BETWEEN THE INCOME TAX EXPENSES AND AMOUNTS COMPUTED BY APPLYING THE STANDARD RATE OF INCOME TAX TO PROFIT BEFORE TAXES IS AS FOLLOWS:

	For the year ended 31st March, 2024 (BRL)	For the year ended 31st March, 2024 (INR) (Unaudited)	For the year ended 31st March, 2023 (BRL)	For the year ended 31st March, 2023 (INR) (Unaudited)
Profit before tax	875,698	14,628,010	169,214	2,729,286
Income tax expense calculated at 15%	131,355	2,194,208	25,382	409,389
Social Contribution on Net Profit (CSLL) at 9%	78,812	1,316,509	15,230	245,646
Surtax of Income tax at 10% on income above BRL 240,000 (2023: 60,000)	63,570	1,061,896	10,921	176,151
Income Tax expenses recognized in Statement of Profit and Loss	273,737	4,572,613	51,533	831,186

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

19. EARNING PER SHARE

		For the year ended 31st March, 2024 (BRL)	For the year ended 31st March, 2024 (INR) (Unaudited)	For the year ended 31st March, 2023 (BRL)	For the year ended 31st March, 2023 (INR) (Unaudited)
Profit after Tax		601,961	10,055,397	117,681	1,898,100
Weighted average number of Equity Shares	No.	2,600,000	2,600,000	1,225,205	1,225,205
Earnings Per Share (Face value of BRL 1 per share) (Basic and Diluted)		0.23	3.87	0.10	1.55

20. CAPITAL MANAGEMENT

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

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

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

21. CATEGORIES OF FINANCIAL INSTRUMENTS

DESCRIPTION	As at 31st March, 2024 (BRL)		As at 31st March, 2024 (INR) (Unaudited)		As at 31st March, 2023 (BRL)		As at 31st March, 2023 (INR) (Unaudited)	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets								
Measured at amortised cost								
Cash and Cash equivalents	1,006,685	1,006,685	16,816,069	16,816,069	1,656,995	1,656,995	26,726,004	26,726,004
Trade Receivables	1,835,729	1,835,729	30,644,752	30,644,752	-	-	-	-
Other Financial Assets	858,844	858,844	14,346,474	14,346,474	1,610,077	1,610,077	25,969,254	25,969,254
TOTAL	3,701,258	3,701,258	61,827,295	61,827,295	3,267,072	3,267,072	52,695,258	52,695,258
Financial Liabilities								
Measured at amortised cost								
Trade Payable	148,272	148,272	2,476,795	2,476,795	37,512	37,512	605,039	605,039
Other Financial Liabilities - Non-current	-	-	-	-	80,162	80,162	1,292,949	1,292,949
Other Financial Liabilities - current	337,930	337,930	5,644,919	5,644,919	295,401	295,401	4,764,582	4,764,582
TOTAL	486,202	486,202	8,121,714	8,121,714	413,075	413,075	6,662,570	6,662,570

22. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company has a system - based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as foreign currency risk, credit risk and liquidity risk) that may arise as a consequence of its business operations.

Market Risk

The Company has in place appropriate risk management policies to limit the impact of currency, interest and price risk on its financial performance.

i. Foreign Currency Risk

The Company undertakes transactions denominated in functional currency – Brazilian Real. Hence there is no currency risk.

ii. Interest Rate Risk

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

iii. Price Risk

Since all the funds are kept in the bank account there is no price risk on such surplus funds.

iv. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due.

The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due.

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

	As at 31st March, 2024 Contractual Cash flows							Total (INR) (Unaudited)
	Carrying value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year up to 3 years	Beyond 3 years	Total (BRL)	
Trade Payable	148,272	148,272	-	-	-	-	148,272	2,476,795
Other Financial Liabilities	337,930	176,662	161,268	-	-	-	337,930	5,644,919
Total	486,202	324,934	161,268	-	-	-	486,202	8,121,714

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

	As at 31st March, 2023 Contractual Cash flows							Total (INR) (Unaudited)
	Carrying value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year up to 3 years	Beyond 3 years	Total (BRL)	
Trade Payable	37,512	37,512	–	–	–	–	37,512	605,039
Other Financial Liabilities	375,563	236,692	–	58,709	80,162	–	375,563	6,057,531
Total	413,075	274,204	–	58,709	80,162	–	413,075	6,662,570

v. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company. Financial instruments that are subject to the concentration of credit risk principally consist of cash and trade receivables. Credit is extended to Customers after evaluating them against key parameters such as financial position, credit ratings, market intelligence, past experience etc., as may be appropriate. Trade receivables are monitored regularly. The risk of incidence of bad debts is negligible. The Company recognizes provision for expected credit loss on an individual customer basis, based on internal reviews, which are conducted regularly and considers all aspects with respect to debts.

23. RELATED PARTY DISCLOSURES

- (i) Ultimate Holding Company:
ITC Limited
- (ii) Holding Company:
ITC Infotech India Limited
- (iii) Fellow Subsidiary Companies:
ITC Infotech Limited
ITC Infotech (USA), Inc. and its wholly owned subsidiary Indivate Inc.
ITC Infotech Malaysia SDN. BHD. w.e.f 3rd February, 2023
ITC Infotech GmbH w.e.f 10th March, 2023
ITC Infotech France SAS w.e.f. 8th February, 2023
ITC Infotech De Mexico S.A De C.V. w.e.f 17th April, 2023
ITC Infotech Arabia Limited w.e.f 17th December, 2023
- (iv) Key Management Personnel
Administrators
Mr. Mauricio Dias
Mr. Caio Matter

Disclosure of transactions between the Company and Related Parties:

- (v) Holding Company - ITC Infotech India Limited. (w.e.f from 10th October, 2022*)

Description	For the year ended 31st March, 2024 (BRL)	For the year ended 31st March, 2024 (INR) (Unaudited)	For the year ended 31st March, 2023 (BRL)	For the year ended 31st March, 2023 (INR) (Unaudited)
Sale of Services	7,231,235	120,793,442	1,373,055	22,146,279

Sale of Services rendered to group companies are recognized based on cost plus mark-up in accordance with the terms of the respective agreements.

- (vi) Disclosure of Outstanding Balances as at 31st March, 2024 and as at 31st March, 2023

	For the year ended 31st March, 2024 (BRL)	For the year ended 31st March, 2024 (INR) (Unaudited)	For the year ended 31st March, 2023 (BRL)	For the year ended 31st March, 2023 (INR) (Unaudited)
Financial Assets - Trade Receivables	1,638,265	27,366,234	–	–
Financial Assets - Others (Unbilled)	710,858	11,874,456	1,373,055	22,146,279

- (vii) Information regarding significant transactions

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

Related Party Transactions	For the year ended 31st March, 2024 (BRL)	For the year ended 31st March, 2024 (INR) (Unaudited)	For the year ended 31st March, 2023 (BRL)	For the year ended 31st March, 2023 (INR) (Unaudited)
Sale of Goods / Services				
ITC Infotech India Limited (Holding Company)	7,231,235	120,793,442	1,373,055	22,146,279

Related Party Transactions	For the year ended 31st March, 2024 (BRL)	For the year ended 31st March, 2024 (INR) (Unaudited)	For the year ended 31st March, 2023 (BRL)	For the year ended 31st March, 2023 (INR) (Unaudited)
Remuneration to Key Management Personnel (KMP)				
Mr. Mauricio Dias	799,602	13,356,867	221,229	3,568,247
Mr. Caio Matter	–	–	–	–

24. SUBSEQUENT EVENTS

The Company evaluated subsequent events through 5th May, 2024 which is the date on which the Special Purpose Standalone Financial Statements are approved by Management Committee. Based on this evaluation, the Company is not aware of any other events or transactions that would require recognition or disclosure in the Special Purpose Standalone Financial Statements.

25. APPROVAL OF THE FINANCIAL STATEMENTS

The Special Purpose Standalone Financial Statements were approved for issue by the Management Committee on 5th May, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

26. COMPARATIVES

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

MANAGEMENT REPORT

The Managing Director submits the Management Report for the financial year ended 31st March, 2024.

The Company is a wholly owned subsidiary of ITC Infotech India Limited, incorporated in India.

Principal Activities

The Company, incorporated on 10th March, 2023, is engaged in the business of providing Information Technology Services and Solutions.

Business Review

During the year under review, the Company was involved in delivering Information Technology Services and Solutions to clients in the Manufacturing and Automotive industries. The Company leveraged its capabilities in product lifecycle management-led Digital Thread Solutions and Digital Manufacturing amongst others, strengthening its near-shore presence in Europe. The Company will continue to work towards fostering key client relationships towards becoming their trusted partners in driving their growth and transformation agendas.

Financial Results

For the financial year ended 31st March, 2024, the Company's performance was as under:

(EUR)		
Year Ended March 31,	2024	2023 #
Total Revenue	14,251,005	7,150
Other Income	18,733	NIL
Profit / (Loss) After Tax	2,803,693	442

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF ITC INFOTECH GMBH

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of ITC Infotech GmbH (the "Company"), which comprise the Special Purpose Balance Sheet as at 31st March, 2024, the Special Purpose Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Statement of Changes in Equity and the Special Purpose Statement of Cash Flows for the year ended on that date, and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Special Purpose Financial Statements"). The Special Purpose Financial Statements are prepared for inclusion in the annual report of the Ultimate Holding Company ("ITC Limited") under the requirements of section 129(3) of the Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements are prepared, in all material respects, in accordance with the basis of preparation set out in Note 1(a) to the Special Purpose Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing (the "SAs") issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our ethical responsibilities in accordance with the requirements of the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

Emphasis of Matter

Basis of preparation and restriction on use

We draw attention to Note 1(a) to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Financial Statements have been prepared by the Company for the purpose

Note: The figures for the FY 2022-23 pertain to the period from 10th March, 2023, being the date of incorporation of the Company, to 31st March, 2023.

Directors

The Directors in office at the end of the year are listed below:

Mr. Vishal Kumar (with effect from 30th June, 2023)	- Chairman
Mr. Sharad Jain	- Director
Mr. Karan Shukla	- Director

During the year, Mr. Arun Raghavapudi, Chairman, stepped down as the Director of the Company with effect from 29th June, 2023.

Auditors

Audit of the Financial Statements of the Company is not mandatory as per local laws. However, as a measure of good governance, the Company has engaged Messrs. Deloitte Haskins & Sells LLP, India (Registration Number 117366W/W-100018), as the Auditors for the period under review. Their Report is annexed to the Financial Statements of the Company.

On behalf of ITC Infotech GmbH

Anindya Roy
Managing Director

Date: 5th May, 2024

of the information and use of the Company's management. The Special Purpose Financial Statements may not be suitable for any another purpose. Our report is intended solely for the information and use of the Board of Directors and management of the Company and its group companies and is not intended to be and should not be referred to or used by any other party or for any other purpose except with our prior consent in writing. We neither accept nor assume any duty, responsibility or liability to any other party or for any other purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

The Company's Board of Directors are responsible for the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the basis described in Note 1(a) to the Special Purpose Financial Statements.

This responsibility also includes maintenance of adequate accounting records 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, the Company's Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the

Special Purpose 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 Special Purpose 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 Special Purpose 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 but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose 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 Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose 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 Special Purpose 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.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No: 117366W/W-100018

Girish Bagri

Partner

Membership No. 066572

UDIN: 24066572BKFUMX8947

Place: Bengaluru

Date: 5th April, 2024

SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

SPECIAL PURPOSE STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2024

	Note No.	Audited As at 31st March, 2024 (Amount in €)	Unaudited As at 31st March, 2024 (Amount in ₹)	Audited As at 31st March, 2023 (Amount in €)	Unaudited As at 31st March, 2023 (Amount in ₹)
I ASSETS					
1 Non-current Assets					
(a) Property, Plant and Equipment	2	107,825	9,691,054	–	–
(b) Financial Assets					
(i) Security Deposit	3(a)	484	43,501	–	–
(c) Deferred Tax Assets (Net)	6	2,277,615	204,706,348	–	–
Sub-Total		<u>2,385,924</u>	<u>214,440,903</u>	<u>–</u>	<u>–</u>
2 Current Assets					
(a) Financial Assets					
(i) Trade Receivables	4	2,352,106	211,401,446	–	–
(ii) Cash and Cash Equivalents	5	4,523,099	406,524,797	2,849,200	254,839,571
(iii) Others	3(b)	2,840,925	255,335,215	7,150	639,514
(b) Other Current Assets	7	49,002	4,404,147	–	–
Sub-Total		<u>9,765,132</u>	<u>877,665,605</u>	<u>2,856,350</u>	<u>255,479,085</u>
TOTAL		<u>12,151,056</u>	<u>1,092,106,508</u>	<u>2,856,350</u>	<u>255,479,085</u>
II EQUITY AND LIABILITIES					
1 Equity					
(a) Equity Share Capital	8	2,850,000	256,150,875	2,850,000	254,911,125
(b) Other Equity		2,804,135	252,028,615	442	39,534
Sub-Total		<u>5,654,135</u>	<u>508,179,490</u>	<u>2,850,442</u>	<u>254,950,659</u>
2 Non-current Liabilities					
(a) Provisions	10 (a)	1,148,008	103,180,118	–	–
Sub-Total		<u>1,148,008</u>	<u>103,180,118</u>	<u>–</u>	<u>–</u>
3 Current Liabilities					
(a) Financial Liabilities					
(i) Trade Payables & Accrued Expenses					
- Total outstanding dues other than micro and small enterprises	9	3,423,114	307,660,923	5,700	509,822
(b) Other Current Liabilities	11	911,387	81,913,168	–	–
(c) Provisions	10 (b)	654,337	58,810,168	–	–
(d) Current Tax Liabilities (Net)	12	360,075	32,362,641	208	18,604
Sub-Total		<u>5,348,913</u>	<u>480,746,900</u>	<u>5,908</u>	<u>528,426</u>
TOTAL		<u>12,151,056</u>	<u>1,092,106,508</u>	<u>2,856,350</u>	<u>255,479,085</u>

The accompanying notes 1 to 29 are an integral part of the Special Purpose Standalone Financial Statements

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

For Deloitte Haskins & Sells LLP,

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri

Partner

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

On Behalf of the Board

Anindya Roy
Managing Director

Karan Shukla
Director

Place : Belfast
Date: 5th May, 2024

Place : Milton Keynes
Date: 5th May, 2024

SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

SPECIAL PURPOSE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

	Note No.	Year ended		Period ended	
		Audited 31st March, 2024 (Amount in €)	Unaudited 31st March, 2024 (Amount in ₹)	Audited 31st March, 2023 (Amount in €)	Unaudited 31st March, 2023 (Amount in ₹)
I Revenue from Operations	13	14,251,005	1,280,844,700	7,150	639,514
II Other Income	14	18,733	1,683,672	–	–
Total Income		<u>14,269,738</u>	<u>1,282,528,372</u>	<u>7,150</u>	<u>639,514</u>
III Expenses					
Employee Benefits Expense	15	7,468,530	671,252,791	–	–
Depreciation and Amortisation Expense	2	58,489	5,256,854	–	–
Other Expenses	16	5,856,774	526,392,246	6,500	581,376
Total Expenses		<u>13,383,793</u>	<u>1,202,901,891</u>	<u>6,500</u>	<u>581,376</u>
IV Profit Before Tax (II-III)		885,945	79,626,481	650	58,138
V Tax Expenses	17				
Current Tax		359,867	32,343,946	208	18,604
Deferred Tax Credit		(2,277,615)	(204,706,342)	–	–
		<u>(1,917,748)</u>	<u>(172,362,396)</u>	<u>208</u>	<u>18,604</u>
VI Profit for the year/period (IV-V)		<u>2,803,693</u>	<u>251,988,877</u>	<u>442</u>	<u>39,534</u>
VII Earnings Per Share (in €) (Face value € 1 each)19 (Basic and Diluted)		0.492	44.21	0.001	0.12

The accompanying notes 1 to 29 are an integral part of the Special Purpose Standalone Financial Statements

This is the Standalone Statement of Profit and Loss referred to in our Report of even date.

For **Deloitte Haskins & Sells LLP**,

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri

Partner

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

On Behalf of the Board

Anindya Roy

Managing Director

Karan Shukla

Director

Place : Belfast

Date: 5th May, 2024

Place : Milton Keynes

Date: 5th May, 2024

SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

SPECIAL PURPOSE STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2024

A. EQUITY SHARE CAPITAL

Balance at 1st April, 2023 (Amount in €)	Changes in Equity Share Capital during the year (Amount in €)	Balance at 31st March, 2024 (Amount in €)	Balance at 1st April, 2023 (Amount in ₹) Unaudited	Changes in Equity Share Capital during the year (Amount in ₹) Unaudited	Balance at 31st March, 2024 (Amount in ₹) Unaudited
2,850,000	–	2,850,000	256,150,875	–	256,150,875

Balance at 1st April, 2022 (Amount in €)	Changes in Equity Share Capital during the period* (Amount in €)	Balance at 31st March, 2023 (Amount in €)	Balance at 1st April, 2022 (Amount in ₹) Unaudited	Changes in Equity Share Capital during the period* (Amount in ₹) Unaudited	Balance at 31st March, 2023 (Amount in ₹) Unaudited
–	2,850,000	2,850,000	–	254,911,125	254,911,125

* Capital contribution by ITC Infotech India Limited ("the Parent") at the time of incorporation of the Company.

B. OTHER EQUITY

	Retained Earning (Amount in €)	Capital Contribution for Share Based Payments (Amount in €)	Total (Amount in €)	Total (Amount in ₹) Unaudited
Balance as at 1st April, 2023	442	–	442	39,726
- Profit for the year	2,803,693	–	2,803,693	251,988,876
Total Comprehensive Income	2,804,135	–	2,804,135	252,028,602
Balance as at 31st March, 2024	2,804,135	–	2,804,135	252,028,602

	Retained Earning (Amount in €)	Capital Contribution for Share Based Payments (Amount in €)	Total (Amount in €)	Total (Amount in ₹) Unaudited
Balance as at 1st April, 2022	–	–	–	–
- Profit for the year	442	–	442	39,534
Total Comprehensive Income	442	–	442	39,534
Balance as at 31st March, 2023	442	–	442	39,534

Retained Earnings - This represents the cumulative profits of the company.

The accompanying notes 1 to 29 are an integral part of the Special Purpose Standalone Financial Statements

This is the Special Purpose Standalone Statement of Changes in Equity referred to in our Report of even date.

For Deloitte Haskins & Sells LLP,

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri

Partner

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

On Behalf of the Board

Anindya Roy

Managing Director

Karan Shukla

Director

Place : Belfast

Date: 5th May, 2024

Place : Milton Keynes

Date: 5th May, 2024

SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

SPECIAL PURPOSE STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

	Audited For the year ended 31st March, 2024 (Amount in €)		Unaudited For the year ended 31st March, 2024 (Amount in ₹)		Audited For the period ended 31st March, 2023 (Amount in €)		Unaudited For the period ended 31st March, 2023 (Amount in ₹)	
A CASH FLOW FROM OPERATING ACTIVITIES :								
PROFIT BEFORE TAX		885,945		79,626,481		650		58,138
ADJUSTMENT ITEMS:								
Depreciation and Amortisation Expense	58,489		5,256,854		–	–		
Unrealised (Gain) on Exchange [net]	(10)		(899)		–	–		
Loss on disposal of Property, Plant and Equipment	5,181		465,653		–	–		
Interest Income	(18,723)		(1,682,773)		–	–		
		44,937		4,038,835		–		–
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		930,882		83,665,316		650		58,138
ADJUSTMENTS FOR :								
Trade Receivables, Loans and Advances and Other Assets	(5,235,366)		(470,541,674)		(7,150)		(639,514)	
Trade Payables, Other Liabilities and Provisions	6,131,146	895,780	551,052,075	80,510,401	5,700	(1,450)	509,822	(129,692)
CASH FROM OPERATIONS		1,826,662		164,175,717		(800)		(71,554)
Income Tax Paid (Net)		–		–		–		–
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		1,826,662		164,175,717		(800)		(71,554)
B CASH FLOW FROM INVESTING ACTIVITIES :								
Purchase of Property, Plant and Equipment	(171,496)		(15,413,591)		–			
Interest Received on maturity of Bank Deposits	18,733		1,683,671		–			
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		(152,763)		(13,729,920)		–		–
C CASH FLOW FROM FINANCING ACTIVITIES :								
Proceeds from issue of Share Capital	–	–	–	–	2,850,000		254,911,125	
NET CASH IN FROM FINANCING ACTIVITIES		–		–		2,850,000		254,911,125
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,673,899		150,445,797		2,849,200		254,839,571
OPENING CASH AND CASH EQUIVALENTS		2,849,200		256,079,000		–		
CLOSING CASH AND CASH EQUIVALENTS		4,523,099		406,524,797		2,849,200		254,839,571
CASH AND CASH EQUIVALENTS COMPRISE :								
Cash and Cash Equivalents as above	4,523,099		406,524,797		2,849,200		254,839,571	
Cash and Cash Equivalents		4,523,099		406,524,797		2,849,200		254,839,571

Note: There were no non-cash financing or investing transactions

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

The accompanying notes 1 to 29 are an integral part of the Special Purpose Standalone Financial Statements.

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

For Deloitte Haskins & Sells LLP,

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri

Partner

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

On Behalf of the Board

Anindya Roy

Managing Director

Karan Shukla

Director

Place : Belfast

Date: 5th May, 2024

Place : Milton Keynes

Date: 5th May, 2024

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

NATURE OF OPERATIONS

ITC Infotech GmbH (the "Company") is a wholly owned subsidiary of ITC Infotech India Limited ("the Parent") providing information technology services to enterprise clients. The Company is incorporated and domiciled in Germany and has its registered office at Friedrich-Ebert-Anlage 36, 60325 Frankfurt am Main.

ITC Infotech GmbH was incorporated on 10th March, 2023. During the year, certain assets, liabilities and employees were transferred by the Parent Company and the Company commenced its operations. Refer to Related Party Note for details of assets and liabilities transferred.

1 MATERIAL ACCOUNTING POLICIES

a) Basis of preparation and statement of compliance

This Special Purpose Standalone Financial Statement is prepared for inclusion in the annual report of the Ultimate Holding Company (ITC Limited) under the requirements of section 129(3) of the Companies Act, 2013. The financial performance and position of the Company are included in the consolidated financial statements of ITC Limited, incorporated under the Companies Act, 2013*, and having its registered office at Virginia House, 37, Jawaharlal Nehru Road, Kolkata 700 071, India.

These Special Purpose Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 and the relevant presentation requirements of the Companies Act, 2013 to the extent applicable to the Company. Accordingly, these financial statements do not purport to follow German GAAP.

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at amortised cost or fair value as required by the relevant Ind AS and explained in the accounting policies:

- i) financial instruments classified as fair value through other comprehensive income or fair value through profit or loss,
- ii) defined benefit liability/(asset) is recognized as the present value of defined benefit obligation less fair value of plan assets.

Accounting policies have been applied consistently to all periods presented in these financial statements, except for new accounting standards adopted by the Company.

*Companies Act, 2013 refers to the Companies Act, 2013 of India

b) Convenience translation (unaudited)

These Special Purpose Financial Statement are presented in Euro. However, as required by the parent company ITC Infotech India Limited., the Indian Rupee equivalent figures, arrived at by applying the average interbank exchange rate of EUR (€) = INR 89.8775 for the year ended 31st March, 2024 (2023: INR 89.4425) as provided by ITC Infotech India Limited, have been included solely for informational purposes and is not in conformity with the provisions of Ind AS. No representation is made that the Euro amounts have been, could have been or could be converted into Indian rupee at such a rate or any other rate.

c) Use of Estimates and Judgment

The preparation of the Special Purpose Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Special Purpose Financial Statements are included in the following notes:

- i) Revenue Recognition
- ii) Income taxes

d) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind

AS 1 – Presentation of Special Purpose Financial Statements based on the nature of services rendered and their realisation in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

e) Property, Plant and Equipment

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

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

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

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

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

f) Impairment of Assets

Impairment loss, if any, is provided to the extent that the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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

g) Foreign Currency Transactions

The presentation currency of the Company is Euro.

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

h) Financial instruments, Financial assets and Financial liabilities

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value, except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

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

Financial Assets

Recognition: Financial assets include Trade receivables, Unbilled receivables, deposits, advances and cash and cash equivalents. Such assets are initially recognized either at transaction price or at fair value, as applicable, on becoming a party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

Financial assets are classified as those measured at:

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

Trade receivables, advances, security deposits, cash and cash equivalents etc. are classified for measurement at amortized cost.

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

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

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

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves

are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition on Financial Assets : Interest income is recognised in the Statement of Profit and Loss using the effective interest method.

Financial Liabilities

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

Offsetting Financial Instruments

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

i) Revenue from Sale of Services

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

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

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

Revenue excludes amounts collected on behalf of third parties, such as value added tax and other such taxes.

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

Revenue is recognized from services performed on other "time bound fixed-price engagements" based on efforts expended using the percentage of completion method of accounting, if work completed can be reasonably estimated.

The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated.

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

The incremental costs of obtaining a contract are recognized as an asset and amortized to revenues in accordance with Ind AS 115 - Revenue from contracts with customers. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

j) Employee Benefits

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

The cost of providing benefits under the defined benefit obligation is calculated by an independent actuary using the Projected Unit Credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately in Other Comprehensive Income in the period in which they occur. The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under the Projected Unit Credit method. This benefit is unfunded.

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

k) Leases

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

Company as a Lessee

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

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

Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude approx. Euro 5,600 or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an

operating lease, the asset is capitalised within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease.

l) Taxes on Income

Taxes on income comprises current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

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

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

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

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

m) Dividend Distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

n) Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

The Board of Directors examines the Company's performance and has identified single reportable segment, namely Information Technology.

Segment revenue is reported on the same basis as revenue in the Special Purpose Standalone Financial Statements.

o) Provisions

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

p) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

2. PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION (Amount in €)	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2023	Additions	Withdrawals / Adjustments	As at 31st March, 2024	As at 1st April, 2023	Charge for the Year	Withdrawals / Adjustments	As at 31st March, 2024	As at 1st April, 2023	As at 31st March, 2024
TANGIBLE ASSETS										
Office Equipment	–	21,995	2,816	19,179	–	5,344	398	4,946	–	14,232
Computers, Servers and Networks	–	149,500	3,070	146,431	–	53,145	307	52,838	–	93,593
GRAND TOTAL	–	171,495	5,886	165,609	–	58,489	705	57,784	–	107,825

DESCRIPTION (Amount in ₹) Unaudited	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2023	Additions	Withdrawals / Adjustments	As at 31st March, 2024	As at 1st April, 2023	Charge for the Year	Withdrawals / Adjustments	As at 31st March, 2024	As at 1st April, 2023	As at 31st March, 2024
TANGIBLE ASSETS										
Office Equipment	–	1,976,837	253,117	1,723,720	–	480,349	35,778	444,571	–	1,279,149
Computers, Servers and Networks	–	13,436,714	275,892	13,160,822	–	4,776,506	27,589	4,748,917	–	8,411,905
GRAND TOTAL	–	15,413,551	529,009	14,884,542	–	5,256,854	63,366	5,193,488	–	9,691,054

3. OTHER FINANCIAL ASSETS

	As at 31st March, 2024 (Amount €)	As at 31st March, 2024 (Amount ₹) Unaudited	As at 31st March, 2023 (Amount €)	As at 31st March, 2023 (Amount ₹) Unaudited
3(a) Non-Current Unsecured Considered Good, Unless Otherwise Stated				
Security Deposit	484	43,501	–	–
Total	484	43,501	–	–

3. OTHER FINANCIAL ASSETS

	As at 31st March, 2024 (Amount €)	As at 31st March, 2024 (Amount ₹) Unaudited	As at 31st March, 2023 (Amount €)	As at 31st March, 2023 (Amount ₹) Unaudited
3(b) Current Unsecured Considered Good, Unless Otherwise Stated				
Unbilled Revenue - time and material basis and Fixed Price Support*	2,836,758	254,960,761	7,150	639,514
Foreign Currency Forward Contracts	–	–	–	–
Interest Accrued on Deposits	484	43,466	–	–
Advances (includes advance to employees) - Considered Good	3,683	330,988	–	–
Total	2,840,925	255,335,215	7,150	639,514

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

4. TRADE RECEIVABLE

	As at 31st March, 2024 (Amount €)	As at 31st March, 2024 (Amount ₹) Unaudited	As at 31st March, 2023 (Amount €)	As at 31st March, 2023 (Amount ₹) Unaudited
Unsecured Considered Good				
i) Related Parties	–	–	–	–
ii) Other	2,352,106	211,401,446	–	–
	2,352,106	211,401,446	–	–
Less : Expected Credit Loss Allowance	–	–	–	–
Total	2,352,106	211,401,446	–	–

Trade Receivables as at 31st March, 2024	Outstanding for following periods						
	Not Due	Less than 6 months	6 months -1 period	1-2 periods	2-3 periods	Total (Amount in €)	Total (Amount in ₹) Unaudited
Undisputed Trade Receivables - considered good	1,977,930	374,176	–	–	–	2,352,106	211,401,403
Undisputed Trade Receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade Receivables - considered good	–	–	–	–	–	–	–
Disputed Trade Receivables	–	–	–	–	–	–	–
Disputed Trade Receivables - credit impaired	–	–	–	–	–	–	–
Gross	1,977,930	374,176	–	–	–	2,352,106	211,401,403
Less : Allowance for Trade Receivables	–	–	–	–	–	–	–
Less : Expected Credit Loss Allowance	–	–	–	–	–	–	–
Net	1,977,930	374,176	–	–	–	2,352,106	211,401,403
Total in ₹	177,771,414	33,629,988	–	–	–	211,401,403	–

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

5. CASH AND CASH EQUIVALENTS

	As at 31st March, 2024 (Amount €)	As at 31st March, 2024 (Amount ₹) Unaudited	As at 31st March, 2023 (Amount €)	As at 31st March, 2023 (Amount ₹) Unaudited
Balance with Bank :				
Current Account	3,523,099	316,647,297	2,849,200	254,839,571
In Deposit Accounts	1,000,000	89,877,500	-	-
Total	4,523,099	406,524,797	2,849,200	254,839,571

The Company does not have any significant cash and cash equivalents that are not available for use.

6. DEFERRED TAX ASSETS (NET)

	As at 31st March, 2024 (Amount €)	As at 31st March, 2024 (Amount ₹) Unaudited	As at 31st March, 2023 (Amount €)	As at 31st March, 2023 (Amount ₹) Unaudited
Deferred Tax Assets	2,312,038	207,800,189	-	-
- Deferred Tax recognised on estimated/deemed value of employees transferred	2,078,378	186,799,380	-	-
- Other timing differences (includes provision for expenses)	233,660	21,000,808	-	-
Less: Deferred Tax Liabilities (allowances on Property Plant & Equipment)	(34,423)	(3,093,840)	-	-
Deferred Tax Assets (Net)	2,277,615	204,706,348	-	-

7. OTHER ASSETS

	As at 31st March, 2024 (Amount €)	As at 31st March, 2024 (Amount ₹) Unaudited	As at 31st March, 2023 (Amount €)	As at 31st March, 2023 (Amount ₹) Unaudited
Current				
Other Advances (includes Unexpired Expenses)	32,077	2,882,973	-	-
Unbilled Revenue - percentage of completion *	16,925	1,521,174	-	-
Total	49,002	4,404,147	-	-

*Contractual right to consideration is dependent on completion of contractual milestones

8. EQUITY SHARE CAPITAL

	As at 31st March, 2024 (Amount €)	As at 31st March, 2024 (Amount ₹) (Unaudited)	As at 31st March, 2023 (Amount €)	As at 31st March, 2023 (Amount ₹) (Unaudited)
Authorised				
5,700,000 Equity Shares of € 1 each	5,700,000	512,301,750	5,700,000	509,822,250
Issued and Subscribed :				
5,700,000 Equity Shares of € 0.5 each, partially paid-up (All equity shares are held by ITC Infotech India Limited, the Holding Company. The Equity Shares of the Company, having par value of € 1 each per share, rank pari passu in all respects including entitlement to dividend)	2,850,000	256,150,875	2,850,000	254,911,125
TOTAL	2,850,000	256,150,875	2,850,000	254,911,125

8(a) SHARES HELD BY PROMOTERS

Particulars	Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
		No. of shares as at end of the period	% of Total Shares	% change during the period	No. of shares as at end of the period	% of Total Shares	% change during the period
Equity Shares of € 1 each, partially paid-up (€ 0.5)	ITC Infotech India Limited	5,700,000	100%	0%	5,700,000	100%	100%

9. FINANCIAL LIABILITIES

Trade Payable & Accrued Expenses as at 31st March, 2024	Outstanding for following periods								Total (Amount in ₹) (Unaudited)
	Accrued	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total (Amount in €)	
Inter-company payable (Refer Note 25)	636,657	389,902	1,847,540	-	-	-	-	2,874,099	258,316,828
Others	549,015	-	-	-	-	-	-	549,015	49,344,095
Total	389,902	389,902	1,847,540	-	-	-	-	3,423,114	307,660,923

Trade Payable & Accrued Expenses as at 31st March, 2023	Outstanding for following periods								Total (Amount in ₹) (Unaudited)
	Accrued	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total (Amount in €)	
Others	5,700	-	-	-	-	-	-	5,700	509,822
Total	5,700	-	-	-	-	-	-	5,700	509,822

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

10. PROVISIONS

	As at 31st March, 2024 (Amount in €)	As at 31st March, 2024 (Amount in ₹) Unaudited	As at 31st March, 2023 (Amount in €)	As at 31st March, 2023 (Amount in ₹) Unaudited
10(a) Non Current				
Provisions for Employee Benefits				
Retirement Benefits	884,679	79,512,743	–	–
Compensated Absences	263,329	23,667,375	–	–
Total	1,148,008	103,180,118	–	–

10(b) Current

	As at 31st March, 2024 (Amount in €)	As at 31st March, 2024 (Amount in ₹) Unaudited	As at 31st March, 2023 (Amount in €)	As at 31st March, 2023 (Amount in ₹) Unaudited
Provisions for Employee Benefits				
Compensated Absences	77,245	6,942,588	–	–
Employee Provisions	577,092	51,867,580	–	–
Total	654,337	58,810,168	–	–

11. OTHER CURRENT LIABILITIES

	As at 31st March, 2024 (Amount in €)	As at 31st March, 2024 (Amount in ₹) Unaudited	As at 31st March, 2023 (Amount in €)	As at 31st March, 2023 (Amount in ₹) Unaudited
Statutory Dues	891,442	80,120,605	–	–
Unearned Revenue	19,945	1,792,563	–	–
Total	911,387	81,913,168	–	–

12. CURRENT TAX LIABILITIES

	As at 31st March, 2024 (Amount in €)	As at 31st March, 2024 (Amount in ₹) Unaudited	As at 31st March, 2023 (Amount in €)	As at 31st March, 2023 (Amount in ₹) Unaudited
Provisions for Income Tax	360,075	32,362,641	208	18,604
Total	360,075	32,362,641	208	18,604

13. REVENUE FROM OPERATIONS

	For the year ended		For the period ended	
	As at 31st March, 2024 (Amount in €)	As at 31st March, 2024 (Amount in ₹) Unaudited	As at 31st March, 2023 (Amount in €)	As at 31st March, 2023 (Amount in ₹) Unaudited
Sale of Services	14,251,005	1,280,844,700	7,150	639,514
Total Revenue	14,251,005	1,280,844,700	7,150	639,514

14. OTHER INCOME

	For the year ended		For the period ended	
	As at 31st March, 2024 (Amount in €)	As at 31st March, 2024 (Amount in ₹) Unaudited	As at 31st March, 2023 (Amount in €)	As at 31st March, 2023 (Amount in ₹) Unaudited
Interest Income	18,723	1,682,773	–	–
Other Gains	10	899	–	–
Total	18,733	1,683,672	–	–

15. EMPLOYEE BENEFITS EXPENSES

	For the year ended		For the period ended	
	As at 31st March, 2024 (Amount in €)	As at 31st March, 2024 (Amount in ₹) Unaudited	As at 31st March, 2023 (Amount in €)	As at 31st March, 2023 (Amount in ₹) Unaudited
Salaries and Bonus	6,462,666	580,848,226	–	–
Contribution to Pension and other Funds	966,368	86,854,756	–	–
Staff Welfare Expenses	39,496	3,549,809	–	–
Total	7,468,530	671,252,791	–	–

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

16. OTHER EXPENSES

	For the year ended		For the period ended	
	As at 31st March, 2024 (Amount in €)	As at 31st March, 2024 (Amount in ₹) Unaudited	As at 31st March, 2023 (Amount in €)	As at 31st March, 2023 (Amount in ₹) Unaudited
Rent	46,023	4,136,419	–	–
Insurance	88,048	7,913,551	–	–
Travelling and Conveyance	166,381	14,953,898	–	–
Recruitment Expenses	30,090	2,704,414	–	–
Communication	34,243	3,077,646	–	–
Outsourcing Charges	5,199,384	467,307,599	–	–
Software and Related Expenses	2,277	204,684	–	–
Business Development Expenses	2,536	227,973	–	–
Legal, Professional and Consultancy Expenses	157,358	14,142,937	–	–
Property, Plant and Equipment Discarded, net	4,597	413,206	–	–
Auditors' Remuneration and Expenses	5,900	530,277	5,700	509,822
Training and Development	89,334	8,029,081	–	–
Bank Charges	21,982	1,975,726	800	71,554
Secondment Charges	2,500	224,694	–	–
Miscellaneous Expenses	6,121	550,140	–	–
Total	5,856,774	526,392,246	6,500	581,376

17. TAX EXPENSES

	For the year ended		For the period ended	
	As at 31st March, 2024 (Amount in €)	As at 31st March, 2024 (Amount in ₹) Unaudited	As at 31st March, 2023 (Amount in €)	As at 31st March, 2023 (Amount in ₹) Unaudited
17(a) Tax Expenses Recognised in Statement of Profit and Loss	359,867	32,343,946	208	18,604
Current Tax				
Deferred Tax (Credit)	(2,277,615)	(204,706,342)	–	–
Total	(1,917,748)	(172,362,396)	208	18,604

17(b) The reconciliation between the income tax expenses and amounts computed by applying the standard rate of income tax to profit before taxes is as follows:

Profit before tax	885,945	79,626,480	208	18,604
Income tax expense calculated at 31.925%	282,838	25,420,754	–	–
Effects of :				
- Deferred Tax recognised on estimated / deemed value of employees transferred	(2,078,378)	(186,799,380)	–	–
- Other timing differences	(122,208)	(10,983,769)	–	–
Income Tax expenses recognised in Statement of Profit and Loss	(1,917,748)	(172,362,396)	208	18,604

18. EMPLOYEE BENEFITS

Description of Plans

(a) Defined Contribution Plan

Amounts towards Defined Contribution Plans have been recognised under "Contribution to Pension and Other Funds in Note 15.

(b) Defined Benefit Plan

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

Risk Management:

The defined benefit plans expose the Company to actuarial deficit arising out of investment risk, interest rate risk, salary cost inflation risk. These plans are not exposed to any unusual, entity specific or scheme specific risks but there are general risks. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the Government security yields. A decrease in yields will increase the fund liabilities, leading to accounting deficit in the funds. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

The following table sets out the Defined Benefit Plans / Long-Term Compensated Absences as per Actuarial Valuation as on 31st March, 2024 and recognised in the financial statements in respect of Employee Benefit Schemes :

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

18. EMPLOYEE BENEFITS (CONTINUED)

SI No	I] Components of Employer Expense	Compensated Absences	Co create pension	Compensated Absences	Co create pension
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
1	Current Service Cost	(350,485)	22,660	(31,500,750)	2,036,624
2	Net Interest Cost	-	-	-	-
3	Total expense recognised in the Statement of Profit and Loss	(350,485)	22,660	(31,500,750)	2,036,624
	Re-measurements recognised in Other Comprehensive Income				
4	(Return) on plan assets (excluding amounts included in Net interest cost)	-	-	-	-
5	Effect of changes in demographic assumptions	-	-	-	-
6	Effect of changes in financial assumptions	-	-	-	-
7	Effect of experience adjustments	-	-	-	-
8	Total re-measurements included in OCI	-	-	-	-
9	Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (3+8)	(350,485)	22,660	(31,500,750)	2,036,624

The current service cost and net interest expense for the year pertaining to Pension and Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Compensated absences in "Salaries and Bonus". The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

	Particulars	Compensated Absences	Co create pension	Compensated Absences	Co create pension
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
II]	Actual Returns	-	-	-	-
III]	Net (Asset)/Liability recognised in Balance Sheet	340,574	884,679	30,609,963	79,512,737
1	Present Value of Defined Benefit Obligation	340,574	884,679	30,609,963	79,512,737
2	Obligation w.r.t Overseas branches	-	-	-	-
3	Fair Value of Plan Assets	-	-	-	-
4	Status [Deficit]	340,574	884,679	30,609,963	79,512,737
		Current	Non Current	Current	Non Current
5	Net Liability recognised in Balance Sheet				
	- Pension	-	884,679	-	79,512,737
	- Compensated Absences	77,245	263,329	6,942,587	23,667,352
	Total	77,245	1,148,008	6,942,587	103,180,089

	Particulars	Compensated Absences	Co create pension	Compensated Absences	Co create pension
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
IV]	Change in Defined Benefit Obligation (DBO)				
1	Present Value of DBO at the time of transfer	-	862,019	-	77,476,113
2	Current Service Cost	-	22,660	-	2,036,624
3	Interest Cost	-	-	-	-
4	Remeasurement gains / (losses)				
	Effect of changes in demographic assumptions	-	-	-	-
	Effect of changes in financial assumptions	-	-	-	-
	Changes in asset ceiling (excluding interest income)	-	-	-	-
	Effect of experience adjustments	-	-	-	-
5	Transfer of Obligation	-	-	-	-
6	Exchange difference on foreign plans	-	-	-	-
7	Benefits Paid	-	-	-	-
8	Present Value of DBO at the end of the year	-	884,679	-	79,512,737

V] Actuarial Assumptions

	Particulars	Compensated Absences	Co create pension	Compensated Absences	Co create pension
1	Discount Rate (%)	2.20%	3.81%	2.20%	3.81%
2	Pensions-in-payment increase rate	0%	2%	0%	2%
3	Long term rate of compensation increase	3%	3%	3%	3%

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

VI] Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)

	Particulars	Compensated Absences	Co create pension	Compensated Absences	Co create pension
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
1	Present Value of Defined Benefit Obligation	340,574	884,679	30,609,940	79,512,737
2	Fair Value of Plan Assets	-	-	-	-
3	Status [Deficit]	340,574	884,679	30,609,940	79,512,737
4	Experience Adjustment of Plan Assets [Loss / (Gain)]	-	-	-	-
5	Experience Adjustment of obligation [Loss / (Gain)]	-	-	-	-

VII] Sensitivity Analysis

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

	Particulars	Compensated Absences	Co create pension	Compensated Absences	Co create pension
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
1	Discount Rate + 100 basis points	-	736,227	-	66,170,242
2	Discount Rate - 100 basis points	-	1,042,627	-	93,708,708
3	Long term Compensation Increase Rate + 1%	-	906,047	-	81,433,239
4	Long term Compensation Increase Rate – 1%	-	863,515	-	77,610,569

VIII] Maturity Analysis of the Benefit Payment

	Particulars	Compensated Absences	Co create pension	Compensated Absences	Co create pension
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
1	Year 1	-	1,308	-	117,560
2	Year 2	-	2,168	-	194,854
3	Year 3	-	3,010	-	270,531
4	Year 4	-	38,595	-	3,468,822
5	Year 5	-	39,497	-	3,549,892
6	Next 5 Years	-	271,149	-	24,370,194

19 Earnings per share

			31st March 2024 (Amount in €)	31st March 2024 (Amount in ₹) Unaudited	31st March, 2023 (Amount in €)	31st March, 2023 (Amount in ₹) Unaudited
(a)	Profit after Tax	€	2,803,693	251,988,876	442	39,534
(b)	Weighted average number of Equity Shares	No.	5,700,000	5,700,000	327,945	327,945
(c)	Earnings Per Share	€	0.492	44.209	0.001	0.12
	(Face value of € 1 each, per share) (Basic and Diluted)					

20 Auditor's Remuneration and Expenses

		31st March 2024 (Amount in €)	31st March 2024 (Amount in ₹) Unaudited	31st March, 2023 (Amount in €)	31st March, 2023 (Amount in ₹) Unaudited
	Audit Fees	5,900	530,277	5,700	509,822
	Total	5,900	530,277	5,700	509,822

21 CAPITAL MANAGEMENT

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

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

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

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

22 Categories of Financial Instruments

	As at 31st March, 2024 (Amount in €)		As at 31st March, 2024 (Amount in ₹) Unaudited		As at 31st March, 2023 (Amount in €)		As at 31st March, 2023 (Amount in ₹) Unaudited	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets								
Measured at amortised cost								
Cash and Cash Equivalents	4,523,099	4,523,099	406,524,797	407,083,400	2,849,200	2,849,200	256,078,973	256,078,973
Trade Receivables	2,352,106	2,352,106	211,691,934	211,691,934	–	–	–	–
Other Financial Assets	2,841,409	2,841,409	255,729,630	255,729,630	7,150	7,150	642,624	642,624
Total	9,716,614	9,716,614	873,946,360	874,504,963	2,856,350	2,856,350	256,721,597	256,721,597
	As at 31st March, 2024 (Amount in €)		As at 31st March, 2024 (Amount in ₹) Unaudited		As at 31st March, 2023 (Amount in €)		As at 31st March, 2023 (Amount in ₹) Unaudited	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities								
Measured at amortised cost								
Trade Payables	3,423,114	3,423,114	307,660,923	308,083,678	5,700	5,700	512,302	512,302
Total	3,423,114	3,423,114	307,660,923	308,083,678	5,700	5,700	512,302	512,302

23 Financial Risk Management Objectives

The Company has a system - based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as foreign currency risk, credit risk and liquidity risk) that may arise as a consequence of its business operations.

a) Market Risk

The Company has in place appropriate risk management policies to limit the impact of currency, interest and other price risk on its financial performance.

i) Foreign Currency Risk

The Company undertakes transactions denominated in functional currency - Euro. The Company has unbilled revenue for which the billing is done in CHF.

As on 31st March 2024	CHF	In Euros
Financial Assets	2,101	2,152

Foreign Currency Sensitivity

The sensitivity analysis arises on account of outstanding foreign currency denominated assets and liabilities, including derivative contracts.

The Company considers a sensitivity of 1% in applicable foreign currency rates, holding all other variables constant. In the event the exchange rate fluctuates by +1%, the profit before tax for the year ended 31st March, 2024 and pre-tax total equity as at 31st March, 2024 will be higher by € 22. If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on profit before tax and pre-tax total equity.

ii) Interest Rate Risk

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

iii) Other Price Risk

Since all the funds are kept in the bank account and term deposits, there is no price risk on such surplus fund.

iv) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due.

The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due.

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

	As at 31st March, 2024 Contractual Cash flows							Total (Amount in ₹) Unaudited
	Carrying value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 period up to 3 year	Beyond 3 years	Total (Amount in €)	
Trade Payables	3,423,114	3,423,114	-	-	-	-	3,423,114	307,660,923
Total	3,423,114	3,423,114	-	-	-	-	3,423,114	307,660,923

	As at 31st March, 2023 Contractual Cash flows							Total (Amount in ₹) Unaudited
	Carrying value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 period up to 3 year	Beyond 3 years	Total (Amount in €)	
Trade Payables	5,700	5,700	-	-	-	-	5,700	512,302
Total	5,700	5,700	-	-	-	-	5,700	512,302

v) Credit Risk

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

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

activities. Financial instruments that are subject to the concentration of credit risk principally consist of trade receivables. Credit is extended to Customers after evaluating them against key parameters such as financial position, credit ratings, market intelligence, past experience etc., as may be appropriate. Trade receivables are monitored regularly. The concentration of credit risk, with respect to trade receivables, is limited, due to the Company's customer base being large and internationally dispersed. Some of the Company's key Customers have been transacting for many years and the incidence of bad debts is negligible. The Company recognises provision for expected credit loss on an individual customer basis, based on internal reviews, which are conducted regularly and considers all aspects with respect to debts.

24 SEGMENT REPORTING

The Company operates in a single business segment - information technology, basis which the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources. Further, the Company operates in a single geographical segment namely Europe.

	31st March 2024 (Amount in €)	31st March 2024 (Amount in ₹) Unaudited	31st March, 2023 (Amount in €)	31st March, 2023 (Amount in ₹) Unaudited
Segment Revenue*				
Europe	14,251,005	1,280,844,700	7,150	639,514
Total	14,251,005	1,280,844,700	7,150	639,514

	31st March 2024 (Amount in €)	31st March 2024 (Amount in ₹) Unaudited	31st March, 2023 (Amount in €)	31st March, 2023 (Amount in ₹) Unaudited
Non-Current Assets				
Europe	2,385,924	214,440,903	-	-
Total	2,385,924	214,440,903	-	-

*Revenues of EUR 9,137,659 (INR 821,269,951) are derived from a single external customer / group in the year ended March 31, 2024.

25 RELATED PARTY DISCLOSURES

(i) ULTIMATE HOLDING COMPANY:

ITC Limited

(ii) HOLDING COMPANY:

ITC Infotech India Limited

(iii) Fellow Subsidiary Companies:

ITC Infotech Limited

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

ITC Infotech Do Brasil LTDA.

ITC Infotech Malaysia SDN. BHD.

ITC Infotech France SAS

ITC Infotech Arabia Limited (w.e.f. 17th Dec 2023)

ITC Infotech de México, S.A. de C.V. (w.e.f. 17th April 2023)

(iv) KEY MANAGEMENT PERSONNEL

Mr. Anindya Roy - Managing Director

Mr. Vishal Kumar – Director

Mr. Karan Shukla – Director

Mr. Sharad Jain - Director

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

Sl. No	Description	Holding Company			
		2024 (Amount in €)	2024 (Amount in ₹) Unaudited	2023 (Amount in €)	2023 (Amount in ₹) Unaudited
1	Sale of Services	-	-	7,150	6,39,514
2	Purchase of Services	4,618,972	415,141,656		
3	Purchase of Fixed Assets	1,32,361	11,896,276	-	-
4	Employee Provisions and Liabilities Transferred	3,081,195	276,930,122	-	-
5	Secondment Advance	5,500	494,326	-	-

(vi) DISCLOSURE OF OUTSTANDING BALANCES

Description	Holding Company			
	2024 (Amount in €)	2024 (Amount in ₹) Unaudited	2023 (Amount in €)	2023 (Amount in ₹) Unaudited
Balances as at 31st March,				
i) Other Financial Assets (Unbilled)	-	-	7,150	639,514
ii) Trade Payables	2,874,099	258,316,828		

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

25 RELATED PARTY DISCLOSURES [Continued]

(vii) INFORMATION REGARDING SIGNIFICANT TRANSACTIONS

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

Related Party Transactions	2024 (Amount in €)	2024 (Amount in ₹) Unaudited	2023 (Amount in €)	2023 (Amount in ₹) Unaudited	Related Party Transactions	2024 (Amount in €)	2024 (Amount in ₹) Unaudited
ITC Infotech India Limited					Remuneration to Key Management Personnel (KMP)		
Sale of Services			7,150	639,514	Mr. Anindya Roy - Managing Director	-	-
ITC Infotech India Limited					Mr. Vishal Kumar	-	-
Purchase of Services	4,618,972	415,141,633			Mr. Karan Shukla	-	-
Purchase of Fixed Assets	132,361	11,838,699			Mr. Sharad Jain	-	-
Employee Provisions and Liabilities Transferred	3,081,195	275,589,803					

26 LEASES

Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude approx. Euro 5600 or less) are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease. The expenses pertaining to short term leases have been disclosed as 'Rent' in Note 16.

27 SUBSEQUENT EVENTS

The Company evaluated subsequent events through 5th May, 2024 which is the date on which the Special Purpose Standalone Financial Statements are approved by the Board of Directors. Based on this evaluation, the Company is not aware of any other events or transactions that would require recognition or disclosure in the Special Purpose Standalone Financial Statements.

28 APPROVAL OF SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

The Special Purpose Standalone Financial Statements were approved for issue by the Board of Directors on 5th May, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

29 COMPARATIVES

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

MANAGEMENT REPORT

The President submits the Management Report for the financial year ended 31st March, 2024.

The Company is a wholly owned subsidiary of ITC Infotech India Limited, incorporated in India.

Principal Activities

The Company, incorporated on 8th February, 2023, is engaged in the business of providing Information Technology Services and Solutions.

Business Review

During the year under review, the Company was involved in delivering Information Technology Services and Solutions to clients in the Aerospace, Manufacturing industries etc. The Company leveraged its capabilities in product lifecycle management-led Digital Thread Solutions and Digital Manufacturing amongst others, strengthening its near-shore presence in Europe. The Company will continue to work towards fostering key client relationships towards becoming their trusted partners in driving their growth and transformation agendas.

Financial Results

For the financial year ended 31st March, 2024, the Company's performance was as under:

(EUR)

Year Ended March 31,	2024	2023 #
Total Revenue	6,049,948	7,150
Other Income	29,116	NIL
Profit /(Loss) After Tax	434,344	552

#Note: The figures for the FY 2022-23 pertain to the period from

On behalf of ITC Infotech France SAS

Anindya Roy
President

Date: 5th May, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF ITC INFOTECH FRANCE SAS

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of ITC Infotech France SAS (the "Company"), which comprise the Special Purpose Balance Sheet as at 31st March, 2024, the Special Purpose Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Statement of Changes in Equity and the Special Purpose Statement of Cash Flows for the year ended on that date, and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Special Purpose Financial Statements"). The Special Purpose Financial Statements are prepared for inclusion in the annual report of the Ultimate Holding Company ("ITC Limited") under the requirements of section 129(3) of the Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements are prepared, in all material respects, in accordance with the basis of preparation set out in Note 1(a) to the Special Purpose Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing (the "SAs") issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our ethical responsibilities in accordance with the requirements of the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

Emphasis of Matter

Basis of preparation and restriction on use

We draw attention to Note 1(a) to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Financial Statements have been prepared by the Company for the purpose of the information and use of the Company's management. The Special Purpose Financial Statements may not be suitable for any another purpose. Our report is intended solely for the information and use of the Board of

8th February, 2023, being the date of incorporation of the Company, to 31st March, 2023.

Directors

During the year, there was no change in the Board of Directors of the Company. The Directors in office at the end of the year are listed below:

Mr. Anindya Roy	- Chairman & President
Mr. Vishal Kumar	- Director
Mr. Sharad Jain	- Director
Mr. Karan Shukla	- Director

Auditors

Audit of the Financial Statements of the Company is not mandatory as per local laws. However, as a measure of good governance, the Company has engaged Messrs. Deloitte Haskins & Sells LLP, India (Registration Number 117366W/W-100018), as the Auditors for the period under review. Their Report is annexed to the Financial Statements of the Company.

Directors and management of the Company and its group companies and is not intended to be and should not be referred to or used by any other party or for any other purpose except with our prior consent in writing. We neither accept nor assume any duty, responsibility or liability to any other party or for any other purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

The Company's Board of Directors are responsible for the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the basis described in Note 1(a) to the Special Purpose Financial Statements.

This responsibility also includes maintenance of adequate accounting records 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, the Company's Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Special Purpose 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 Special Purpose 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 but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose 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 Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose 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 Special Purpose 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.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm Registration No: 117366W/W-100018)

Girish Bagri

Partner

(Membership No. 066572)

(UDIN: 24066572BKFUMY1119)

Place: Bengaluru

Date: 5th May, 2024

SPECIAL PURPOSE FINANCIAL STATEMENTS

SPECIAL PURPOSE STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2024

Balance Sheet as at 31st March, 2024

	Note	As at 31st March, 2024		As at 31st March, 2023	
		(Amount in €)	Unaudited (Amount in ₹)	(Amount in €)	Unaudited (Amount in ₹)
I ASSETS					
1 Non-current Assets					
(a) Property, Plant and Equipment	2	67,832	6,096,564	–	–
(b) Right-of-Use Assets	2	104,299	9,374,177	–	–
(c) Deferred Tax Assets (Net)	6	110,323	9,915,532	–	–
Sub-Total		282,454	25,386,273	–	–
2 Current Assets					
(a) Financial Assets					
(i) Trade Receivables	4	4,355,901	391,497,423	–	–
(ii) Cash and Cash Equivalents	5	1,885,038	169,422,543	3,000,000	268,327,500
(iii) Others	3	1,607,996	144,522,627	7,150	639,514
(b) Other Current Assets	7	19,770	1,776,894	–	–
Sub-Total		7,868,705	707,219,487	3,007,150	268,967,014
TOTAL		8,151,159	732,605,760	3,007,150	268,967,014
II EQUITY AND LIABILITIES					
1 Equity					
(a) Equity Share Capital	8	3,000,000	269,632,500	3,000,000	268,327,500
(b) Other Equity		392,264	35,255,708	552	49,372
Sub-Total		3,392,264	304,888,208	3,000,552	268,376,872
2 Non-current Liabilities					
(a) Provisions	10	1,453,555	130,641,846	–	–
(b) Financial Liabilities					
- Lease Liabilities	13	80,505	7,235,588	–	–
Sub-Total		1,534,060	137,877,434	–	–
3 Current Liabilities					
(a) Financial Liabilities					
(i) Trade Payables & Accrued Expenses					
- Total outstanding dues other than micro and small enterprises	9	169,793	15,260,625	6,500	581,377
(ii) Lease Liabilities	13	25,572	2,298,362	–	–
(b) Other Current Liabilities	11	457,979	41,162,022	–	–
(c) Provisions	10 (b)	2,330,633	209,471,438	–	–
(d) Current Tax Liabilities (Net)	12	240,858	21,647,671	98	8,765
Sub-Total		3,224,835	289,840,118	6,598	590,142
TOTAL		8,151,159	732,605,760	3,007,150	268,967,014

The accompanying notes 1 to 29 are an integral part of the Special Purpose Standalone Financial Statements.

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

For **Deloitte Haskins & Sells LLP**,

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri

Partner

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

On behalf of the Board

Anindya Roy

President

Place: Belfast

Date: 5th May, 2024

Karan Shukla

Director

Place: Milton Keynes

Date: 5th May, 2024

SPECIAL PURPOSE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Note	For the year ended 31st March, 2024		Period ended 31st March, 2023	
		Audited (Amount in €)	Unaudited (Amount in ₹)	Audited (Amount in €)	Unaudited (Amount in ₹)
I Revenue from Operations	14	6,049,948	543,754,160	7,150	639,514
Other Income	15	29,116	2,616,898	–	–
II Total Income		6,079,064	546,371,058	7,150	639,514
III Expenses					
Employee Benefits Expense	16	5,305,913	476,882,196	–	–
Finance Costs	13	402	36,107	–	–
Depreciation and Amortisation Expense	2	25,937	2,331,153	–	–
Other Expenses	17	167,821	15,083,355	6,500	581,376
Total Expenses		5,500,073	494,332,811	6,500	581,376
IV Profit Before Tax (II-III)		578,991	52,038,247	650	58,138
V Tax Expenses	18				
Current Tax		240,759	21,638,817	98	8,765
Deferred Tax Credit		(96,112)	(8,638,305)	–	–
		144,647	13,000,512	98	8,765
VI Profit for the period (IV-V)		434,344	39,037,735	552	49,372
VII Other Comprehensive Income					
(a) Items that will not be Reclassified Subsequently to Profit or Loss					
- Remeasurement of Net Defined Benefit Obligation		(42,632)	(3,831,680)	–	–
Total Other Comprehensive Income		(42,632)	(3,831,680)	–	–
VIII Total Comprehensive Income for the period (VI+VII)		391,712	35,206,055	552	49,372
IX Earnings Per Share					
(in €) (Face value € 1 each) (Basic and Diluted)	20	0.14	13.01	0.001	0.12

The accompanying notes 1 to 29 are an integral part of the Special Purpose Standalone Financial Statements.

This is the Special Purpose Profit and Loss referred to in our Report of even date.

For Deloitte Haskins & Sells LLP,

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

On behalf of the Board

Girish Bagri

Partner

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

Anindya Roy

President

Place: Belfast

Date: 5th May, 2024

Karan Shukla

Director

Place: Milton Keynes

Date: 5th May, 2024

SPECIAL PURPOSE STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2024

A. Equity Share Capital

Balance at 1st April, 2023 (Amount in €)	Changes in Equity Share Capital during the period (Amount in €)	Balance at 31st March, 2024 (Amount in €)	Balance at 1st April, 2023 (Amount in ₹) Unaudited	Changes in Equity Share Capital during the period (Amount in ₹) Unaudited	Balance at 31st March, 2024 (Amount in ₹) Unaudited
3,000,000	–	3,000,000	269,632,500	–	269,632,500

Balance at 1st April, 2022 (Amount in €)	Changes in Equity Share Capital during the period* (Amount in €)	Balance at 31st March, 2023 (Amount in €)	Balance at 1st April, 2022 (Amount in ₹) Unaudited	Changes in Equity Share Capital during the period (Amount in ₹) Unaudited	Balance at 31st March, 2023 (Amount in ₹) Unaudited
–	3,000,000	3,000,000	–	268,327,500	268,327,500

* Capital contribution by ITC Infotech India Limited ("the Parent") at the time of incorporation of the Company.

B. Other Equity

	Retained Earnings (Amount in €)	Actuarial Gain/Loss on Defined Benefits (Amount in €)	Total (Amount in €)	Total (Amount in ₹) Unaudited
Balance as at 1st April, 2023	552	–	552	49,612
- Profit for the year	434,344	–	434,344	39,037,736
- Remeasurement of Net Defined Benefit Liability (Net of Tax)	–	(42,632)	(42,632)	(3,831,680)
Total Comprehensive Income	434,896	(42,632)	392,264	35,255,668
Balance as at 31st March, 2024	434,896	(42,632)	392,264	35,255,668

	Retained Earnings (Amount in €)	Actuarial Gain/Loss on Defined Benefits (Amount in €)	Total (Amount in €)	Total (Amount in ₹) Unaudited
Balance as at 1st April, 2022	–	–	–	–
- Profit for the period	552	–	552	49,372
Total Comprehensive Income	552	–	552	49,372
Balance as at 31st March, 2023	552	–	552	49,372

Retained Earnings - This represents the cumulative profits of the company.

The accompanying notes 1 to 29 are an integral part of the Special Purpose Standalone Financial Statements.

This is the Special Purpose Standalone Statement of Changes in Equity referred to in our Report of even date.

For Deloitte Haskins & Sells LLP,

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri

Partner

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

On behalf of the Board

Anindya Roy

President

Place: Belfast

Date: 5th May, 2024

Karan Shukla

Director

Place: Milton Keynes

Date: 5th May, 2024

SPECIAL PURPOSE STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

	For the year ended 31st March, 2024		For the period ended 31st March, 2023	
	Audited (Amount in €)	Unaudited (Amount in ₹)	Audited (Amount in €)	Unaudited (Amount in ₹)
A CASH FLOW FROM OPERATING ACTIVITIES :				
PROFIT BEFORE TAX	578,991	52,038,247	650	58,138
ADJUSTMENT ITEMS:				
Depreciation and Amortisation Expense	25,937	2,331,133	–	–
Unrealised Gain on Exchange [net]	(83)	(7,431)	–	–
Interest Income	(29,034)	(2,609,529)	–	–
Finance Costs on Lease Liabilities	402	36,107	–	–
	(2,778)	(249,720)	–	–
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	576,213	51,788,527	650	58,138
ADJUSTMENTS FOR :				
Trade Receivables, Loans and Advances and Other Assets	(6,084,877)	(546,893,500)	(7,150)	(639,514)
Trade Payables, Other Liabilities and Provisions	4,601,976	413,614,160	6,500	581,376
CASH FROM OPERATIONS	(906,688)	(133,279,340)	–	–
Income Tax Paid (Net)	(144,647)	(13,000,511)	–	–
NET CASH (USED) IN OPERATING ACTIVITIES	(1,051,335)	(94,491,324)	–	–
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property, Plant and Equipment	(90,782)	(8,159,216)	–	–
Interest Received on maturity of Bank Deposits	27,155	2,440,580	–	–
NET CASH (USED) IN INVESTING ACTIVITIES	(63,627)	(5,718,637)	–	–
C CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from issue of Share Capital	–	–	3,000,000	268,327,500
NET CASH FROM FINANCING ACTIVITIES	–	–	3,000,000	268,327,500
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,114,962)	(100,209,961)	3,000,000	268,327,500
OPENING CASH AND CASH EQUIVALENTS	3,000,000	269,632,504	–	–
CLOSING CASH AND CASH EQUIVALENTS	1,885,038	169,422,543	3,000,000	268,327,500
CASH AND CASH EQUIVALENTS COMPRISE :				
Cash and Cash Equivalents	1,885,038	169,422,543	3,000,000	268,327,500
Cash and Cash Equivalents	1,885,038	169,422,543	3,000,000	268,327,500

Note: Non-cash finance lease activities are disclosed in Note 13 on leases.

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

The accompanying notes 1 to 29 are an integral part of the Special Purpose Standalone Financial Statements.

This is the Special Purpose Standalone Statement of Cash Flows referred to in our Report of even date.

For Deloitte Haskins & Sells LLP,

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri

Partner

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

On behalf of the Board

Anindya Roy

President

Place: Belfast

Date: 5th May, 2024

Karan Shukla

Director

Place: Milton Keynes

Date: 5th May, 2024

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

NATURE OF OPERATIONS

ITC Infotech France SAS ("the Company") is a wholly owned subsidiary of ITC Infotech India Limited ("the Parent") providing information technology services to enterprise clients. The Company is incorporated and domiciled in France and has its registered office at 17, Rue Jeanne Braconnier 92360 Meudon, France.

ITC Infotech France SAS was incorporated on 8th February, 2023. During the year, certain assets, liabilities and employees were transferred by the Parent Company and the Company commenced its operations. Refer Related Parties Note for details of assets and liabilities transferred.

1 MATERIAL ACCOUNTING POLICIES

a) Basis of preparation and statement of compliance

This Special Purpose Standalone Financial Statement is prepared for inclusion in the annual report of the Ultimate Holding Company (ITC Limited) under the requirements of section 129(3) of the Companies Act, 2013. The financial performance and position of the Company are included in the consolidated financial statements of ITC Limited, incorporated under the Companies Act, 2013*, and having its registered office at Virginia House, 37, Jawaharlal Nehru Road, Kolkata 700 071, India.

These Special Purpose Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 and the relevant presentation requirements of the Companies Act, 2013 to the extent applicable to the Company. Accordingly, these financial statements do not purport to follow general acceptable accounting principles in France.

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at amortised cost or fair value as required by the relevant Ind AS and explained in the accounting policies:

- financial instruments classified as fair value through other comprehensive income or fair value through profit or loss,
- defined benefit liability/(asset) is recognized as the present value of defined benefit obligation less fair value of plan assets.

Accounting policies have been applied consistently to all periods presented in these financial statements, except for the new accounting standards adopted by the Company.

*Companies Act, 2013 refers to the Companies Act, 2013 of India

b) Convenience translation (unaudited)

These Special Purpose Financial Statement are presented in Euro. However, as required by the parent company ITC Infotech India Ltd., the Indian Rupee equivalent figures, arrived at by applying the average interbank exchange rate of EUR (₹) = INR 89.8775 for the year ended 31st March, 2024 (2023: INR 89.4425) as provided by ITC Infotech India Ltd, have been included solely for informational purposes and is not in conformity with the provisions of Ind AS. No representation is made that the Euro amounts have been, could have been or could be converted into Indian rupee at such a rate or any other rate.

c) Use of Estimates and Judgment

The preparation of the Special Purpose Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Special Purpose Financial Statements are included in the following notes:

- Revenue Recognition
- Income taxes

d) Operating Cycle

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

e) Property, Plant and Equipment

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

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

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

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

e) Property, Plant and Equipment

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

f) Impairment of Assets

Impairment loss, if any, is provided to the extent that the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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

g) Foreign Currency Transactions

The presentation currency of the Company is Euro.

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

h) Financial Instruments, Financial assets and Financial liabilities

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value, except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include Trade receivables, Unbilled receivables, deposits, advances and cash and cash equivalents. Such assets are initially recognized either at transaction price or at fair value, as applicable, on becoming a party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

Financial assets are classified as those measured at:

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

Trade receivables, advances, security deposits, cash and cash equivalents etc. are classified for measurement at amortized cost.

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

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (Contd.)

without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

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

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

Income Recognition on Financial Assets: Interest income is recognised in the Statement of Profit and Loss using the effective interest method.

Financial Liabilities:

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

Offsetting Financial Instruments

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

i) Revenue from Sale of Services

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

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

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on expected cost plus margin. Revenue excludes amounts collected on behalf of third parties, such as value added tax and other such taxes.

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

Revenue is recognized from services performed on other "time bound fixed-price engagements" based on efforts expended using the percentage of completion method of accounting, if work completed can be reasonably estimated.

The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated.

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

The incremental costs of obtaining a contract are recognized as an asset and amortized to revenues in accordance with Ind AS 115 - Revenue from contracts with customers. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

j) Employee Benefits

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

The cost of providing benefits under the defined benefit obligation is calculated by an independent actuary using the Project Unit Credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately in Other Comprehensive Income in the period in which they occur. The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under Project Unit Credit method. This benefit is unfunded.

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

k) Leases

The Company assesses at contract inception whether a contract is, or contains, a

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

Company as a Lessee

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

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

Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude approx. Euro 5,600 or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

Company as a Lessor

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

l) Taxes on Income

Taxes on income comprises current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

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

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

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

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

m) Dividend Distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

n) Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company. The Board of Directors examines the Company's performance and has identified single reportable segment, namely Information Technology.

Segment revenue is reported on the same basis as revenue in the Special Purpose Financial Statement.

o) Provisions

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

p) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

DESCRIPTION (Amount in €)	Gross Block				Depreciation				NET BLOCK	
	As at 1st April, 2023	Additions	Withdrawals/ Adjustments	As at 31st March, 2024	As at 1st April, 2023	Change For the year	Withdrawals/ Adjustments	As at 31st March, 2024	As at 1st April, 2023	As at 31st March, 2024
(i) Tangible Assets										
Office Equipment	–	8,841	–	8,841	–	2,791	–	2,791	–	6,050
Computers, Servers and Networks	–	81,941	–	81,941	–	20,159	–	20,159	–	61,782
TOTAL	–	90,782	–	90,782	–	22,950	–	22,950	–	67,832

DESCRIPTION (Amount in €)	Gross Block				Depreciation				NET BLOCK	
	As at 1st April, 2023	Additions	Withdrawals/ Adjustments	As at 31st March, 2024	As at 1st April, 2023	Change For the year	Withdrawals/ Adjustments	As at 31st March, 2024	As at 1st April, 2023	As at 31st March, 2024
(ii) Right-of-Use Assets										
Right-of-Use Assets - Vehicles	–	107,286	–	107,286	–	2,987	–	2,987	–	104,299
TOTAL	–	107,286	–	107,286	–	2,987	–	2,987	–	104,299

DESCRIPTION (Amount in ₹) Unaudited	Gross Block				Depreciation				NET BLOCK	
	As at 1st April, 2023	Additions	Withdrawals/ Adjustments	As at 31st March, 2024	As at 1st April, 2023	Change For the year	Withdrawals/ Adjustments	As at 31st March, 2024	As at 1st April, 2023	As at 31st March, 2024
(i) Tangible Assets										
Office Equipment	–	794,607	–	794,607	–	250,868	–	250,868	–	543,739
Computers, Servers and Networks	–	7,364,652	–	7,364,652	–	1,811,850	–	1,811,850	–	5,552,825
TOTAL	–	8,159,259	–	8,159,259	–	2,062,718	–	2,062,718	–	6,096,564

DESCRIPTION (Amount in ₹) Unaudited	Gross Block				Depreciation				NET BLOCK	
	As at 1st April, 2023	Additions	Withdrawals/ Adjustments	As at 31st March, 2024	As at 1st April, 2023	Change For the year	Withdrawals/ Adjustments	As at 31st March, 2024	As at 1st April, 2023	As at 31st March, 2024
(ii) Right-of-Use Assets										
Right-of-Use Assets - Vehicles	–	9,642,621	–	9,642,621	–	268,435	–	268,435	–	9,374,176
TOTAL	–	9,642,621	–	9,642,621	–	268,435	–	268,435	–	9,374,176

3. OTHER FINANCIAL ASSETS

	As at 31st March, 2024 Unaudited (Amount in €)		As at 31st March, 2023 Unaudited (Amount in €)	
Current				
Unsecured Considered Good, Unless Otherwise Stated				
Unbilled Revenue - time and material basis*	1,604,818	144,236,996	7,150	639,514
Interest Accrued on Deposits	1,962	176,340	–	–
Advances (includes advance to employees)	–	–	–	–
- Considered Good	1,216	109,290	–	–
Total	1,607,996	144,522,626	7,150	639,514

* Right to consideration is unconditional, upon passage of time

4. TRADE RECEIVABLES

Unsecured, Considered Good				
i) Related Parties (Refer to Note 26)	4,146,547	372,681,278	–	–
ii) Others	209,354	18,816,145	–	–
	<u>4,355,901</u>	<u>391,497,423</u>	<u>–</u>	<u>–</u>
Less: Expected Credit Loss Allowance	–	–	–	–
Total	4,355,901	391,497,423	–	–

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (Contd.)

As at 31 March 2024	Outstanding for following periods						Total (Amount in €)	Total (Amount in ₹) Unaudited
	Not due	Less than 6 months	6 months – 1 period	1-2 period	2-3 period			
Undisputed Trade Receivables - considered good	4,146,547	209,354	-	-	-		4,355,901	391,497,397
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-		-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-		-	-
Disputed Trade Receivables - considered good	-	-	-	-	-		-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-		-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-		-	-
Gross	4,146,547	209,354	-	-	-		4,355,901	391,497,397
Less : Allowance for Trade Receivables - which have significant increase in credit risk	-	-	-	-	-		-	-
Less : Expected Credit Loss Allowance	-	-	-	-	-		-	-
Net	4,146,547	209,354	-	-	-		4,355,901	391,497,397
Total in ₹	372,681,278	18,816,188	-	-	-		391,497,466	-

5. CASH AND CASH EQUIVALENTS

	As at 31st March, 2024 Unaudited (Amount in €)		As at 31st March, 2023 Unaudited (Amount in ₹)	
Balance with Bank:				
Current Account	385,038	34,606,293	3,000,000	268,327,500
In Deposit Accounts	1,500,000	134,816,250	-	-
Total	1,885,038	169,422,543	3,000,000	268,327,500

The Company does not have any significant cash and cash equivalents that are not available for use.

6. DEFERRED TAX ASSETS (NET)

Deferred Tax Assets				
- Other timing differences (includes provision for expenses)	110,323	9,915,532	-	-
Less: Deferred Tax Liabilities	-	-	-	-
Deferred Tax Assets (Net)	110,323	9,915,532	-	-

7. OTHER ASSETS

Current				
Other Advances (includes Unexpired Expenses)	4,686	421,148	-	-
Unbilled Revenue - percentage of completion *	15,084	1,355,746	-	-
Total	19,770	1,776,894	-	-

* Contractual right to consideration is dependent on completion of contractual milestones. During the year ended March 31, 2024 and 2023, EUR 15,084 (INR 1,355,746) and NIL Unbilled Revenue - percentage of completion pertaining to fixed price development contracts have been reclassified to Trade Receivables on completion of milestones.

8. EQUITY SHARE CAPITAL

Authorised:				
3,000,000 Equity Shares of € 1 each	3,000,000	269,632,500	3,000,000	268,327,500
Issued and subscribed :				
3,000,000 Equity Shares of € 1 each, Fully paid	3,000,000	269,632,500	3,000,000	268,327,500
(All equity shares are held by ITC Infotech India Limited, the Parent Company. The Equity Shares of the Company, having par value of € 1 each per share, rank pari passu in all respects including entitlement to dividend.)				
Total	3,000,000	269,632,500	3,000,000	268,327,500

8. (a). SHARES HELD BY PROMOTERS

Particulars	Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
		No. of shares as at end of the period	% of Total Shares	% change during the period	No. of shares as at end of the period	% of Total Shares	% change during the period
Equity Shares of € 1 each, fully paid	ITC Infotech India Limited	3,000,000	100%	0%	3,000,000	100%	0%

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (Contd.)

9. FINANCIAL LIABILITIES

Trade Payable & Accrued Expenses as at 31st March, 2024	Outstanding for following periods								
	Accrued	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total (Amount in €)	Total (Amount in ₹) Unaudited
Intercompany Payable (Refer Note 26)	–	–	64,531	–	–	–	–	64,531	5,799,885
Others	104,612	–	650	–	–	–	–	105,262	9,460,740
Total	104,612	–	65,181	–	–	–	–	169,793	15,260,625

Trade Payable & Accrued Expenses as at 31st March, 2023	Outstanding for following periods								Total (Amount in ₹) Unaudited
	Accrued	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total (Amount in €)	
Others	6,500	-	-	-	-	-	-	6,500	581,377
Total	6,500	-	-	-	-	-	-	6,500	581,377

10. PROVISIONS

	As at 31st March, 2024		As at 31st March, 2023	
	(Amount in €)	Unaudited (Amount in ₹)	(Amount in €)	Unaudited (Amount in ₹)
Provision for Employee Benefits				
Non-Current				
Compensated Absences	64,651	5,810,671	-	-
Retirement Benefits	1,388,904	124,831,175	-	-
Total Non-Current	1,453,555	130,641,846	-	-
Provision for Employee Benefits				
Current				
Compensated Absences	23,471	2,109,517	-	-
Employee Provisions	2,307,162	207,361,921	-	-
Total Current	2,330,633	209,471,438	-	-
11. OTHER CURRENT LIABILITIES				
Statutory Dues	455,790	40,965,274	-	-
Unearned Revenue	2,189	196,748	-	-
Total	457,979	41,162,022	-	-
12. CURRENT TAX LIABILITIES				
Provision For Income Tax	240,858	21,647,671	98	8,765
Total	240,858	21,647,671	98	8,765
13. LEASE LIABILITIES				
Lease Liabilities				
- Non Current	80,505	7,235,588	-	-
- Current	25,572	2,298,362	-	-
Total	106,077	9,533,950	-	-

The amount of ROU Asset and Lease Liabilities recognised in the Balance Sheet are disclosed in Note 2 and on the face of the Balance Sheet respectively. The total cash outflow for leases for the year is Nil. All Leases entered into by the company have a lease term of less than five years.

Movement of Lease Liabilities during the year

Opening Lease Liabilities	-	-	-	-
New Lease recognize	107,286	9,642,615	-	-
Interest expense on Lease Liability	402	36,107	-	-
Payments of Lease Liability made	(1,611)	(144,772)	-	-
Closing balance of lease liability	106,077	9,533,950	-	-

14. REVENUE FROM OPERATIONS

	For the period ended 31st March, 2024		For the period ended 31st March, 2023	
	(Amount in €)	Unaudited (Amount in ₹)	(Amount in €)	Unaudited (Amount in ₹)
Sale of Services	6,049,948	543,754,160	7,150	639,514
Total Revenue	6,049,948	543,754,160	7,150	639,514

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (Contd.)

	For the period ended 31st March, 2024		For the period ended 31st March, 2023	
	(Amount in €)	Unaudited (Amount in ₹)	(Amount in €)	Unaudited (Amount in ₹)
15. OTHER INCOME				
Interest Income	29,034	2,609,528	–	–
Other Gains	82	7,370	–	–
Total	29,116	2,616,898	–	–
16. EMPLOYEE BENEFITS EXPENSE				
Salaries and Bonus	3,660,117	328,962,166	–	–
Contribution to Pension and Other Funds	1,618,032	145,424,671	–	–
Staff Welfare Expenses	27,764	2,495,359	–	–
Total	5,305,913	476,882,196	–	–
17. OTHER EXPENSES				
Rent	1,050	94,371	–	–
Rates and Taxes	10,000	898,775	–	–
Insurance	4,686	421,166	–	–
Travelling and Conveyance	46,139	4,146,858	–	–
Communication	2,459	221,008	–	–
Software and Related Expenses	1,323	118,908	–	–
Business Development Expenses	217	19,503	–	–
Legal, Professional and Consultancy Expenses	82,932	7,453,721	–	–
Auditor's Remuneration and Expenses	5,900	530,277	5,700	509,822
Bank Charges	6,319	567,959	800	71,554
Miscellaneous Expenses	6,796	610,808	–	–
Total	167,821	15,083,355	6,500	581,376
18. TAX EXPENSES				
(a) Tax Expense Recognised in Statement of Profit and Loss				
Current Tax	240,759	21,638,817	98	8,765
Deferred Tax (Credit)	(96,112)	(8,638,305)	–	–
Total	144,647	13,000,512	98	8,765
(b) The reconciliation between the income tax expenses and amounts computed by applying the standard rate of income tax to profit before taxes is as follows:				
Profit before tax	578,991	52,038,247	650	58,138
Income tax expense calculated at 25%/(15% for LY)*	144,748	13,009,562	98	8,765
Effects of:				
- Other differences	(101)	(9,050)	–	–
Income Tax expenses recognised in Statement of Profit and Loss	144,647	13,000,512	98	8,765

*The impact of change in tax rate is not material.

19. EMPLOYEE BENEFITS

Description of Plans

(a) Defined Contribution Plan

Amounts towards Defined Contribution Plans have been recognised under "Contribution to Pension and Other Funds in Note 16.

(b) Defined Benefit Plan

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

Risk Management

The defined benefit plans expose the Company to actuarial deficit arising out of interest rate risk, salary cost inflation risk. These plans are not exposed to any unusual, entity specific or scheme specific risks but there are general risks. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the Government security yields. A decrease in yields will increase the fund liabilities, leading to accounting deficit in the funds. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

The current service cost and net interest expense for the year pertaining to Pension expenses have been recognised in "Contribution to Provident and other funds" and Compensated absences in "Salaries and Bonus". The remeasurements of the net defined benefit liability are included in Other Comprehensive Income. The following table sets out the Defined Benefit Plans / Long-Term Compensated Absences as per Actuarial Valuation as on 31st March, 2024 and recognised in the financial statements in respect of Employee Benefit Schemes :

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (Contd.)

		Compensated Absences	France Retirement Indemnity Pension	Compensated Absences	France Retirement Indemnity Pension
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
I) Components of Employer Expense					
1	Current Service Cost	(2,767)	54,606	(248,722)	4,907,851
2	Net Interest Cost	-	32,163	-	2,890,730
3	Past Service Cost - Plan Amendments	-	295,900	-	26,594,752
4	Total expense recognised in the Statement of Profit and Loss	(2,767)	382,669	(248,722)	34,393,333
Re-measurements recognised in Other Comprehensive Income					
5	(Return) on plan assets (excluding amounts included in Net interest cost)	-	-	-	-
6	Effect of changes in demographic assumptions	-	-	-	-
7	Effect of changes in financial assumptions	-	31,588	-	2,839,050
8	Effect of experience adjustments	-	25,255	-	2,269,856
9	Total re-measurements included in OCI	-	56,843	-	5,108,906
10	Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (3+8)	(2,767)	439,512	(248,722)	39,502,239

The current service cost and net interest expense for the year pertaining to Pension and Gratuity expenses have been recognised in "Contribution to Pension and other funds" and Compensated absences in "Salaries and Bonus". The remeasurements of the net defined benefit liability are included in Other Comprehensive Income. Past Service Cost - Plan amendments is on account of change in the definition of "pensionable salary" which now includes variable pay in addition to base salary used in determination of DBO.

		Compensated Absences	France Retirement Indemnity Pension	Compensated Absences	France Retirement Indemnity Pension
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
II Actual Returns		-	-	-	-
III Net (Asset)/Liability recognised in Balance Sheet		88,122	1,388,903	7,920,185	124,831,129
1	Present Value of Defined Benefit Obligation	88,122	1,388,903	7,920,185	124,831,129
2	Obligation w.r.t Overseas branches	-	-	-	-
3	Fair Value of Plan Assets	-	-	-	-
4	Status [(Surplus)/Deficit]	88,122	1,388,903	7,920,185	124,831,129
		Current	Non Current	Current	Non Current
5	Net (Asset)/Liability recognised in Balance Sheet	-	-	-	-
	- Pension	-	1,388,903	-	124,831,129
	- Compensated Absences	23,471	64,651	2,109,515	5,810,670
Total		23,471	1,453,554	2,109,515	130,641,799

		Compensated Absences	France Retirement Indemnity Pension	Compensated Absences	France Retirement Indemnity Pension
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
IV Change in Defined Benefit Obligation (DBO)					
1	Present Value of DBO at the time of transfer	-	949,391	-	85,328,890
2	Current Service Cost	-	54,606	-	4,907,851
3	Interest Cost	-	32,163	-	2,890,730
4	Remeasurement gains / (losses)	-	-	-	-
	Effect of changes in demographic assumptions	-	-	-	-
	Effect of changes in financial assumptions	-	31,588	-	2,839,050
	Changes in asset ceiling (excluding interest income)	-	-	-	-
	Effect of experience adjustments	-	25,255	-	2,269,856
5	Transfer of Obligation	-	-	-	-
6	Exchange difference on foreign plans	-	-	-	-
7	Benefits Paid	-	-	-	-
8	Past Service Cost - Plan Amendments	-	295,900	-	26,594,752
9	Acquisition / Divestiture	-	-	-	-
10	Present Value of DBO at the end of the year	-	1,388,903	-	124,831,129

		Compensated Absences	France Retirement Indemnity Pension	Compensated Absences	France Retirement Indemnity Pension
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
V Actuarial Assumptions					
1	Discount Rate (%)	3.50%	3.25%	3.50%	3.25%
2	Pensions-in-payment increase rate	0.00%	2.25%	0.00%	2.25%
3	Long term rate of compensation increase	3.00%	3.00%	3.00%	3.00%

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (Contd.)

		Compensated Absences	France Retirement Indemnity Pension	Compensated Absences	France Retirement Indemnity Pension
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
VI Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)					
1	Present Value of Defined Benefit Obligation	88,122	1,388,903	7,920,185	124,831,129
2	Fair Value of Plan Assets	–	–	–	–
3	Status [Deficit]	88,122	1,388,903	7,920,185	124,831,129
4	Experience Adjustment of Plan Assets [Loss / (Gain)]	–	–	–	–
5	Experience Adjustment of obligation [Loss / (Gain)]	–	25,255	–	2,269,856

VII Sensitivity Analysis

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

		Compensated Absences	DBO as at 31st Mar'24	Compensated Absences	DBO as at 31st Mar'24
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited
1	Discount Rate + 100 basis points	–	1,269,202	–	114,072,703
2	Discount Rate - 100 basis points	–	1,527,847	–	137,319,069
3	Long term Compensation Increase Rate + 1%	–	1,526,760	–	137,221,372
4	Long term Compensation Increase Rate - 1%	–	1,267,846	–	113,950,829

		As at 31st Mar'24		As at 31st Mar'24	
		(Amount in €)	(Amount in €)	(Amount in ₹) Unaudited	(Amount in ₹) Unaudited

VIII Maturity Analysis of the Benefit Payment

1	Year 1	–	–	–	–
2	Year 2	–	–	–	–
3	Year 3	–	–	–	–
4	Year 4	–	508,277	–	45,682,666
5	Year 5	–	107,387	–	9,651,675
6	Next 5 Years	–	563,708	–	50,664,666

20. EARNINGS PER SHARE

		31st March, 2024		31st March, 2023	
		(Amount in €)	Unaudited (Amount in ₹)	(Amount in €)	Unaudited (Amount in ₹)
(a)	Profit after Tax	434,344	39,037,736	552	49,372
(b)	Weighted average number of Equity Shares	No. 3,000,000	3,000,000	427,397	427,397
(c)	Earnings Per Share	0.145	13.013	0.001	0.12
(Face value of € 1 each, per share)					
(Basic and Diluted)					

21. Auditor's Remuneration and Expenses

Audit Fees	5,900	5,30,277	5,700	5,09,822
Total	5,900	5,30,277	5,700	5,09,822

22. Capital Management

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

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

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

23. CATEGORIES OF FINANCIAL INSTRUMENTS

	As at 31st March, 2024				As at 31st March, 2023			
	(Amount in €)		(Amount in ₹)		(Amount in €)		(Amount in ₹)	
			Unaudited				Unaudited	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets								
Measured at amortised cost								
Cash and Cash Equivalents	1,885,038	1,885,038	169,422,543	169,422,543	3,000,000	3,000,000	268,327,500	268,327,500
Trade Receivables	4,355,901	4,355,901	391,497,466	391,497,466	–	–	–	–
Other Financial Assets	1,607,996	1,607,996	144,522,627	144,522,627	7,150	7,150	639,514	639,514
Total	7,848,935	7,848,935	705,442,637	705,442,637	3,007,150	3,007,150	268,967,014	268,967,014

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024				As at 31st March, 2023			
	(Amount in €)		(Amount in ₹)		(Amount in €)		(Amount in ₹)	
				Unaudited				Unaudited
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities								
Measured at amortised cost								
Trade Payables	169,794	169,794	15,260,616	15,260,616	6,500	6,500	581,376	581,376
Lease Liability	106,077	106,077	9,533,951	9,533,951	-	-	-	-
Total	275,871	275,871	24,794,567	24,794,567	6,500	6,500	581,376	581,376

24. Financial Risk Management Objectives

The Company has a system - based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as foreign currency risk, credit risk and liquidity risk) that may arise as a consequence of its business operations.

a) Market Risk

The Company has in place appropriate risk management policies to limit the impact of currency, interest and price risk on its financial performance.

i) Foreign Currency Risk

The Company undertakes transactions denominated in functional currency - Euro. The Company has unbilled revenue and Intercompany payable for which the billing is done in USD

As on 31st March 2024	USD	Equivalent Amount in Euros
Financial Assets	61,829	57,376
Financial Liabilities	69,764	64,531

Foreign Currency Sensitivity

The sensitivity analysis arises on account of outstanding foreign currency denominated assets and liabilities, including derivative contracts.

The Company considers a sensitivity of 1% in applicable foreign currency rates, holding all other variables constant. In the event the exchange rate fluctuates by +1%, the profit before tax for the year ended 31st March, 2024 and pre-tax total equity as at 31st March, 2024 will be lower by € 71. If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on profit before tax and pre-tax total equity.

ii) Interest Rate Risk

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

iii) Other Price Risk

Since all the funds are kept in the bank account and term deposits, there is no price risk on such surplus funds.

iv) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due.

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

	As at 31st March, 2024							
	Contractual Cash flows							
	Carrying value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 period up to 3 year	Beyond 3 years	Total (Amount in ₹)	Total (Amount in ₹) Unaudited
Trade Payables	169,794	169,794	-	-	-	-	169,794	15,186,756
Lease Liability	106,077	7,524	6,359	12,898	57,430	26,322	110,533	9,886,348
Total	275,871	177,318	6,359	12,898	57,430	26,322	280,327	25,073,104
	As at 31st March, 2023							
	Contractual Cash flows							
	Carrying value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 period up to 3 year	Beyond 3 years	Total (Amount in ₹)	Total (Amount in ₹) Unaudited
Trade Payables	6,500	6,500	-	-	-	-	6,500	581,376
Total	6,500	6,500	-	-	-	-	6,500	581,376

v) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company.

Apart from its operating activities, the Company mainly deals with its Parent Company, the Company is also exposed to credit risk from its investing activities. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables. Credit is extended to Customers after evaluating them against key parameters such as financial position, credit ratings, market intelligence, past experience etc., as may be appropriate. Trade receivables are monitored regularly. Concentration of credit risk, with respect to trade receivables, is limited, due to the Company's customer base being large and internationally dispersed.

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

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS (Contd.)

25. SEGMENT REPORTING

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

	31st March, 2024		31st March, 2023	
	(Amount in €)	Unaudited (Amount in ₹)	(Amount in €)	Unaudited (Amount in ₹)
Segment Revenue				
Europe	455,354	40,926,038	–	–
India	5,594,594	502,828,122	7,150	639,514
Total	6,049,948	543,754,160	7,150	639,514
Non-Current Assets				
Europe	282,454	25,386,274	–	–
Total	282,454	25,386,274	–	–

No single external customer / group individually accounted for more than 10% of the revenues in the year ended March 31, 2024.

26. RELATED PARTY DISCLOSURES

(i) ULTIMATE HOLDING COMPANY:

ITC Limited

(ii) HOLDING COMPANY:

ITC Infotech India Limited

(iii) Fellow Subsidiary Companies:

ITC Infotech Limited

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

ITC Infotech Do Brasil LTDA.

ITC Infotech Malaysia SDN. BHD.

ITC Infotech GmbH

ITC Infotech Arabia Limited (w.e.f. 17th Dec 2023)

ITC Infotech de México, S.A. de C.V. (w.e.f. 17th April 2023)

(iv) KEY MANAGEMENT PERSONNEL

Mr. Anindya Roy - President

Mr. Vishal Kumar – Director

Mr. Karan Shukla – Director

Mr. Sharad Jain – Director

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

Sl. No.	Description	Holding Company			
		2024 (Amount in €)	2024 (Amount in ₹) Unaudited	2023 (Amount in €)	2023 (Amount in ₹) Unaudited
1	Sale of Services	5,601,744	503,470,746	7,150	639,514
2	Purchase of Fixed Assets	97,288	8,744,002	–	–
3	Employee Provisions and Liabilities Transferred	2,543,837	228,633,729	–	–
	- Indemnity Pension	949,391	85,328,890	–	–
	- Compensated Absence	127,033	11,417,408	–	–
	- Other Liabilities	1,467,413	131,887,431	–	–

(vi) DISCLOSURE OF OUTSTANDING BALANCES

Description	Holding Company			
	2024 (Amount in €)	2024 (Amount in ₹) Unaudited	2023 (Amount in €) Unaudited	2023 (Amount in ₹) Unaudited
Balances as at 31st March				
i) Other Financial Assets (Unbilled)	1,455,197	130,789,468	7,150	639,514
ii) Trade Payables	64,531	5,799,846	–	–
iii) Trade Receivables	4,146,547	372,681,278	–	–

(vii) INFORMATION REGARDING SIGNIFICANT TRANSACTIONS

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

Related Party Transactions	2024 (Amount in €)	2024 (Amount in ₹) Unaudited	2023 (Amount in €)	2023 (Amount in ₹) Unaudited	Related Party Transactions	2024 (Amount in €)	2024 (Amount in ₹) Unaudited
ITC Infotech India Limited					Remuneration to Key Management Personnel (KMP)		
Sale of Services	5,601,744	503,470,746	7,150	639,514	Mr. Anindya Roy - President	–	–
Purchase of Services	64,531	5,771,776	–	–	Mr. Vishal Kumar	–	–
Employee Provisions and Liabilities Transferred	2,543,837	228,633,729	–	–	Mr. Karan Shukla	–	–
Purchase of Fixed Assets	97,288	8,744,002	–	–	Mr. Sharad Jain	–	–

27. SUBSEQUENT EVENTS

The Company evaluated subsequent events through 5th May, 2024 which is the date on which the Special Purpose Standalone Financial Statements are approved by the Board of Directors. Based on this evaluation, the Company is not aware of any other events or transactions that would require recognition or disclosure in the Special Purpose Financial Statements.

28. APPROVAL OF SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

The Special Purpose Standalone Financial Statements were approved for issue by the Board of Directors on 5th May, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

29. COMPARATIVES

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

REPORT OF THE DIRECTORS**Your Directors present their Report together with the Audited Financial Statements for the year ended March 31, 2024.**

The Corporation is a wholly owned subsidiary of ITC Infotech India Limited, incorporated in India.

Principal Activities

The Corporation is engaged in providing information technology services to customers, majority of which are commercial entities in the United States of America.

Financial Results (*)

(US\$ million)

Year Ended March 31,	2024	2023
Total Revenue	158.58	149.28
Operating Income	8.59	6.18
Profit/(Loss) After Tax	6.69	4.68

(*) including Indivate Inc., a wholly owned subsidiary of the Corporation.

For the year under review, the Corporation declared and paid a dividend of US\$ 14 per Share (2023: NIL) on 182,000 Common Shares - without par value aggregating US\$ 2.548 million (2023: NIL).

Business Review**Corporation**

For the year ended March 31, 2024, the Corporation posted total revenue of US\$ 145.04 million (2023: US\$ 145.13 million) while the net profit after tax was US\$ 3.06 million (2023: US\$ 3.87 million) (**). During the year, the revenue was driven by its expanded global presence and strategic deal wins in existing key clients in areas such as PLM-led Digital Thread Solutions, Digital Manufacturing, Open Hospitality (Hotels-in-a-box), Infrastructure Services, and Application Development and Maintenance.

The Corporation continued to build focused capabilities, towards long-term growth and differentiation. The Corporation's portfolio of client and industry-focused capabilities include Data & Analytics, Direct to Consumer (D2C), Open Hospitality (Hotels-in-a-Box), PLM-led Digital Thread Solutions, Digital Manufacturing, SAP S/4HANA and Cloud amongst others. Cost optimization, digital transformation and talent-centric strategies continued to drive technology spending. The Corporation continued to enable clients to leverage these trends, and witnessed a strong performance across verticals, particularly in Hospitality, Consumer & Packaged Goods and Manufacturing. The Company saw good demand for its Data & Analytics, Infrastructure Services, D2C, PLM-led Digital Thread, Digital Manufacturing and Hospitality capabilities.

The Corporation's strategic pillars of customer centricity, employee centricity and operational excellence and its vision of providing business-friendly solutions to clients enables it to stay relevant to the evolving business priorities of its clients. The Corporation will continue to invest in mining and growing key client relationships towards becoming their trusted partners in driving their growth and transformation agendas. The Corporation will also sharpen its alliance ecosystem with future-ready Software Vendors in identified capability areas in Digital, Data & Analytics, Cloud and Infrastructure Services amongst others. The Company will sustain its investments in hiring and training the right talent with a focus on

strengthening its employee-centric and high-performance culture, driven by continuous learning.

The cautious economic outlook is expected to continue impacting client sentiment and IT spending. This is resulting in a sustained focus on cost-optimization and vendor consolidation. Clients are increasingly looking for trusted partners who are jointly invested in helping them grow and transform. The demand for attracting, training, and retaining high-quality talent, particularly in niche and future-focused technologies continues to remain a top priority to succeed in the global technology landscape. The Corporation's investments in increasing its nearshore capabilities through its expanded global presence and local hiring, its investments in strengthening its Sales teams (hiring & sales enablement training) and its continued investments in building focused capabilities and strengthening learning & development for its employees will mitigate these risks. The Corporation is also focused on increasing its client relevance through differentiated and integrated offerings across its portfolio of services.

(**) Standalone Results

Wholly owned subsidiary - Indivate Inc.

Indivate Inc. ("Indivate") provides business consulting, consumer & market research and other advisory services, and is also engaged in trading activities. Indivate recorded a Revenue of US\$ 13.54 million during the year (2023: US\$ 4.16 million) and Net Profit of US\$ 3.64 million (2023: US\$ 0.80 million).

Directors

All the Directors of the Corporation viz., Messrs. S. Puri, S. Sivakumar, S. Dutta, (Ms.) B. Parameswar, S. Singh and R. K. Singhi will retire at the next Annual Meeting, and, being eligible, offer themselves for re-appointment.

President

Consequent to his resignation, Mr. Arun Raghavapudi stepped down as the President of the Corporation with effect from June 29, 2023. Mr. Bharath Krishnaswamy, a business leader with over twenty-four years of experience in the industry, has been appointed as the President of the Corporation with effect from August 18, 2023.

Auditors

Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, India, Registration Number 117366W/W-100018 (DHS), were appointed as the Auditors to hold office until the conclusion of the next Annual Meeting for audit of the Financial Statements of the Corporation for the financial year 2023-24.

DHS have expressed their willingness to continue as Auditors of the Corporation for the financial year 2024-25. The Board has recommended for the approval of the Shareholder, appointment of DHS for audit of the Financial Statements of the Corporation for the year ending March 31, 2025.

Appropriate resolution seeking your approval in respect of the aforesaid appointment is included in the Notice convening the Annual Meeting of the Corporation for the year ended March 31, 2024.

On behalf of the Board

S. Sivakumar S. Singh
Vice Chairman Director

Date: May 6, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
ITC Infotech (USA), Inc.

Opinion

We have audited the accompanying Special Purpose Financial Statements of ITC Infotech (USA), Inc. (the "Company"), which comprise the special purpose balance sheets as of March 31, 2024 and 2023, and the related special purpose statements of operations and retained earnings and cash flows for the years then ended, and the related notes to the special purpose financial statements (collectively referred to as the "Special Purpose Financial Statements").

In our opinion, the accompanying Special Purpose Financial Statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with the basis of preparation set out in Note B[1] to the Special Purpose Financial Statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter**Basis of preparation and presentation and restriction to use**

We draw attention to Note B[1] to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Financial Statements have been prepared by the Company for the purpose of the information and use of the Company's management. The Special Purpose Financial Statements may not be suitable for any another purpose. Our report is intended solely for the information and use of the Board of Directors and management of ITC Infotech USA Inc. and its group companies and is not intended to be and should not be referred to or used by any other party or for any other purpose except with our prior consent in writing. We neither accept nor assume any duty, responsibility or liability to any other party or for any other purpose.

Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the Special Purpose Financial Statements in accordance with the basis described in Note B[1] to the Special Purpose Financial Statements, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Special Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the Special Purpose Financial Statements are issued.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Special Purpose Financial Statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Special Purpose Financial Statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Special Purpose Financial Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information included in the Report of the Directors

Management is responsible for the other information included in the Report of the Directors. The other information comprises the information included in the Report of the Directors but does not include the Special Purpose Financial Statements and our auditor's report thereon. Our opinion on the Special Purpose Financial Statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the Special Purpose Financial Statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the Special Purpose Financial Statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte Haskins & Sells LLP

Bengaluru, India

Date: May 6, 2024

SPECIAL PURPOSE BALANCE SHEETS AS OF MARCH 31,

	2024	2024	2023	2023
	(US \$)	(₹)	(US \$)	(₹)
Assets				
Current assets				
Cash and cash equivalents	2,598,839	216,756,167	4,142,705	340,406,071
Accounts receivable, net of allowance for doubtful accounts of US \$ 534,968 (INR 44,619,006) as of March 2024 and US \$ 213,215 (INR 17,519,877) as of March 2023	42,958,607	3,582,962,617	40,779,437	3,350,846,338
Advances to employees	40,518	3,379,404	88,525	7,274,099
Other current assets	213,758	17,828,486	169,270	13,908,916
Total current assets	45,811,722	3,820,926,674	45,179,937	3,712,435,424
Property and equipment	654,280	54,570,223	607,941	49,954,512
Less: Accumulated depreciation and amortization	412,641	34,416,323	342,806	28,168,369
	241,639	20,153,900	265,135	21,786,143
Investment in ITC Infotech De Mexico, S.A. DE C.V. (Refer note below)	0	5	-	-
Investment in subsidiary (Indivate Inc.)	100,000	8,340,500	100,000	8,217,000
Deferred income taxes	941,030	78,486,607	1,296,605	106,542,033
Other assets, principally advance taxes	901,544	75,193,277	1,191	97,864
	47,995,935	4,003,100,963	46,842,868	3,849,078,464
Liabilities and Stockholder's Equity				
Current liabilities				
Accounts payable	93,047	7,760,585	152,095	12,497,646
Accrued expenses and other current liabilities	9,509,948	793,177,213	9,540,194	783,917,741
Unearned Revenue	753,531	62,848,253	603,274	49,571,025
Accrued payroll and payroll taxes	1,217,923	101,580,871	1,125,479	92,480,609
Due to ITC Infotech India Ltd., net	5,956,164	496,773,858	5,463,677	448,950,339
Total current liabilities	17,530,613	1,462,140,780	16,884,719	1,387,417,360
Non-current liabilities				
Accrued expenses and other Liabilities	129,934	10,837,145	132,239	10,866,079
Stockholder's equity				
Paid up Share Capital	18,200,000	1,517,971,000	18,200,000	1,495,494,000
Retained earnings	12,135,388	1,012,152,038	11,625,910	955,301,025
Total stockholder's equity	30,335,388	2,530,123,038	29,825,910	2,450,795,025
	47,995,935	4,003,100,963	46,842,868	3,849,078,464

Note: The amount under "Investment in ITC Infotech De Mexico, S.A. DE. CV" represents US \$ 0.06 invested in 1 share of the investee company.

On behalf of the Board

Date: May 6, 2024	Soumyarup Roy Financial Controller	B. Krishnaswamy President	S Singh Director	S Sivakumar Vice Chairman

The accompanying notes are an integral part of these financial statements.

SPECIAL PURPOSE STATEMENTS OF OPERATIONS AND RETAINED EARNINGS FOR THE YEARS ENDED MARCH 31,

	2024	2024	2023	2023
	(US \$)	(₹)	(US \$)	(₹)
Revenues				
Sale of Services	144,722,136	12,070,549,753	144,535,341	11,876,468,970
Resale of Software and Hardware	256,680	21,408,395	554,937	45,599,173
Other Operating Income	58,770	4,901,712	35,719	2,935,030
Total revenues	145,037,586	12,096,859,860	145,125,997	11,925,003,173
Cost of revenues, principally employment costs and fees charged by affiliates	130,935,493	10,920,674,793	131,340,380	10,792,239,025
Gross profit	14,102,093	1,176,185,067	13,785,617	1,132,764,148
General and administrative expenses	9,036,929	753,725,063	8,409,858	691,038,032
Operating income	5,065,164	422,460,004	5,375,759	441,726,116
Other income	146,387	12,209,408	1,581	129,911
Income before interest and income tax expense	5,211,551	434,669,412	5,377,340	441,856,027
Interest Expense	-	-	49	4,026
Income before income tax expense	5,211,551	434,669,412	5,377,291	441,852,001
Income tax expense / (benefit)				
Current	1,798,498	150,003,725	1,643,173	135,019,525
Deferred	355,575	29,656,733	(140,558)	(11,549,651)
Total income tax expense	2,154,073	179,660,458	1,502,615	123,469,874
Net income	3,057,478	255,008,954	3,874,676	318,382,127
Retained earnings at beginning of year	11,625,910	969,659,024	7,751,234	636,918,898
Less : Dividend Paid	2,548,000	212,515,940	-	-
Retained earnings at end of year	12,135,388	1,012,152,038	11,625,910	955,301,025

On behalf of the Board

Date: May 6, 2024	Soumyarup Roy Financial Controller	B. Krishnaswamy President	S Singh Director	S Sivakumar Vice Chairman

The accompanying notes are an integral part of these financial statements.

SPECIAL PURPOSE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31,

	2024 (US \$)	2024 (₹)	2023 (US \$)	2023 (₹)
Cash flows from operating activities				
Net income	3,057,478	255,008,954	3,874,676	3,183,82,127
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	124,866	10,414,449	89,932	7,389,705
Deferred income taxes	355,575	29,656,733	(140,558)	(11,549,651)
Write off of Fixed Assets / ROU Assets	500	41,703	1,471	120,872
Provision for Bad debt expense	423,468	35,319,349	98,006	8,053,153
(Increase) decrease in assets				
Accounts receivable	(2,602,638)	(217,073,022)	(679,540)	(55,837,794)
Advances to employees	48,007	4,004,024	(15,690)	(1,289,247)
Other current assets	(44,488)	(3,710,522)	41,256	3,390,006
Other assets, principally unsecured advances	(900,353)	(75,093,942)	793,599	65,210,030
Increase (decrease) in liabilities				
Accounts payable	(59,048)	(4,924,898)	(21,682)	(1,781,610)
Accrued expenses and other liabilities	(32,551)	(2,714,915)	1,888,382	155,168,349
Unearned Revenue	150,257	12,532,185	366,966	30,153,596
Accrued payroll and payroll taxes	92,444	7,710,281	143,686	11,806,678
Due to ITC Infotech India Ltd., net	492,487	41,075,878	(4,331,439)	(355,914,343)
Net cash provided by operating activities	<u>1,106,004</u>	<u>92,246,257</u>	<u>2,109,065</u>	<u>173,301,871</u>
Cash flows from investing activities				
Capital expenditures	(101,870)	(8,496,467)	(235,340)	(19,337,888)
Net cash (used in) investing activities	<u>(101,870)</u>	<u>(8,496,467)</u>	<u>(235,340)</u>	<u>(19,337,888)</u>
Cash flows from financing activities				
Payout of Dividend	(2,548,000)	(212,515,940)	-	-
Investment in ITC Infotech De Mexico, S.A. DE C.V. (Refer note)	(0)	(5)	-	-
Lease Liability (Net Amount)	-	-	(22,948)	(1,885,637)
Net cash (used in) financing activities	<u>(2,548,000)</u>	<u>(212,515,945)</u>	<u>(22,948)</u>	<u>(1,885,637)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(1,543,866)</u>	<u>(128,766,155)</u>	<u>1,850,777</u>	<u>152,078,346</u>
Cash and cash equivalents at beginning of year	4,142,705	345,522,322	2,291,928	188,327,725
Cash and cash equivalents at end of year	<u>2,598,839</u>	<u>216,756,167</u>	<u>4,142,705</u>	<u>340,406,071</u>

Note: The amount under "Investment in ITC Infotech De Mexico, S.A. DE. CV" represents US \$ 0.06 invested in 1 share of the investee company

On behalf of the Board

Date: May 6, 2024	Soumyarup Roy Financial Controller	B. Krishnaswamy President	S Singh Director	S Sivakumar Vice Chairman

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2024 AND 2023

NOTE A - BUSINESS BACKGROUND AND PRINCIPAL TRANSACTIONS WITH AFFILIATES

ITC Infotech (USA), Inc. (the "Company"), a New Jersey corporation, is engaged in providing information technology services to customers, majority of which are commercial entities throughout the United States of America. The Company is a wholly-owned subsidiary of ITC Infotech India Limited, an Indian company. There are 185,000 common shares authorized of which 182,000 have been issued, and are outstanding, to ITC Infotech India Limited. ITC Infotech Limited is also a wholly-owned subsidiary of ITC Infotech India Limited.

The Company has entered into an agreement with its parent company ITC Infotech India Limited on April 1, 2014 wherein the Company has agreed to sub-contract the execution and management of customer contracts to ITC Infotech India Limited. Under the terms of this agreement, ITC Infotech India Limited shall assume the overall execution and management responsibilities for such customer contracts.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of presentation:

As required by its parent company ITC Infotech India Limited, the financial statements of the Company are not prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) as the results of operations of its wholly-owned subsidiary Indivate were not included since the date of acquisition. Accordingly, these financial statements do not purport to follow US GAAP. Accounting policies and disclosures have been given which are relevant to and materially affect the Company's financial position, cash flows, or results of operations.

Convenience translation (unaudited)

These financial statements are presented in U.S. dollars. However, as required by the parent company ITC Infotech India Ltd., the Indian Rupee equivalent figures, arrived at by applying the average interbank exchange rate of US\$1 = INR 83.405 for fiscal year ended March 31, 2024 (2023 US\$1 = INR 82.170) as provided by ITC Infotech India Ltd, have been included solely for informational purposes and is

not in conformity with the provisions of FASB ASC 830-30 – Foreign Currency Matters – Translation of Financial Statements and U.S. GAAP.

[2] Use of estimates:

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Although actual results could differ from those estimates, in the opinion of management such estimates would not materially affect the financial statements.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the notes on 1) Recognition of revenue 2) Accounts Receivable 3) Property and equipment.

[3] Recognition of revenue:

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

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on expected cost-plus margin. Revenue excludes amounts collected on behalf of third parties, such as sales tax.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2024 AND 2023 (Contd.)

Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services ("transaction price") net of discounts, if any..

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

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

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

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

The incremental costs of obtaining a contract are recognized as an asset and amortized to revenues in accordance with ASC 606 - Revenue from contracts with customers. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

[4] Cash and cash equivalents:

For purposes of reporting cash flows, the Company considers all deposits in cash accounts which are not subject to withdrawal restrictions or penalties to be cash or cash equivalents.

[5] Accounts receivable:

Credit is extended based on evaluation of a customer's financial condition and, generally, collateral is not required. Accounts receivable are generally due within 30 to 60 days and are stated at amounts due from customers net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due. The Company creates an allowance for accounts receivable based on historical experience, management's evaluation of outstanding accounts receivable and based on risk assessment, which are conducted regularly and considers all aspects with respect to debts such as invoice ageing, credit information from credit reports of its customers. Amounts are written off when they are deemed uncollectible.

[6] Property and equipment:

Equipment, purchased or internally developed software, furniture and fixtures and leasehold improvements are stated at cost. Depreciation and amortization are provided under the straight line method based upon the estimated useful lives of the assets, with such lives ranging from three to ten years.

[7] Leases:

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

As a Lessee

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

The Company recognizes lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognized as expense in the periods in which they are incurred. Interest on lease liability is recognized using the effective interest method. Lease

liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities are also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of ROU Assets.

As a Lessor

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

The amount of ROU Asset and Lease Liabilities recognized in the Balance Sheet are disclosed in Note F. The total cash outflow for leases for the year is US \$ 54,762 (INR 4,567,452) (including payments in respect short-term leases of US \$ 54,762 (INR 4,567,452)) [In FY2022-23, the total cash outflow for leases was US \$ 67,784 (INR 5,569,833) (including payments in respect short-term leases of US \$ 44,787 (INR 3,680,174))]

[8] Income taxes:

The Company accounts for income taxes pursuant to ASC 740, Income Taxes ("ASC 740"). ASC 740 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Future tax benefits, such as net operating loss carry forwards, are recognized to the extent that realization of these benefits is considered to be more likely than not. If the future realization of such benefits is uncertain, then a valuation allowance is recorded.

The Company provides for income tax in accordance with the FASB issued ASC 740-10, Income Taxes ("ASC 740-10"). ASC 740-10 provides recognition criteria and a related measurement model for uncertain tax positions taken or expected to be taken in income tax returns. ASC 740-10 requires that a position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not that the position would be sustained upon examination by tax authorities. Tax positions, that meet the more likely than not threshold, are then measured using a probability-weighted approach recognizing the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement. In accordance with the Federal and State Corporate tax laws in USA, the income tax liability is computed on a combined basis by the Company and a combined tax return is filed including its subsidiary, Indivate Inc. Hence, the income tax expenses, related current and deferred tax assets/liabilities are accounted on a combined basis by the Company in its financial statements.

There were no significant matters determined to be unrecognized tax benefits taken or expected to be taken in a tax return that have been recorded in the Company's consolidated financial statements for the year ended March 31, 2024. The Company's Federal and State tax returns are subject to examination by taxing authorities for the years ended March 31, 2021 and after.

[9] Advertising costs:

Advertising costs are expensed as incurred.

[10] Long-lived assets:

The Company follows ASC 360, Property, Plant and Equipment. Accordingly, whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable, the Company assesses the recoverability of the asset. Based on our evaluation, no impairment charge has been recorded in fiscal years ended March 31, 2024 or 2023.

[11] Fair value measurements:

The Company's financial instruments include cash and cash equivalents, accounts receivable from customers, advances, other assets, accounts payable, and accruals, which are short-term in nature. The Company believes the carrying amounts of these financial instruments reasonably approximate their fair value.

ASC 820 Fair Value Measurements ("ASC 820") defines fair value, establishes a common framework for measuring fair value under the U.S. GAAP, and expands disclosures about fair value measurements for financial and non-financial assets and liabilities.

[12] Capitalized software costs:

Costs incurred for development of computer software for internal use of the Company are capitalized. Any costs incurred in the preliminary stages of development and in the operating stages of the software are

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2024 AND 2023 (Contd.)

expensed immediately. There were no such costs capitalized in fiscal years ended March 31, 2024 or 2023.

[13] Summary of recent accounting pronouncements:

In December 2023, Financial Accounting Standards Board (FASB) issued ASU No. 2023-09, Income Taxes ("ASC Topic 740"), Improvements to Income Tax Disclosures. This ASU expands disclosures relating to the entity's income tax rate reconciliation, income taxes paid and certain other disclosures related to income taxes. The ASU will be effective for annual periods beginning after December 15, 2025. The Company is currently evaluating the impact of this ASU on its consolidated / standalone financial statements.

On October 9, 2023, the FASB issued ASU 2023-06, which amends the disclosure and presentation requirements related to various

Codification subtopics. The ASU was issued in response to the U.S. Securities and Exchange Commission's (SEC) August 2018 final rule that updates and simplifies disclosure requirements the SEC believed were "redundant, duplicative, overlapping, outdated, or superseded." The new guidance is intended to align U.S. GAAP and SEC requirements while facilitating the application of U.S. GAAP for all entities. The amendments shall be effective (for the Company) two years after the date when the SEC removes related requirements from its regulations.

[14] Reclassifications:

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE C - RELATED PARTY TRANSACTIONS

The Company had transactions with the following parties :

	2024 (US \$)	2024 (₹)	2023 (US \$)	2023 (₹)

Transactions with ITC Infotech India Limited

Costs for project consultations / other expenses, included in cost of revenues / general and administrative expenses	88,652,022	7,394,021,895	85,854,707	7,054,681,274
Transfer of receivables to ITC Infotech India Limited	2,121,295	176,926,609	199,651	16,405,346
Dividend Paid	2,548,000	212,515,940	-	-

Transactions with ITC Infotech Limited

Costs for project consultations / other expenses, included in cost of revenues / general and administrative expenses	-	-	34,033	2,796,492

Transactions with Technico Technologies

Costs for project consultations / other expense reimbursements, included in cost of revenues / general and administrative expenses	92,481	7,713,378	454,169	37,319,067

Transactions with ITC Limited

Transactions with Subsidiaries of Ultimate Parent Company of Tobacco Manufacturers (India) Limited, of which the Ultimate Holding company is an associate

Sale of Services

RAI Services Company	1,948,139	162,484,501	-	-
Imperial Tobacco Canada Ltd	32,715	2,728,595	-	-

There was no amount receivable/ payable to Technico Technologies (fellow subsidiary of ultimate parent, ITC Limited), ITC Infotech Limited. and Imperial Tobacco Canada Ltd. as on 31st March, 2024 and 31st March, 2023 respectively.

There was US \$ 1,262,699 (INR 105,315,379) receivable from Rai Services Company as on 31st March, 2024 (Nil as on 31st March, 2023).

The receivable/ payable amount as on 31st March, 2024 and 31st March, 2023 for the other related parties have been disclosed in the Balance Sheet.

NOTE D - ACCOUNTS RECEIVABLE

Accounts receivable as on March 31, 2024, of US \$ 42,958,607 (INR 3,582,962,617) and March 31, 2023 of US \$ 40,779,437 (INR 3,350,846,338) include both billed and unbilled receivables. Unbilled receivables were US \$ 17,370,095 (INR 1,448,752,774) and US \$ 16,658,287 (INR 1,368,811,443) as of March 31, 2024, and 2023, respectively.

Unbilled Receivable consist of the following:

Particulars	2024 (US \$)	2024 (₹)	2023 (US \$)	2023 (₹)
Time & Material and others	13,938,530	1,162,543,095	14,803,381	1,216,393,817
Fixed Price contracts based on % Completion	3,431,565	286,209,679	1,854,906	152,417,626
Total	17,370,095	1,448,752,774	16,658,287	1,368,811,443

Changes in the allowance for doubtful accounts in 2024 and 2023 are as follows:

	2024 (US \$)	2024 (₹)	2023 (US \$)	2023 (₹)
Beginning balance	213,215	17,783,197	227,621	18,703,618
Increase / (Decrease) to allowance	423,468	35,319,349	98,006	8,053,153
Accounts written off	101,715	8,483,540	112,412	9,236,894
Ending balance	534,968	44,619,006	213,215	17,519,877

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	Estimated useful lives (Years)	As of			
		31-Mar-24		31-Mar-23	
		(US \$)	(₹)	(US \$)	(₹)
Leasehold Improvements	4	26,074	2,174,702	26,074	2,142,501
Office Equipment	5	37,496	3,127,354	38,168	3,136,265
Computers etc.	3	556,636	46,426,225	483,094	39,695,833
Furniture and Fixtures	10	32,431	2,704,908	58,962	4,844,908
Capitalised Software	5	1,643	137,034	1,643	135,005
		654,280	54,570,223	607,941	49,954,512
Less: Accumulated depreciation		(412,641)	(34,416,323)	(342,806)	(28,168,369)
Property and Equipment, net		241,639	20,153,900	265,135	21,786,143

The depreciation expense recognized in the Statement of Operations is as follows:

	FY 2023-24		FY 2022-23	
	(US \$)	(₹)	(US \$)	(₹)
Depreciation expense	124,866	10,414,449	68,391	5,619,677

NOTE F - LEASES

The long-term lease had expired during the FY 2022-23 and has been renewed as a short-term lease. There was no Right of Use asset and Lease liability as on 31st March, 2024 and 31st March, 2023.

Impact for the period

	FY 2023-24		FY 2022-23	
	(US \$)	(₹)	(US \$)	(₹)
Depreciation expense	-	-	21,541	1,770,028
Interest on Lease Liability	-	-	49	4,026
	-	-	21,590	1,774,054

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2024 AND 2023 (Contd.)

NOTE G - INCOME TAXES

The income taxes expense consists of the following:

	Year ended			
	2024	2024	2023	2023
	(US \$)	(₹)	(US \$)	(₹)
Federal Taxes				
Current	1,472,084	122,779,165	1,347,920	110,758,586
Deferred	313,787	26,171,405	(101,399)	(8,331,956)
State and local taxes				
Current	326,414	27,224,560	295,253	242,60,939
Deferred	41,788	3,485,328	(39,159)	(3,217,695)
Total current expense	2,154,073	179,660,458	1,502,615	123,469,874

Deferred tax assets and liabilities consist of the following:

	2024	2024	2023	2023
	(US \$)	(₹)	(US \$)	(₹)
Provision for Doubtful Debts	129,501	10,801,031	51,385	4,222,305
Depreciation under State Taxes	1,966	163,974	1,529	125,638
Depreciation under Federal Taxes	(51,532)	(4,298,026)	(56,326)	(4,628,307)
Accrued vacation	392,658	32,749,641	361,142	29,675,038
Accrued bonus	470,564	39,247,390	716,712	58,892,226
ESOS Expense	41,623	3,471,566	149,467	12,281,703
Prepaid Expenses	(43,750)	(3,648,969)	(41,082)	(3,375,708)
Foreign tax credit carry-over	-	-	113,778	9,349,138
	941,030	78,486,607	1,296,605	106,542,033

NOTE H - OTHER CURRENT ASSETS

	Year Ended			
	2024	2024	2023	2023
	(US \$)	(₹)	(US \$)	(₹)
Prepaid Expenses	180,259	15,034,501	149,770	12,306,601
Security Deposit	19,500	1,626,398	19,500	1,602,315
Accrued Interest	13,999	1,167,587	-	-
	213,758	17,828,486	169,270	13,908,916

NOTE I - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	Year Ended			
	2024	2024	2023	2023
	(US \$)	(₹)	(US \$)	(₹)
Provisions for Employee benefits	3,389,978	282,741,114	4,279,069	351,611,099
Other Provisions and accrued liabilities	6,119,970	510,436,099	5,261,125	432,306,642
	9,509,948	793,177,213	9,540,194	783,917,741

NOTE J - SALE OF SERVICES

	2024	2024	2023	2023
	(US \$)	(₹)	(US \$)	(₹)
Time & Material	69,656,916	5,809,735,079	88,415,690	7,265,117,247
Fixed Price	75,065,220	6,260,814,674	56,119,651	4,611,351,723
	144,722,136	12,070,549,753	144,535,341	11,876,468,970

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as of the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. The Company has applied the practical expedients as given in ASC 606-10-50-14 and not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time & material basis and unit of work based contracts, and contracts with contract term or original expected duration of one year or less. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2024, other than those meeting the exclusion criteria mentioned above, is US \$ 12,790,713 (INR 1,066,809,459). Out of this, the Company expects to recognize revenue of around 30% within the next one year and the remaining thereafter.

NOTE K - UNEARNED REVENUE

Unearned Revenue consists of amounts received or billed in advance of services performed. Unearned Revenue has been reflected in the Balance Sheet under Current liabilities in the amount of US \$ 753,531 (INR 62,848,253) and US \$ 603,274 (INR 49,571,025) as at March 31, 2024 and 2023, respectively.

Revenue recognized in FY 2023-24 that was included as Unearned Revenue balance at the beginning of the FY 2023-24 was US \$ 583,275 (INR 48,648,051).

NOTE L - CONCENTRATION OF CREDIT RISK AND SIGNIFICANT CUSTOMERS

A significant portion of the Company's sales are to several key customers, some of which are also agencies providing software consulting services to commercial entities and software developers. Three such key customers accounted for approximately 20% (9%, 6% and 5%) and approximately 23% (10%, 7% and 6%) of the Company's revenues for the years ended March 31, 2024, and 2023, respectively.

Accounts receivable from these customers approximated 23% (6%, 3% and 14%) and 23% (11%, 4% and 8%) of total accounts receivable as at March 31, 2024 and 2023, respectively. Additionally, one customer, that did not account under revenue concentration, accounted for 5% of the accounts receivables as of March 31, 2024 (one customer, that did not account under revenue concentration, accounted for 5% of the accounts receivables as of March 31, 2023).

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to regulatory limits. The Company has not experienced any losses in such accounts.

NOTE M - EMPLOYEE BENEFIT PLANS

The Company maintains a 401(k) Savings Plan for qualified employees. Employees who are eligible, as defined by the plan documents, may contribute an amount not to exceed 100% of participant's compensation, up to the maximum annual elective contribution established by the Internal Revenue Service. The Company makes a Safe Harbor Matching Contribution equal to 100% on the first 3% of eligible earnings that are deferred as Elective Deferral and an additional 50% on the next 2% of eligible earnings. The 401(k) expense for the years ended March 31, 2024 and 2023 was US \$659,641 (INR 55,017,328) and US \$593,065 (INR 48,732,141), respectively.

NOTE N - LINE OF CREDIT

On November 8, 2022, the Company entered into a revolving line of credit agreement for a maximum borrowing of US \$10,000,000 (INR 834,050,000). Interest on this line of credit is chargeable at Secured Overnight Financing Rate plus 0.75%. There were no amounts outstanding as at March 31, 2024 and March 31, 2023 on account of this credit facility.

NOTE O - CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts US \$ 470,500 (INR 39,242,053) (2023 - US \$ 440,000 (INR 36,154,800)), including interest and penalties on claims, estimated to be US \$ 261,000 (INR 21,768,705) (2023 - US \$ 229,000 (INR 18,816,930)) towards income tax demand raised by Canadian Tax authorities.

NOTE P - SUBSEQUENT EVENTS

The Company evaluated subsequent events through May 6, 2024, which is the date on which the Financial Statements are issued. Based on this evaluation, the Company is not aware of any other events or transactions that would require recognition or disclosure in the financial statements.

REPORT OF THE DIRECTORS

Your Directors present their Report together with the Audited Financial Statements for the year ended March 31, 2024.

The Corporation is a wholly owned subsidiary of ITC Infotech (USA), Inc., incorporated in the USA.

Principal Activities

The Corporation is engaged in providing business consulting, consumer and market research, and other advisory services. The Corporation is also engaged in trading activities, including marketing and distribution of goods in the USA and other countries.

Financial Results

For the financial year ended March 31, 2024, the performance was as under:
(US\$ in million)

Year Ended March 31,	2024	2023
Total Revenue	13.54	4.16
Operating Income / (Loss)	3.52	0.80
Profit/(Loss) After Tax	3.64	0.80

Business Review

The Corporation provides business consulting, market research and other advisory services to ITC Limited, India, the ultimate Holding Company (ITC). These services primarily include trend analysis, competition monitoring, market assessment and consumer research in identified business segments.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of ITC Infotech (USA), Inc. and Subsidiary.

Opinion

We have audited the accompanying financial statements of Indivate Inc., (a wholly owned subsidiary of ITC Infotech (USA), Inc.) (the "Company") which comprise the balance sheets as of March 31, 2024 and 2023, and the related statement of operations and retained earnings and cash flows for the years then ended, and the related notes to the financial statements (collectively referred as "Financial Statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Indivate Inc. as of March 31, 2024 and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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

The Corporation is also engaged in supply, marketing, and distribution of consumer-packaged goods in the USA and international markets. The Revenue generated from the trading business during the year was US\$ 12,910,901 (2023: US\$ 3,666,716).

Directors

All the Directors of the Corporation viz., Mr. N. K. Jasper, Ms. B. Parameswar and Mr. S. Roy will retire at the next Annual Meeting, and being eligible, offer themselves for re-appointment.

Auditors

Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, India, Registration Number 117366W/W-100018 (Deloitte India), were appointed as the Auditors to hold office until the conclusion of the next Annual Meeting for audit of the Financial Statements of the Corporation for the financial year 2023-24.

Deloitte India have expressed their willingness to continue as Auditors of the Corporation for the financial year 2024-25. The Board has recommended for the approval of the Shareholder, appointment of Deloitte India for audit of the Financial Statements of the Corporation for the year ending March 31, 2025.

Appropriate resolution seeking your approval in respect of the said appointment is included in the Notice convening the Annual Meeting of the Corporation for the year ended March 31, 2024.

On behalf of the Board

Bhavani Parameswar
Director & President

Date: May 6, 2024

omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information included in the Report of the Directors

Management is responsible for the other information included in the Report of the Directors. The other information comprises the information included in the Report of the Directors but does not include the 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 an opinion or any form of assurance thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte Haskins & Sells LLP
Bengaluru, India
Date: May 6, 2024

BALANCE SHEETS AS OF MARCH 31,

	2024 (US \$)	2024 (₹)	2023 (US \$)	2023 (₹)
Assets				
Current assets				
Cash and cash equivalents	6,507,299	542,741,273	2,310,245	189,832,832
Inventory	103,071	8,596,637	81,726	6,715,425
Accounts receivable	9,321	777,418	7,562	621,370
Due from ITC Limited, net	28,743	2,397,310	-	-
Other current assets	76,870	6,411,342	79,066	6,496,853
Total current assets	6,725,304	560,923,980	2,478,599	203,666,480
Property and equipment	5,932	494,758	5,932	487,432
Less: Accumulated depreciation and amortization	5,691	474,658	4,761	391,211
	241	20,100	1,171	96,221
	6,725,545	560,944,080	2,479,770	203,762,701
Liabilities and Stockholder's Equity				
Current liabilities				
Accounts payable	37,862	3,157,880	22,041	1,811,109
Accrued expenses and other current liabilities	2,041,699	170,287,904	1,409,636	115,829,789
Accrued payroll and payroll taxes	80,423	6,707,680	63,835	5,245,322
Due to ITC Limited, net	-	-	54,256	4,458,216
Total current liabilities	2,159,984	180,153,464	1,549,768	127,344,436
Stockholder's equity				
Paid up Capital	100,000	8,340,500	100,000	8,217,000
Retained earnings	4,465,561	372,450,116	830,002	68,201,265
Total Stockholder's equity	4,565,561	380,790,616	930,002	76,418,265
	6,725,545	560,944,080	2,479,770	203,762,701

On behalf of the Board

Date: May 6, 2024

Bhavani Parameswar
Director and PresidentSoumyarup Roy
Director

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
FOR THE YEARS ENDED MARCH 31,

	2024 (US \$)	2024 (₹)	2023 (US \$)	2023 (₹)
Revenue				
Service income- Related party	631,167	526,42,484	488,806	40,165,189
Total Service income	631,167	526,42,484	488,806	40,165,189
Sale of Traded Goods	12,910,901	1,076,833,698	3,666,716	301,294,054
Total Revenue	13,542,068	1,129,476,182	4,155,522	341,459,243
Cost of revenues	1,372,249	114,452,428	636,559	52,306,053
Purchase of Stock-in-trade	8,563,000	714,197,015	2,763,951	227,113,854
Change in Inventories of Stock-in-trade	(21,346)	(1,780,363)	(68,289)	(5,611,307)
Cost of Sales	8,541,654	712,416,652	2,695,662	221,502,547
Gross profit	3,628,165	302,607,102	823,301	67,650,643
General and administrative expenses	106,099	8,849,187	20,409	1,677,007
Operating Income	3,522,066	293,757,915	802,892	65,973,636
Other income	113,493	9,465,884	-	-
Income before interest and income tax expense	3,635,559	303,223,799	802,892	65,973,636
Less: Income tax	-	-	-	-
Net Income	3,635,559	303,223,799	802,892	65,973,636
Retained earnings at beginning of year	830,002	69,226,317	27,110	2,227,629
Retained earnings at end of year	4,465,561	372,450,116	830,002	68,201,265

On behalf of the Board

Date: May 6, 2024

Bhavani Parameswar
Director and PresidentSoumyarup Roy
Director

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31,**

	2024 (US \$)	2024 (₹)	2023 (US \$)	2023 (₹)
Cash flows from operating activities				
Net income	3,635,559	303,223,799	802,892	65,973,636
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	930	77,567	1,003	82,417
(Increase) decrease in assets				
Inventory	(21,345)	(1,780,280)	(68,289)	(5,611,307)
Accounts receivable	(1,759)	(146,709)	(5,490)	(451,113)
Due from ITC Limited	(28,743)	(2,397,310)	38,721	3,181,705
Other current assets	2,196	183,157	(25,823)	(2,121,876)
Increase (decrease) in liabilities				
Accounts payable	15,821	1,319,551	10,113	830,985
Accrued expenses and other liabilities	632,063	52,717,214	1,403,441	115,320,747
Accrued payroll and payroll taxes	16,588	1,383,522	-	-
Due to ITC Limited, net	(54,256)	(4,525,222)	54,256	4,458,216
Net cash provided by operating activities	4,197,054	350,055,289	2,210,824	181,663,410
Cash flows from investing activities				
Net cash (used in) investing activities	-	-	-	-
Cash flows from financing activities				
Net cash (used in) financing activities	-	-	-	-
Net increase in cash and cash equivalents	4,197,054	350,055,289	2,210,824	181,663,410
Cash and cash equivalents at beginning of year	2,310,245	192,685,984	99,421	8,169,422
Cash and cash equivalents at end of year	6,507,299	542,741,273	2,310,245	189,832,832

On behalf of the Board

Date: May 6, 2024

Bhavani Parameswar
Director and PresidentSoumyarup Roy
Director

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2024 AND 2023**NOTE A - BUSINESS BACKGROUND AND PRINCIPAL TRANSACTIONS WITH AFFILIATES**

Indivate Inc. (the "Company") was formed as a New Jersey State incorporated company and 100% of the shareholder interest is owned by ITC Infotech (USA), Inc.

It is engaged in providing business consulting services to related party entities that operate in India. The Company is also engaged in trading activities wherein the Company is purchasing goods and distributing/marketing the same in USA and other countries.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**[1] Basis of presentation:**

The financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), the country of formation. The amounts are represented in U.S. dollars. Accounting policies and disclosures have been given which are relevant to and materially affect the Company's financial position, cash flows, or results of operations.

Convenience translation (unaudited)

As required by ITC Infotech India Ltd., the sole shareholder of the Parent Company, the Indian Rupee equivalent figures, arrived at by applying the year end interbank exchange rate of US \$1 = INR 83.405 for the fiscal year ended March 31, 2024 (2023: US\$1 = INR 82.170) as provided by the Sole shareholder of the Parent Company, have been included solely for informational purposes and is not in conformance with the provisions of FASB ASC 830-30 – Foreign Currency Matters – Translation of Financial Statements and U.S. GAAP.

[2] Use of estimates:

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Although actual results could differ from those estimates, in the opinion of the management such estimates would not materially affect the financial statements.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the notes on 1) Recognition of revenue 2) Accounts Receivable 3) Property and equipment.

[3] Inventory:

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure

incurred in the normal course of business in bringing such inventories to its present location and condition and includes product cost from the Company's suppliers, as well as applicable inbound freight, import duties, taxes, insurance and logistics and other handling fees. Net realisable value is the estimated selling price less estimated costs for completion and sale. Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

[4] Recognition of revenue:

Service revenue is based upon services provided by the Company on customer assignments and is recognized when the work is performed. Substantially, the customers are invoiced on a monthly basis.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods is shown excluding taxes such as State Sales tax which are payable in respect of sale of goods. Revenue from the sale of goods is recognized when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.

[5] Cash and cash equivalents:

For the purpose of reporting cash flows, the Company considers all deposits in cash accounts which are not subject to withdrawal restrictions or penalties to be cash or cash equivalents.

[6] Accounts receivable:

Credit is extended based on evaluation of a customer's financial condition and, generally, collateral is not required. Accounts receivable are generally due within 30 days and are stated at amounts due from customers net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due. The Company creates an allowance for accounts receivable based on historical experience, management's evaluation of outstanding accounts receivable and based on risk assessment, which are conducted regularly and considers all aspects with respect to debts such as invoice ageing, credit information from credit reports of its customers. Amounts are written off when they are deemed uncollectible.

[7] Property and equipment:

Property and equipment purchased are stated at cost. Depreciation is provided under the straight-line method based upon the estimated useful lives of the assets, with such lives ranging between three to ten years.

[8] Employee benefit plans:

The Company maintains a 401(k) Savings Plan for qualified employees. Employees who are eligible, as defined by the plan documents, may contribute an amount not to exceed 100% of participant's compensation, up to the maximum annual elective contribution established by the Internal Revenue Service. The Company makes a Safe Harbor Matching Contribution equal to 100% on the first 3% of eligible earnings that are deferred as Elective Deferral and an additional 50% on the next 2% of

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2024 AND 2023 (Contd.)

eligible earnings. The 401(k) expense for the years ended March 31, 2024 and 2023 was US \$ 10,842 (INR 855,686) and US \$ 10,414 (INR 855,686), respectively.

[9] Income taxes:

In accordance with the Federal and State Corporate tax laws in USA, the income tax liability is computed on a combined basis by ITC Infotech (USA), Inc. (the parent company of the Company in USA) and a combined tax return is filed including its subsidiary, the Company. Hence, the income tax expenses, related current and deferred tax assets/liabilities are accounted on a combined basis by ITC Infotech (USA), Inc. in its financial statements.

[10] Summary of recent accounting pronouncements:

In December 2023, Financial Accounting Standards Board (FASB) issued ASU No. 2023-09, Income Taxes ("ASC Topic 740"), Improvements to Income Tax Disclosures. This ASU expands disclosures relating to the

entity's income tax rate reconciliation, income taxes paid and certain other disclosures related to income taxes. The ASU will be effective for annual periods beginning after December 15, 2025. The Company is currently evaluating the impact of this ASU on its consolidated / standalone financial statements.

On October 9, 2023, the FASB issued ASU 2023-06, which amends the disclosure and presentation requirements related to various Codification subtopics. The ASU was issued in response to the U.S. Securities and Exchange Commission's (SEC) August 2018 final rule that updates and simplifies disclosure requirements the SEC believed were "redundant, duplicative, overlapping, outdated, or superseded." The new guidance is intended to align U.S. GAAP and SEC requirements while facilitating the application of U.S. GAAP for all entities. The amendments shall be effective (for the Company) two years after the date when the SEC removes related requirements from its regulations.

NOTE C – RELATED PARTY TRANSACTIONS

The Company has entered into various transactions with its related parties as follows:

	2024 (US \$)	2024 (₹)	2023 (US \$)	2023 (₹)
Transactions with ITC Limited				
Service fees / others recognized as revenue by Indivate	631,167	52,642,484	488,806	40,165,189
Purchase of Goods	209,177	17,446,416	161,771	13,292,723
Re-imbursement of Expenses	161,469	13,467,322	78,588	6,457,576
Trademark License fee	611,583	51,009,080	167,300	13,747,041

The receivable/ payable amount as on 31st March, 2024 and 31st March, 2023 for related parties have been disclosed in the Balance Sheet.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	Estimated useful lives (Years)	As of			
		31-Mar-24		31-Mar-23	
		(US \$)	(₹)	(US \$)	(₹)
Computers etc.	3	2,572	214,518	2,572	211,340
Office equipment	5	639	53,296	639	52,507
Furniture and fixtures	10	2,721	226,944	2,721	223,585
		5,932	494,758	5,932	487,432
Less: Accumulated depreciation		(5,691)	(474,658)	(4,761)	(391,211)
Property and equipment, net		241	20,100	1,171	96,221

The depreciation expense recognized in the Statement of Operations is as follows:

	2024		2023	
	(US \$)	(₹)	(US \$)	(₹)
Depreciation expense	930	77,567	1,003	82,417

NOTE E – OTHER CURRENT ASSETS

	2024		2023	
	(US \$)	(₹)	(US \$)	(₹)
Prepaid Expenses	1,376	114,764	26,566	2,182,928
Security Deposit	52,500	4,378,763	52,500	4,313,925
Accrued Interest	22,994	1,917,815	–	–
Total	76,870	6,411,342	79,066	6,496,853

NOTE F – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2024		2023	
	(US \$)	(₹)	(US \$)	(₹)
Other Provisions and accrued liabilities	1,411,996	117,767,526	547,720	45,006,152
Advance from customers	629,703	52,520,378	861,916	70,823,637
Total	2,041,699	170,287,904	1,409,636	115,829,789

Revenue recognized in FY 2023-24 that was included as 'Advance from customers' balance at the beginning of the FY 2023-24 was US \$ 861,916 (INR 70,823,637).

NOTE G – SUBSEQUENT EVENTS

The Company evaluated subsequent events through May 6, 2024 which is the date on which the Financial Statements are issued. Based on this evaluation, the Company is not aware of any other events or transactions that would require recognition or disclosure in the financial statements.

DIRECTORS' REPORT

The Directors hereby submit their first Report together with the audited financial statements of the Company for the financial period from 3 February 2023 (date of incorporation) to 31 March 2024.

DATE OF INCORPORATION AND COMMENCEMENT OF OPERATIONS

The Company was incorporated on 3 February 2023 and commenced its operation in April 2023 in Information Technology services and solutions.

BUSINESS REVIEW

The Company was involved in delivering Information Technology services and solutions. The Company's strategic pillars of customer centricity, employee centricity and operational excellence and its vision of providing business-friendly technology solutions enables it to stay relevant to the evolving business priorities of its clients. The Company will continue to invest in mining and growing key client relationships towards becoming their trusted partners in driving their growth and transformation agendas.

RESULTS OF OPERATIONS

The results of operations of the Company for the financial period are as follows:

	RM
Profit for the period, net of tax	366,586

In the opinion of the Directors, the result of operations of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the date of incorporation. The Directors do not recommend any final dividend payment in respect of the current financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company was incorporated on 3 February 2023 and issued 8,000,000 ordinary shares of RM1 each during the period, which was fully subscribed and paid by the immediate holding company, ITC Infotech India Limited.

The Company has not issued any debentures during the financial period.

SHARE OPTIONS

No options were granted by the Company to any parties during the financial period to take up unissued shares of the Company.

No shares were issued during the financial period by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial period, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there were no known bad debts to be written off and no allowance for doubtful debts was required; and
- to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- at which would require the writing off of bad debts or the setting up of allowance for doubtful debts in the financial statements of the Company; or
- which would render the values attributed to current assets in the financial statements of the Company misleading; or
- which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- any charge on the assets of the Company which has arisen since the end of the financial period which secures the liability of any other person; and
- any contingent liability of the Company which has arisen since the end of the financial period.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Company for the financial period in which this report is made.

DIRECTORS

The Directors of the Company in office during the financial period, who are appointed from 3 February 2023, and during the period from the end of the financial period to the date of this report are:

Mr. Vishal Kumar

Mr. Amartya Mukherjee

Mr. Sharad Jain

Ms. Wong Youn Kim

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings maintained by the Company, the Directors in office at the end of the financial period do not have any interest in shares of the Company during the financial period.

The shareholdings in the related corporations of those who was Director at the end of the financial period, as recorded in the Register of Directors' Shareholdings are as follows:

Shares in ultimate holding company, ITC Limited

	Number of ordinary shares			
	As at 3.2.2023 (date of incorporation)	Acquired	Disposed	As at 31.03.2024
Direct interest				
Mr. Vishal Kumar	325,410	74,700	25,000	375,110
Mr. Amartya Mukherjee	122,700	69,720	25,200	167,220
Mr. Sharad Jain	25,350	58,580	-	83,930
Indirect interest (held through spouse)				
Mr. Amartya Mukherjee	133,580	50,400	27,000	156,980
Mr. Sharad Jain	4,600	600	-	5,200

Other than as disclosed above, none of the other Director in office at the end of the financial period have any interest in shares of the Company during the financial period.

DIRECTORS' BENEFITS

Since the date of incorporation, none of the Directors of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

During and at the end of the financial period, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company, through the ultimate holding company, maintains Directors' and Officers' liability insurance which provides appropriate insurance cover for the Directors and Officers of the Company.

There was no indemnity given to or insurance effected for the auditors of the Company in accordance with Section 289 of the Companies Act 2016.

HOLDING COMPANY

The Company is a wholly-owned subsidiary company of ITC Infotech India Limited, a company incorporated in India which in turn is a wholly-owned subsidiary company of ITC Limited. The Directors regard ITC Limited, a company incorporated in India and listed on the National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE'), and The Calcutta Stock Exchange Limited ('CSE'), as the ultimate holding company of the Company.

AUDITORS

Messrs. Deloitte PLT (Firm Registration Number: LLP0010145-LCA) were appointed as the First Auditors of the Company to hold office until the conclusion of the next Annual Meeting for audit of the Financial Statements of the Company for the period ended 31 March 2024.

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The remuneration of the auditors for the financial period 3 February 2023 (date of incorporation) to 31 March 2024 is RM 50,000.

Signed by the Board

in accordance with a resolution of the Board of Directors.

VISHAL KUMAR

AMARTYA MUKHERJEE

SHARAD JAIN

WONG YOUN KIM

Kuala Lumpur
Date: 06 May 2024

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ITC INFOTECH MALAYSIA SDN. BHD.

Opinion

We have audited the Special Purpose Financial Statements of ITC INFOTECH MALAYSIA SDN. BHD., which comprise the Special Purpose Statement of Financial Position as at 31 March 2024, and the Special Purpose Statement of Profit or Loss and Other Comprehensive Income, Special Purpose Statement of Changes in Equity and Special Purpose Statement of Cash Flows for the period from 3 February 2023 (date of incorporation) to 31 March 2024, and notes to the Special Purpose Financial Statements, including a summary of significant accounting policies, as set out on pages 10 to 38.

In our opinion, the accompanying Special Purpose Financial Statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and cash flows for the period from 3 February 2023 (date of incorporation) to 31 March 2024 in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Financial Statements.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Emphasis of Matter and Restriction in Use

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Financial Statements have been prepared by the Company for the purpose of the information and use of the Company's management. The Special Purpose Financial Statements may not be suitable for any another purpose.

Our report is intended solely for the information and use of the management of the Company and its group companies and is not intended to be and should not be referred to or used by any other party or for any other purpose except with our prior consent in writing. We neither accept nor assume any duty, responsibility or liability to any other party or for any other purpose.

Our report is not modified in respect of this matter.

Information Other than the Special Purpose Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the Special Purpose Financial Statements of the Company and our auditors' report thereon.

Our opinion on the Special Purpose Financial Statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Special Purpose Financial Statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the Special Purpose Financial Statements of the Company 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Special Purpose Financial Statements

The Directors of the Company are responsible for the preparation of Special Purpose Financial Statements so as to give a true and fair view

in accordance with the basis described in Note 2 to the Special Purpose Financial Statements. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of Special Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements of the Company, the Directors are 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards of Auditing 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 Special Purpose Financial Statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements of the Company, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 auditors' report to the related disclosures in the Special Purpose Financial Statements of the Company 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 auditors' 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 Special Purpose Financial Statements of the Company, including the disclosures, and whether the Special Purpose Financial Statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.

Date: 06 June 2024

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

SPECIAL PURPOSE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 3 FEBRUARY 2023 (DATE OF INCORPORATION) TO 31 MARCH 2024

	Note	03.02.2023 to 31.03.2024 (14 months) RM	03.02.2023 to 31.03.2024 (14 months) ₹ (unaudited)
Revenue	5	7,946,296	140,033,601
Other income		171	3,013
Employee benefits expenses	6	(3,898,968)	(68,709,564)
Depreciation expenses	10 & 11	(549,101)	(9,676,532)
Other expenses	7	(2,918,273)	(51,427,266)
Finance costs	8	(60,104)	(1,059,183)
Profit before tax		<u>520,021</u>	<u>9,164,069</u>
Income tax expense	9	(153,435)	(2,703,908)
Profit for the period, representing total comprehensive income for the period		<u><u>366,586</u></u>	<u><u>6,460,161</u></u>

The accompanying Notes form an integral part of the Special Purpose Financial Statements.

SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	2024 RM	2024 ₹ (unaudited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	10	656,858	11,575,480
Right-of-use assets	11	1,673,214	29,486,213
Other financial assets	12	224,915	3,963,565
Deferred tax assets	13	20,486	361,015
Total Non-Current Assets		<u><u>2,575,473</u></u>	<u><u>45,386,273</u></u>
Current Assets			
Financial assets			
Amount owing by immediate holding company	14	7,946,296	140,033,601
Other financial assets	12	198,212	3,492,991
Cash and cash equivalents	15	801,184	14,118,865
Prepaid expenses		56,188	990,173
Total Current Assets		<u><u>9,001,880</u></u>	<u><u>158,635,630</u></u>
Total Assets		<u><u>11,577,353</u></u>	<u><u>204,021,903</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	16	8,000,000	140,980,000
Retained earnings	17	366,586	6,460,161
Total Equity		<u><u>8,366,586</u></u>	<u><u>147,440,161</u></u>
Non-Current Liabilities			
Financial liabilities			
Lease liabilities	18	991,919	17,480,093
Provisions	19	17,092	301,204
Total Non-Current Liabilities		<u><u>1,009,011</u></u>	<u><u>17,781,297</u></u>
Current Liabilities			
Financial liabilities			
Trade payables	20	878,461	15,480,679
Other financial liabilities	21	137,984	2,431,623
Amount owing to immediate holding company	14	305,384	5,381,630
Lease liabilities	18	703,727	12,401,429
Provisions	19	29,779	524,780
Tax liabilities		146,421	2,580,304
Total Current Liabilities		<u><u>2,201,756</u></u>	<u><u>38,800,445</u></u>
Total Liabilities		<u><u>3,210,767</u></u>	<u><u>56,581,742</u></u>
Total Equity and Liabilities		<u><u>11,577,353</u></u>	<u><u>204,021,903</u></u>

The accompanying Notes form an integral part of the Special Purpose Financial Statements.

SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 3 FEBRUARY 2023 (DATE OF INCORPORATION) TO 31 MARCH 2024

	Note	Share capital RM	Retained earnings RM	Total equity RM
Issuance of ordinary shares	16	8,000,000	–	8,000,000
Profit for the period, representing total comprehensive income for the period		–	366,586	366,586
At 31 March 2024		8,000,000	366,586	8,366,586

	Note	Share capital ₹	Retained earnings ₹	Total equity ₹
Issuance of ordinary shares	16	(unaudited) 140,980,000	(unaudited) –	(unaudited) 140,980,000
Profit for the period, representing total comprehensive income for the period		–	6,460,161	6,460,161
At 31 March 2024		140,980,000	6,460,161	147,440,161

The accompanying Notes form an integral part of the Special Purpose Financial Statements.

SPECIAL PURPOSE STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 3 FEBRUARY 2023 (DATE OF INCORPORATION) TO 31 MARCH 2024

	03.02.2023 to 31.03.2024 (14 months) RM	03.02.2023 to 31.03.2024 (14 months) ₹ (unaudited)
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before tax	520,021	9,164,069
Adjustment for:		
Depreciation expenses	549,101	9,676,532
Finance costs	60,104	1,059,183
Operating Profit Before Working Capital Changes	1,129,226	19,899,784
Increase in:		
Other financial assets	(423,127)	(7,456,556)
Prepaid expenses	(56,188)	(990,173)
Amount owing from immediate holding company	(7,946,296)	(140,033,601)
Trade payables	878,461	15,480,679
Other payables and provisions	137,984	2,431,623
Provisions	46,871	825,984
Amount owing to immediate holding company	305,384	5,381,630
Cash Used In Operations	(5,927,685)	(104,460,630)
Tax paid	(27,500)	(484,619)
Net Cash Used In Operating Activities	(5,955,185)	(104,945,249)
CASH FLOWS USED IN INVESTING ACTIVITY		
Acquisition of property, plant and equipment	(726,775)	(12,807,592)
Net Cash Used In Investing Activity	(726,775)	(12,807,592)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	8,000,000	140,980,000
Payment of lease liabilities	(510,856)	(9,002,560)
Payment of direct costs relating to right-of-use assets	(6,000)	(105,734)
Net Cash From Financing Activities	7,483,144	131,871,706
NET INCREASE IN CASH AND CASH EQUIVALENTS	801,184	14,118,865
CASH AND CASH EQUIVALENTS AT DATE OF INCORPORATION	–	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD (REPRESENTING CASH AT BANK)	801,184	14,118,865

NOTES TO THE SPECIAL PURPOSE STATEMENTS OF CASH FLOWS

The Company adopts the indirect method in the preparation of Special Purpose Statements of Cash Flows. Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition. They are readily convertible to cash with insignificant risk of changes in value.

	Note	03.02.2023 to 31.03.2024 (14 months) RM	03.02.2023 to 31.03.2024 (14 months) ₹ (unaudited)
A. CASH OUTFLOWS FOR LEASES AS A LESSEE			
Included in net cash from financing activities:			
Repayment of lease liabilities		450,752	7,943,377
Interest paid in relation to lease liabilities	8	60,104	1,059,183
Total cash outflows for leases		510,856	9,002,560

B. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details the changes in the Company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's Special Purpose Statement of Cash Flows as cash flows from financing activities.

	Note	03.02.2023 to 31.03.2024 (14 months) RM	03.02.2023 to 31.03.2024 (14 months) ₹ (unaudited)
At date of incorporation		—	—
Non-cash changes		2,146,398	37,824,899
Finance costs	8	60,104	1,059,183
Payment of lease rental		(510,856)	(9,002,560)
At end of the period		1,695,646	29,881,522

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The Company was incorporated on 3 February 2023 and commenced its operation in April 2023 in Information Technology services and solutions.

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Bangsar South City, 59200 Kuala Lumpur and the principal place of business of the Company is located at 24th Floor, Suite 03-04, The Pinnacle, Persiaran Lagoon, Bandar Sunway, 47500 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The Statutory Financial Statements of the Company presented in Ringgit Malaysia ("RM") are approved by the Board on 6 May 2024 and the Auditors' Report there on is issued by the Auditors on 6 May 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The Special Purpose Financial Statements of the Company have been prepared in accordance with the accounting policies below.

The Special Purpose Financial Statements are presented in Ringgit Malaysia ("RM") which represents the functional currency of the Company. However, as required by the holding company, ITC Infotech India Ltd., the Indian Rupee equivalent figures, arrived at by applying the average interbank exchange rate of RM 1 = ₹17.6225 for financial period ended 31 March 2024 as provided by ITC Infotech India Ltd., have been included solely for informational purposes and is not intended to be prepared in accordance with approved accounting standards in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Special Purpose Financial Statements of the Company have been prepared under the historical cost convention unless otherwise indicated in this summary of accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

The material accounting policies are set out below:

Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment, if any.

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

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

Furniture and fittings	10 Years
Office equipment	5 Years
Computers, servers and networks	3 to 6 Years
Electrical installation and equipment	10 Years

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

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

Financial Assets

Recognition: Financial assets include cash and cash equivalents, amount owing

by immediate holding company, advances and security deposits. Such assets are initially recognised either at transaction price or at fair value, as applicable, on becoming a party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the profit and loss.

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

Financial assets are classified as those measured at:

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

Amount owing by immediate holding company, advances, security deposits and cash and cash equivalents are classified for measurement at amortised cost.

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

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest.

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

- amortised cost, the gain or loss is recognised in the profit or loss;
- fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the profit or loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Financial Liabilities

Trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption or settlement is recognised in the profit or loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Special Purpose Financial Statements. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Revenue Recognition

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

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied. i.e. when the 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct good or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Company estimates the amount of consideration to which it will be entitled based on expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 (Contd.)

- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods and services.

Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

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

Leases

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

Company as a Lessee

Right-of-use ("ROU") assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight-line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude RM20,000 or less) are charged to the profit and loss on a straight-line basis over the term of the relevant lease.

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

Taxes on Income

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

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

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

Provisions

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**(a) Critical judgements in applying the Company's accounting policies**

The management is of the opinion that there are no instances of application of critical judgements in applying the Company's accounting policies which are expected to have a significant effect on the amounts recognised in the Special Purpose Financial Statements.

(b) Key sources of estimation uncertainty

The Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. REVENUE

Revenue from Contract with Customer

Sales of services (Note 14)

6. EMPLOYEE BENEFITS EXPENSES

Salaries and other emoluments

Contribution to Employees Provident Fund

Staff welfare expenses

7. OTHER EXPENSES

Rates and taxes

Insurance

Travelling and conveyance

Communication

Power and fuel

Outsourcing charges

Software and related expenses

Repair and maintenance

Buildings

Machinery

Legal, professional and consultancy expenses

Auditors' remuneration

Bank charges

Printing and stationery

**03.02.2023
to
31.03.2024
(14 months)
RM**

**03.02.2023
to
31.03.2024
(14 months)
₹
(unaudited)**

7,946,296

140,033,601

3,491,773

61,533,770

404,797

7,133,535

2,398

42,259

3,898,968

68,709,564

19,649

346,265

86,604

1,526,179

13,309

234,538

18,385

323,990

3,515

61,943

2,110,874

37,198,877

3,150

55,511

53,820

948,443

3,953

69,662

552,414

9,734,916

50,000

881,125

2,542

44,796

58

1,021

2,918,273

51,427,266

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 (Contd.)

	03.02.2023 to 31.03.2024 (14 months) RM	03.02.2023 to 31.03.2024 (14 months) ₹ (unaudited)
8. FINANCE COSTS		
Interest expense on:		
Lease liabilities (Note 18)	<u>60,104</u>	<u>1,059,183</u>
9. INCOME TAX EXPENSE		
Income tax expense:		
Current period	173,921	3,064,923
Deferred tax (Note 13)		
Current period	<u>(20,486)</u>	<u>(361,015)</u>
Income tax expense	<u>153,435</u>	<u>2,703,908</u>
The reconciliation between the income tax expenses and amounts computed by applying the standard rate of income tax to profit before tax is as follows:		
Profit before tax	<u>520,021</u>	<u>9,164,069</u>
Tax at statutory tax rate of 24%	124,805	2,199,377
Tax effects of expenses not deductible for tax purposes	<u>28,630</u>	<u>504,531</u>
Income tax expenses	<u>153,435</u>	<u>2,703,908</u>

10. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings RM	Office equipment RM	Computers, servers and networks RM	Electrical installation and equipment RM	Total RM
Cost					
At 3 February 2023 (date of incorporation)	–	–	–	–	–
Additions	191,901	171,876	230,425	132,573	726,775
At 31 March 2024	191,901	171,876	230,425	132,573	726,775
Accumulated depreciation					
At 3 February 2023 (date of incorporation)	–	–	–	–	–
Charge for the period	11,028	15,627	35,645	7,617	69,917
At 31 March 2024	11,028	15,627	35,645	7,617	69,917
Net book value					
At 31 March 2024	180,873	156,249	194,780	124,956	656,858

	Furniture and fittings ₹ (unaudited)	Office equipment ₹ (unaudited)	Computers, servers and networks ₹ (unaudited)	Electrical installation and equipment ₹ (unaudited)	Total ₹ (unaudited)
Cost					
At 3 February 2023 (date of incorporation)	–	–	–	–	–
Additions	3,381,774	3,028,885	4,060,665	2,336,268	12,807,592
At 31 March 2024	3,381,774	3,028,885	4,060,665	2,336,268	12,807,592
Accumulated depreciation					
At 3 February 2023 (date of incorporation)	–	–	–	–	–
Charge for the period	194,340	275,387	628,154	134,231	1,232,112
At 31 March 2024	194,340	275,387	628,154	134,231	1,232,112
Net book value					
At 31 March 2024	3,187,434	2,753,498	3,432,511	2,202,037	11,575,480

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 (Contd.)

	Buildings RM	Buildings ₹ (unaudited)
11. RIGHT-OF-USE ASSETS		
Cost		
At 3 February 2023 (date of incorporation)	—	—
Additions	2,152,398	37,930,633
At 31 March 2024	2,152,398	37,930,633
Accumulated depreciation		
At 3 February 2023 (date of incorporation)	—	—
Charge for the period	479,184	8,444,420
At 31 March 2024	479,184	8,444,420
Net book value		
At 31 March 2024	1,673,214	29,486,213
(a) The average lease term of the buildings is 3 years. The total cash outflow for lease amounts to RM 510,856 (₹ 9,002,560).		
(b) Amounts recognised in profit and loss are as follows:		
	03.02.2023 to 31.03.2024 (14 months) RM	03.02.2023 to 31.03.2024 (14 months) ₹ (unaudited)
Depreciation of right-of-use assets	479,184	8,444,420
Interest expense on lease liabilities (Note 8)	60,104	1,059,183
	2024 RM	2024 ₹ (unaudited)
12. OTHER FINANCIAL ASSETS		
Security deposits		
- later than 1 year and not later than 5 years	224,915	3,963,565
Advances		
- no later than 1 year	198,212	3,492,991
13. DEFERRED TAX ASSETS		
At date of incorporation	—	—
Recognised in profit or loss (Note 9):		
Provisions, right-of-use assets, lease liabilities	54,645	962,982
Others	(34,159)	(601,967)
At end of period	20,486	361,015
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for the Special Purpose Statements of Financial Position purposes:		
Deferred tax assets	54,645	962,982
Deferred tax liabilities	(34,159)	(601,967)
	20,486	361,015
Deferred tax assets/(liabilities) provided in the Special Purpose Financial Statements are in respect of the tax effects of the following:		
Deferred tax assets		
Temporary differences arising from:		
Provisions, right-of-use assets, lease liabilities	54,645	962,982
Offsetting	(34,159)	(601,967)
Deferred tax assets (after offsetting)	20,486	361,015
Deferred tax liabilities		
Temporary differences arising from:		
Others	(34,159)	(601,967)
Offsetting	34,159	601,967
Deferred tax liabilities (after offsetting)	—	—
The tax effects of deductible temporary differences which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.		

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 (Contd.)

14. RELATED PARTY TRANSACTIONS

The Company is a subsidiary company of ITC Infotech India Limited, a company incorporated in India which in turn is a wholly-owned subsidiary company of ITC Limited. The Directors regard ITC Limited, a company incorporated in India and listed on the National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE'), and The Calcutta Stock Exchange Limited ('CSE'), as the ultimate holding company of the Company.

Amount owing by immediate holding company, which arose mainly from sales of services, is unsecured, interest-free with a credit period of 90 days.

Amount owing to immediate holding company, which arose mainly payments made on behalf, is unsecured, interest-free with a credit period of 90 days.

Related Party Transactions

During the financial period, the significant related party transactions, which were determined based on negotiations agreed between the said parties, are as follows:

	03.02.2023 to 31.03.2024 (14 months) RM	03.02.2023 to 31.03.2024 (14 months) ₹ (unaudited)
Immediate holding company		
ITC Infotech India Limited		
Sales of services (Note 5)	7,946,296	140,033,601
Analysis of currency profile of amount owing to immediate holding company is as follows:		
	2024 RM	2024 ₹ (unaudited)
Ringgit Malaysia	296,865	5,231,503
United States Dollar	8,519	150,127
	305,384	5,381,630
	2024 RM	2024 ₹ (unaudited)
15. CASH AND CASH EQUIVALENTS		
Balances with bank:		
Current accounts	801,184	14,118,865
	Number of shares	2024 ₹ (unaudited)
16. SHARE CAPITAL		
Issued and fully paid up shares with no par value classified as equity instrument:		
Ordinary shares		
Issued during the period	8,000,000	140,980,000
At end of the period	8,000,000	140,980,000
The Company was registered with share capital of RM 12,500,000, comprising 12,500,000 shares of RM 1 each, and the immediate holding company has subscribed and paid RM 8,000,000, comprising 8,000,000 shares of RM1 each, during the period. Subsequent to the period end, the Company has made application to the Companies Commission of Malaysia ("CCM") and submitted revised filing to update the records with CCM of issued and paid up capital to RM 8,000,000.		
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.		
17. RETAINED EARNINGS		
At the end of the reporting period, the entire retained earnings of the Company is available for distribution as dividends under the single-tier income tax system.		
	2024 RM	2024 ₹ (unaudited)
18. LEASE LIABILITIES		
At date of incorporation	—	—
Addition	2,146,398	37,824,899
Finance costs (Note 8)	60,104	1,059,183
Payment of lease rental	(510,856)	(9,002,560)
At end of the period	1,695,646	29,881,522
		2024 %
Incremental borrowing rate		4.87

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 (Contd.)

The minimum lease payments for the lease liabilities are payable as follows:

	Future minimum lease payments RM	Interest RM	Present Value of minimum lease payments RM
2024			
Less than one year	766,284	(62,557)	703,727
Between one and two years	766,284	(28,286)	737,998
Between two and five years	255,428	(1,507)	253,921
	<u>1,787,996</u>	<u>(92,350)</u>	<u>1,695,646</u>
	Future minimum lease payments ₹	Interest ₹	Present Value of minimum lease payments ₹
	(Unaudited)	(Unaudited)	(Unaudited)
2024			
Less than one year	13,503,840	(1,102,411)	12,401,429
Between one and two years	13,503,840	(498,470)	13,005,370
Between two and five years	4,501,280	(26,557)	4,474,723
	<u>31,508,960</u>	<u>(1,627,438)</u>	<u>29,881,522</u>
	2024 RM		2024 ₹ (unaudited)

19. PROVISIONS

Provisions for compensated absences:

- not later than 1 year	29,779	524,780
- later than 1 year and not later than 5 years	<u>17,092</u>	<u>301,204</u>

20. TRADE PAYABLES

The normal trade credit terms granted to the Company by trade payables ranges from 10 days to 45 days.

	2024 RM	2024 ₹ (unaudited)
21. OTHER FINANCIAL LIABILITIES		
Other payables	<u>137,984</u>	<u>2,431,623</u>

22. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS**Capital management**

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

The capital structure of the Company comprises only of equity as detailed in Note 16 and Note 17. The Company does not have any long-term debt obligation.

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

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial assets and financial liabilities are disclosed in Note 3.

Categories of financial instruments

	2024 RM	2024 ₹ (unaudited)
Financial assets		
At amortised costs:		
Amount owing by immediate holding company	7,946,296	140,033,601
Other financial assets	423,127	7,456,556
Cash and cash equivalents	<u>801,184</u>	<u>14,118,865</u>
Financial liabilities		
At amortised costs:		
Trade payables	878,461	15,480,679
Other financial liabilities	137,984	2,431,623
Amount owing to immediate holding company	305,384	5,381,630
Lease liabilities	<u>1,695,646</u>	<u>29,881,522</u>

Financial risk management objectives and policies

The operations of the Company are subject to a variety of financial risks, including foreign exchange risk, credit risk and liquidity risk.

The Company has formulated a financial risk management framework whose principal objective is to minimise the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Company.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 (Contd.)

Foreign exchange risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are disclosed in the respective notes.

Foreign currency sensitivity analysis

The Company is mainly exposed to the United States dollar.

The following table details the Company's sensitivity to a 10% increase and decrease in the Ringgit Malaysia against the relevant foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates a gain in the profit or loss where the Ringgit Malaysia strengthens 10% against the relevant currency. For a 10% weakening of the Ringgit Malaysia against the relevant currency, there would be a comparable impact on the profit or loss, the balances below would be negative.

	2024 RM	2024 ₹ (unaudited)
United States dollar	852	15,014

The Company's sensitivity to foreign currency is mainly attributable to the exposure of amount owing to immediate holding company, which are partially denominated in foreign currencies at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the period end exposure does not reflect the exposure during the financial period.

Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company.

The Company's exposure to credit risk arises primarily from amount owing from immediate holding company. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counter parties.

Liquidity risk management

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due. The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Weighted average effective interest rate %	Within one year RM	One to two years RM	Two to five years RM	Total RM
2024					
Financial liabilities:					
Non-interest bearing:					
Trade payables	–	878,461	–	–	878,461
Other financial liabilities	–	137,984	–	–	137,984
Amount owing to immediate holding company	–	305,384	–	–	305,384
	–	1,321,829	–	–	1,321,829
Interest bearing:					
Lease liabilities	4.87	766,284	766,284	255,428	1,787,996
Total undiscounted financial liabilities		2,088,113	766,284	255,428	3,109,825
	Weighted average effective interest rate %	Within one year ₹ (unaudited)	One to two years ₹ (unaudited)	Two to five years ₹ (unaudited)	Total ₹ (unaudited)
2024					
Financial liabilities:					
Non-interest bearing:					
Trade payables	–	15,480,679	–	–	15,480,679
Other financial liabilities	–	2,431,623	–	–	2,431,623
Amount owing to immediate holding company	–	5,381,630	–	–	5,381,630
	–	23,293,932	–	–	23,293,932
Interest bearing:					
Lease liabilities	4.87	13,503,840	13,503,840	4,501,280	31,508,960
Total undiscounted financial liabilities		36,797,772	13,503,840	4,501,280	54,802,892

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 (Contd.)**Fair Values**

The Directors consider that the carrying amounts of the current financial assets and financial liabilities of the Company at the end of the reporting period approximate their fair values due to the relatively short-term maturities of these financial instruments.

The fair value of long-term liabilities is estimated by discounting the expected future cash flows using the current interest rates for borrowing with similar risk profiles. There is no material difference between the carrying amounts and the estimated fair values of long-term liabilities.

23. COMPARATIVE FIGURES

As the Special Purpose Financial Statements of the Company are drawn up for the first time, no comparative figures are presented.

STATEMENT BY DIRECTORS

We, VISHAL KUMAR, AMARTYA MUKHERJEE, SHARAD JAIN and WONG YOUN KIM, being the Directors of ITC INFOTECH MALAYSIA SDN. BHD. state that, in the opinion of the Directors, the accompanying Special Purpose Financial Statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of the financial performance and cash flows of the Company for the financial period 3 February 2023 (date of incorporation) to 31 March 2024 in accordance with the accounting policies of the Company.

Signed by the Board

in accordance with a resolution of the Board of Directors dated 6 May 2024.

VISHAL KUMAR

AMARTYA MUKHERJEE

SHARAD JAIN

WONG YOUN KIM

Kuala Lumpur

DIRECTORS' REPORT

The Directors submit their first Report for the period from 17th April, 2023, being the date of incorporation of the Company, to 31st March, 2024.

Incorporation

The Company was incorporated on 17th April, 2023 in Mexico. The Company's shares have been fully subscribed and paid by ITC Infotech India Limited, the Holding Company, except 1 share which is subscribed and paid by ITC Infotech (USA), Inc., a fellow subsidiary of the Company.

Principal Activities

The Company is engaged in providing Information Technology Services and Solutions. The Company leveraged its portfolio of client and industry-focused capabilities, including Data & Analytics, Direct to Consumer (D2C), product lifecycle management-led Digital Thread Solutions, Digital Manufacturing, SAP S/4HANA and Cloud amongst others, strengthening its near-shore presence in the Americas. The company will continue to invest in mining and growing key client relationships towards becoming their trusted partners in driving their growth and transformation agendas.

Financial Results

For the financial year ended 31st March, 2024, the Company's performance was as under:

(MXN)

Year Ended March 31,	2024 #
Total Revenue	5,900,385
Other Income	163,585
Profit / (Loss) After Tax	745,945

From 17th April, 2023 to 31st March, 2024.

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of ITC Infotech DE Mexico, S.A. DE C.V.

Report on the Special Purpose Financial Statements**Opinion**

We have audited the accompanying Special Purpose Financial Statements of ITC Infotech DE Mexico, S.A. DE C.V. (the "Company"), which comprise the Special Purpose Balance Sheet as at March 31, 2024, the Special Purpose Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Statement of Changes in Equity and the Special Purpose Statement of Cash Flows for the period April 17, 2023 till March 31, 2024, and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Special Purpose Financial Statements"). The Special Purpose Financial Statements are prepared for inclusion in the annual report of the Ultimate Holding Company ("ITC Limited") under the requirements of section 129(3) of the Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements are prepared, in all material respects, in accordance with the basis of preparation set out in Note 1(a) to the Special Purpose Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing (the "Sas") issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our ethical responsibilities in accordance with the requirements of the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

Emphasis of Matter**Basis of preparation and restriction on distribution and use**

We draw attention to Note 1(a) to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose

Directors

The Directors in office at the end of the year are listed below:

Mr. Bharath Krishnaswamy (effective 22nd December, 2023) - Chairman

Mr. Sharad Jain - Director

Mr. Soumyarup Roy - Director

During the year, Mr. Arun Raghavapudi, Chairman, stepped down as the Director of the Company with effect from 29th June, 2023.

Auditors

Audit of the Financial Statements of the Company is not mandatory as per local laws. However, as a measure of good governance, the Company has engaged Messrs. Deloitte Haskins & Sells LLP, India (Registration Number 117366W/W-100018), as the Auditors for the period under review. Their Report is annexed to the Financial Statements of the Company.

On behalf of ITC Infotech de México, S.A. de C.V.

Bharath Krishnaswamy

Director

Date: 5th May, 2024

Financial Statements have been prepared by the Company for the purpose of the information and use of the Company's management. The Special Purpose Financial Statements may not be suitable for any another purpose. Our report is intended solely for the information and use of the Board of Directors and management of the Company and its group companies and is not intended to be and should not be referred to or used by any other party or for any other purpose except with our prior consent in writing. We neither accept nor assume any duty, responsibility or liability to any other party or for any other purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

The Company's Board of Directors are responsible for the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the basis described in Note 1(a) to the Special Purpose Financial Statements.

This responsibility also includes maintenance of adequate accounting records 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, the Company's Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the

Special Purpose 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 Special Purpose 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 Special Purpose 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 but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose 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 Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose 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 Special Purpose 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.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No: 117366W/W-100018

Place: Bengaluru
Date: May 5, 2024

Girish Bagri
Partner
Membership No. 066572
UDIN: 24066572BKFUMW4349

SPECIAL PURPOSE STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2024

	Note No.	As at 31st March 2024 (MXN)	As at 31st March 2024 (INR) (Unaudited)
I ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2	748,452	3,766,510
(b) Deferred Tax Assets (Net)	3	196,353	988,127
Sub-Total		<u>944,805</u>	<u>4,754,637</u>
2 Current Assets			
(a) Financial Assets			
(i) Trade Receivables	4	49,300	248,097
(ii) Cash and Cash Equivalents	5	30,508,447	153,530,709
(iii) Others	6	5,887,725	29,629,387
(b) Other Current Assets	7	1,049,891	5,283,471
Sub-Total		<u>37,495,363</u>	<u>188,691,664</u>
TOTAL		<u>38,440,168</u>	<u>193,446,301</u>
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	8	36,500,000	183,682,600
(b) Other Equity		745,945	3,753,892
Sub-Total		<u>37,245,945</u>	<u>187,436,492</u>
2 Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables and Accrued expenses	9	132,802	668,313
(ii) Others	10	129,131	649,839
(b) Other Current Liabilities	12	803,339	4,042,724
(c) Provisions	11	128,951	648,933
Sub-Total		<u>1,194,223</u>	<u>6,009,809</u>
TOTAL		<u>38,440,168</u>	<u>193,446,301</u>

The accompanying notes 1 to 25 are an integral part of the Special Purpose Standalone Financial Statements.

This is the Special Purpose Standalone Balance Sheet referred to in our Report of even date

For Deloitte Haskins & Sells LLP

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri
Partner

Soumyarup Roy
Director

On behalf of the Company
Bharath Krishnaswamy
Director

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

SPECIAL PURPOSE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024***For the period 17th April'23 to 31st March'24**

	Note No.	For the period ended 31st March 2024 (MXN)	For the period ended 31st March 2024 (INR) (Unaudited)
I Revenue from Operations	13	5,900,385	29,693,097
II Other Income	14	163,585	823,225
III Total Income (I + II)		<u>6,063,970</u>	<u>30,516,322</u>
IV Expenses			
Employee Benefits Expense	15	4,050,356	20,383,012
Depreciation and Amortisation Expense	2	72,177	363,224
Other Expenses	16	1,391,845	7,004,321
Total Expenses		<u>5,514,378</u>	<u>27,750,557</u>
V Profit Before Tax (III-IV)		<u>549,592</u>	<u>2,765,765</u>
VI Tax Expenses	17		
Current Tax		–	–
Deferred Tax (Credit)		(196,353)	(988,127)
		<u>(196,353)</u>	<u>(988,127)</u>
VII Profit for the Period (V-VI)		<u>745,945</u>	<u>3,753,892</u>
VII Earnings Per Share (Face value MXN \$ 1 each) (Basic and diluted)	18	0.03	0.17

There were no items of comprehensive income in the current period, and accordingly, no statement of comprehensive Income is presented.

The accompanying notes 1 to 25 are an integral part of the Special Purpose Standalone Financial Statements.

This is the Special Purpose Standalone Statement of Profit and Loss referred to in our Report of even date

For Deloitte Haskins & Sells LLP

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri
Partner

Soumyarup Roy
Director

On behalf of the Company

Bharath Krishnaswamy
Director

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

SPECIAL PURPOSE STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2024***For the period 17th April'23 to 31st March'24****A. Equity Share Capital**

Opening Balance (MXN)	Changes in Equity Share Capital during the year (MXN)	Balance at 31st March, 2024 (MXN)	Balance at 31st March, 2024 (INR) (Unaudited)
-	36,500,000	36,500,000	183,682,600

* Capital contribution by ITC Infotech India Limited ("the Parent") and ITC Infotech (USA), Inc. at the time of incorporation of the company

B. Other Equity

	Retained Earnings (MXN)	Total (MXN)	Total (INR) (Unaudited)
Balance as at 17th April, 2023	-	-	-
Profit for the Period	745,945	745,945	3,753,892
Total Comprehensive Income	745,945	745,945	3,753,892
Balance as at 31st March, 2024	745,945	745,945	3,753,892

Retained Earnings: This represents the cumulative profits of the Company.

The accompanying notes 1 to 25 are an integral part of the Special Purpose Standalone Financial Statements.

This is the Special Purpose Standalone Statement of Changes in Equity referred to in our Report of even date.

For Deloitte Haskins & Sells LLP

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri
Partner

Soumyarup Roy
Director

On behalf of the Company

Bharath Krishnaswamy
Director

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

SPECIAL PURPOSE STANDALONE STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH, 2024***For the period 17th April'23 to 31st March'24**

		For the period ended 31st March 2024 (MXN)	For the period ended 31st March 2024 (INR) (Unaudited)
A CASH FLOW FROM OPERATING ACTIVITIES :			
PROFIT BEFORE TAX		549,592	2,765,765
ADJUSTMENTS FOR :			
Depreciation and Amortization Expenses	72,177		363,324
		<u>72,177</u>	<u>363,324</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		621,769	3,128,989
ADJUSTMENTS FOR :			
Other Assets	(6,986,917)		(3,51,60,959)
Trade Payables, Other Liabilities and Provisions	<u>1,194,224</u>	<u>(5,792,693)</u>	<u>(29,151,146)</u>
CASH FROM OPERATIONS		<u>(5,170,924)</u>	<u>(26,022,157)</u>
Income Tax Paid		<u>-</u>	<u>-</u>
NET CASH USED IN OPERATING ACTIVITIES		<u>(5,170,924)</u>	<u>(26,022,157)</u>
B CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Property, Plant and Equipment	<u>(820,629)</u>		<u>(4,129,734)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(820,629)</u>	<u>(4,129,734)</u>
C CASH FLOW FROM FINANCING ACTIVITIES :			
Capital infusion from Parent	<u>36,500,000</u>		<u>183,682,600</u>
NET CASH FROM FINANCING ACTIVITIES		<u>36,500,000</u>	<u>183,682,600</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		30,508,447	153,530,709
OPENING CASH AND CASH EQUIVALENTS		<u>-</u>	<u>-</u>
CLOSING CASH AND CASH EQUIVALENTS		<u>30,508,447</u>	<u>153,530,709</u>
CASH AND CASH EQUIVALENTS COMPRISE :			
Cash and Cash Equivalents	30,508,447		153,530,709
Cash and Cash Equivalents		<u>30,508,447</u>	<u>153,530,709</u>

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

There were no non-cash transactions in respect of Investing and Financing activities.

The accompanying notes 1 to 25 are an integral part of the Special Purpose Standalone Financial Statements.

This is the Special Purpose Standalone Statement of Cash Flows referred to in our Report of even date

For Deloitte Haskins & Sells LLP

Firm Registration Number: 117366 W/W-100018

Chartered Accountants

Girish Bagri
Partner

On behalf of the Company
Soumyarup Roy
Director

Bharath Krishnaswamy
Director

Membership Number: 066572

Place: Bengaluru

Date: 5th May, 2024

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

NATURE OF OPERATIONS

ITC Infotech de México, S.A. de C.V. (the "Company"), a company incorporated in Mexico, is engaged in providing information technology services. The Company is a wholly-owned subsidiary of ITC Infotech India Limited., an Indian company. There are 36,499,999 common shares authorized and issued to ITC Infotech India Limited and 1 common shares authorized and issued to ITC Infotech (USA), Inc.

The Company is incorporated and domiciled in Mexico and has its registered office at Bosque de Ciruelos No. 180 Int. PP 101, Col. Bosque de las Lomas, Miguel Hidalgo, Ciudad de México, 11700. The Company was incorporated on 17th April, 2023.

1. MATERIAL ACCOUNTING POLICIES

(a) Basis of presentation and statement of compliance

These Special Purpose Standalone Financial Statements comprising the Special Purpose Standalone Balance Sheet as at 31st March, 2024 and Special Purpose Standalone Statement of Profit and Loss, Special Purpose Standalone Statement of Changes in Equity and Special Purpose Standalone Statement of Cash Flows for the period 17th April, 2023 till 31st March, 2024 and a summary of material accounting policies and other explanatory information (together referred to as "Special Purpose Standalone Financial Statements" are prepared for inclusion in the annual report of the Ultimate Holding Company (ITC Limited) under the requirements of section 129(3) of the Companies Act, 2013*. The financial performance and position of the Company are included in the consolidated financial statements of the Holding Company, ITC Infotech India Limited, incorporated under the Companies Act, 2013, and having its registered office 37 J. L. Nehru Road, Kolkata 700071, India.

These Special Purpose Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") and generally accepted accounting principles in India. Accordingly, these Special Purpose Standalone Financial Statements do not purport to follow Mexican GAAP.

These Special Purpose Standalone Financial Statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at amortized cost or fair value as required by the relevant Ind AS and explained in the accounting policy on financial instruments classified as fair value through profit or loss.

Since it is a newly established company incorporated on 17th April, 2023, Accounting policies have been applied consistently throughout the period presented in these Special Purpose Standalone Financial Statements. Disclosures have been given which are relevant to and materially affect the company's financial position, and financial performance of the Company. Accordingly, financial information for comparative period is not presented.

* Companies Act, 2013 refers to the Companies Act, 2013 of India

(b) Convenience Translation (unaudited)

These Special Purpose Standalone Financial Statements are presented in Mexican Pesos. However, as required by the parent company ITC Infotech India Limited., the Indian Rupee equivalent figures, arrived at by applying the average interbank exchange rate of MXN= INR 5.0324 for period ended 31st March, 2024 as provided by ITC Infotech India Limited, have been included solely for informational purposes and is not in conformity with the provisions of Ind AS.

(c) Use of Estimates and Judgment

The preparation of the Special Purpose Standalone Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying

accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in Income taxes note.

(d) Operating Cycle

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

(e) Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. Expenses capitalized also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss. Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis.

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

Computers	3 Years

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

(f) Impairment of Assets

Impairment loss, if any, is provided to the extent that the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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

(g) Foreign Currency Transactions

The presentation currency of the Company is the Mexican Pesos.

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

(h) Financial instruments, Financial assets and Financial liabilities

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value, except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include Trade receivables, Unbilled receivables, deposits, advances and cash and cash equivalents. Such assets are initially recognized either at transaction price or at fair value, as applicable, on becoming a party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

Financial assets are classified as those measured at:

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

Trade receivables, advances, security deposits, cash and cash equivalents etc. are classified for measurement at amortized cost.

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

In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of credit loss in future

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

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

- (a) amortized cost, the gain or loss is recognized in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the

cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition on Financial Assets: Interest income is recognized in the Statement of Profit and Loss using the effective interest method.

Financial Liabilities

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

Offsetting Financial Instruments

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

(i) Revenue from Sale of Products and Services

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

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

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

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

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

Revenue is recognized from services performed on other "time bound fixed-price engagements" based on efforts expended using the percentage of completion method of accounting, if work completed can be reasonably estimated.

The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated.

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

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

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

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

(j) Employee Benefits – Short Term Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognized for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

(k) Leases

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

Company as a Lessee

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

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

Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude INR 5 lakhs i.e. Approximately MXN \$ 100,000 or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an

operating lease, the asset is capitalized within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the term of the lease.

(l) Taxes on Income

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

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

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

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

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

(m) Operating Segments

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

(n) Provisions

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

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

(o) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

2. FIXED ASSETS

DESCRIPTION	Gross Block (MXN)			Depreciation and Amortization (MXN)				Net Block (MXN)		
	As at 31st March, 2023	Additions	Withdrawals / Adj	As at 31st March, 2024	As at 31st March, 2023	Charge For the Year	On Withdrawals / Adj	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Computers etc.	-	820,629	-	820,629	-	72,717	-	72,717	748,452	-
TOTAL	-	820,629	-	820,629	-	72,717	-	72,717	748,452	-

DESCRIPTION	Gross Block (INR) Unaudited			Depreciation and Amortization (INR) Unaudited				Net Block (INR) Unaudited		
	As at 31st March, 2023	Additions	Withdrawals / Adj	As at 31st March, 2024	As at 31st March, 2023	Charge For the Year	On Withdrawals / Adj	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Computers etc.	-	4,129,734	-	4,129,734	-	363,224	-	363,224	3,766,510	-
TOTAL	-	4,129,734	-	4,129,734	-	363,224	-	363,224	3,766,510	-

3. DEFERRED TAX ASSETS

	Opening Balance (MXN)	Recognized in Statement of profit or loss (MXN)	Recognized in OCI (MXN)	Closing Balance (MXN)	Closing Balance (INR) (Unaudited)
FY 2023-24					
Deferred Tax Assets					
Unused Tax Credit	-	196,353	-	196,353	988,127
Total Deferred Tax Assets	-	196,353	-	196,353	988,127
Deferred Tax Liabilities :					
Total Deferred Tax Liabilities	-	-	-	-	-
Deferred Tax Assets (Net)	-	196,353	-	196,353	988,127

4. TRADE RECEIVABLES

	As at 31st March, 2024 (MXN)	As at 31st March, 2024 (INR) (Unaudited)
Unsecured, Considered Good	49,300	248,097
TOTAL	49,300	248,097

Trade Receivables as at 31st March, 2024	Outstanding for the following periods		
	Less than 6 months (MXN)	Total (MXN)	Total (INR) (Unaudited)
Undisputed Trade Receivables - considered good	49,300	49,300	248,097
Gross	49,300	49,300	248,097
Less : Expected Credit Loss Allowance	-	-	-
NET	49,300	49,300	248,097

5. CURRENT ASSETS : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

	As at 31st March, 2024 (MXN)	As at 31st March, 2024 (INR) (Unaudited)
Balance with Banks :		
Current Accounts	30,508,447	153,530,709
TOTAL	30,508,447	153,530,709

The Company does not have any significant cash and cash equivalents that are not available for use.

6. CURRENT ASSETS : FINANCIAL ASSETS - OTHERS

	As at 31st March, 2024 (MXN)	As at 31st March, 2024 (INR) (Unaudited)
Unsecured Considered Good, Unless Otherwise Stated		
Unbilled Revenue	5,823,075	29,304,042
Security Deposit	64,650	325,345
TOTAL	5,887,725	29,629,387

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

7. OTHER CURRENT ASSETS

	As at 31st March, 2024 (MXN)	As at 31st March, 2024 (INR) (Unaudited)
Advances with Government and Public Bodies	389,879	1,962,027
Advances with Statutory Authorities	42,591	214,335
Prepaid expenses	617,421	3,107,109
TOTAL	1,049,891	5,283,471

8. EQUITY SHARE CAPITAL

	As at 31st March, 2024 (MXN)	As at 31st March, 2024 (INR) (Unaudited)
EQUITY SHARE CAPITAL		
Authorised		
36,500,000 Equity Shares of MXN 1 each	36,500,000	183,682,000
Issued and Subscribed :		
36,499,499 Equity Shares of MXN 1 each, fully paid (All equity shares are held by ITC Infotech India Limited., the Holding Company).	36,499,499	183,682,595
1 Equity Shares of MXN 1 each, fully paid(All equity shares are held by ITC Infotech (USA), Inc.	1	5
TOTAL	36,500,000	183,682,600

Note: The equity shares of the company, having par value of MXN 1 each per share, rank pari passu in all respects including entitlement to Dividend)

SHARES HELD BY PROMOTERS:

Particulars	Promoter Name	As at 31st March, 2024		
		No. of shares as at end of the year	% of Total Shares	% change during the year
Equity shares of MXN 1 each, fully paid	ITC Infotech India Limited	36,499,499	99.99%	99.99%
Equity shares of MXN 1 each, fully paid	ITC Infotech India (USA) Inc	1	0.01%	0.01%

9. FINANCIAL LIABILITIES – TRADE PAYABLES

Trade Payable as at 31st March, 2024	Outstanding for following periods							Total (INR) (Unaudited)
	Accrued	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total (MXN)	
Others	102,669	30,133	–	–	–	–	132,802	668,313
Total	102,669	30,133	–	–	–	–	132,802	668,313

10. CURRENT FINANCIAL LIABILITIES – OTHERS

	As at 31st March, 2024 (MXN)	As at 31st March, 2024 (INR) (Unaudited)
Employee Payable	129,131	649,839
Total	129,131	649,839

11. PROVISIONS

	As at 31st March, 2024 (MXN)	As at 31st March, 2024 (INR) (Unaudited)
Provision for Employee Benefits		
Compensated Absences	128,951	648,933
Total	128,951	648,933

12. OTHER CURRENT LIABILITIES

	As at 31st March, 2024 (MXN)	As at 31st March, 2024 (INR) (Unaudited)
Statutory Dues	760,839	3,828,846
Unearned Revenue	42,500	213,878
Total	803,339	4,042,724

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

13. REVENUE FROM OPERATIONS

	As at 31st March, 2024 (MXN)	As at 31st March, 2024 (INR) (Unaudited)
Sale of Services	5,900,385	29,693,097
Total	5,900,385	29,693,097

The percentage of revenue from Fixed Price contracts for the period ended 31st March, 2024 is approximately 11%

14. OTHER INCOME

	For the period ended 31st March, 2024 (MXN)	For the period ended 31st March, 2024 (INR) (Unaudited)
Bank Interest	163,585	823,225
Total	163,585	823,225

15. EMPLOYEE BENEFITS EXPENSE

	For the period ended 31st March, 2024 (MXN)	For the period ended 31st March, 2024 (INR) (Unaudited)
EMPLOYEE BENEFITS EXPENSE		
Salaries and Bonus	3,464,953	17,437,030
Contribution to Provident and Other Funds	585,403	2,945,982
Total	4,050,356	20,383,012

16. OTHER EXPENSES

	For the period ended 31st March, 2024 (MXN)	For the period ended 31st March, 2024 (INR) (Unaudited)
OTHER EXPENSES		
Insurance	158,305	796,654
Rent	246,160	1,238,776
Legal, Professional and Consultancy Expenses	882,899	4,443,101
Auditors' Remuneration and Expenses	102,669	516,671
Bank Charges	1,812	9,119
Total	1,391,845	7,004,321

17. A. TAX EXPENSES

	For the year ended 31st March, 2024 (MXN)	For the year ended 31st March, 2024 (INR) (Unaudited)
Current Tax	–	–
	–	–
Deferred Tax (Credit)	(196,353)	(998,127)
Total	(196,353)	(998,127)

B. THE RECONCILIATION BETWEEN THE INCOME TAX EXPENSES AND AMOUNTS COMPUTED BY APPLYING THE STANDARD RATE OF INCOME TAX TO PROFIT BEFORE TAXES IS AS FOLLOWS:

	For the year ended 31st March, 2024 (MXN)	For the year ended 31st March, 2024 (INR) (Unaudited)
Profit before tax	549,592	2,765,765
Income tax expense calculated at 30%	164,878	829,730
Other Differences (Deduction for inflation indexation / adjustment)	(361,231)	(1,817,857)
Income Tax expenses recognized in Statement of Profit and Loss	(196,353)	(988,127)

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

18. EARNING PER SHARE

		For the year ended 31st March, 2024 (MXN)	For the year ended 31st March, 2024 (INR) (Unaudited)
Profit after Tax		745,945	3,753,892
Weighted average number of Equity Shares	No.	21,939,891	21,939,891
Earnings Per Share (Face value of MXN 1 per share) (Basic and Diluted)		0.03	0.17

19. CAPITAL MANAGEMENT

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

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

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

20. CATEGORIES OF FINANCIAL INSTRUMENTS

DESCRIPTION	As at 31st March, 2024 (MXN)		As at 31st March, 2024 (INR) (Unaudited)	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Measured at amortised cost				
Trade Receivables	49,300	49,300	248,097	248,097
Cash and Cash Equivalents	30,508,447	30,508,447	153,530,709	153,530,709
Other Financial Assets	5,887,725	5,887,725	29,629,387	29,629,387
Total	36,445,472	36,445,472	183,408,193	183,408,193
Financial Liabilities				
Measured at amortised cost				
Trade Payables	132,802	132,802	668,313	668,313
Other Financial Liabilities - Current	129,131	129,131	649,839	649,839
Total	261,933	261,933	1,318,152	1,318,152

21. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company has a system - based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as foreign currency risk, credit risk and liquidity risk) that may arise as a consequence of its business operations.

Market Risk

The Company has in place appropriate risk management policies to limit the impact of currency, interest and price risk on its financial performance.

i. Foreign Currency Risk

The Company undertakes transactions denominated in functional currency – Mexican Pesos. Hence there is no currency risk.

ii. Interest Rate Risk

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

iii. Price Risk

Since all the funds are kept in the bank account there is no price risk on such surplus funds.

iv. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due.

The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due.

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

	As at 31st March, 2024 Contractual Cash flows							Total (INR) (Unaudited)
	Carrying value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year up to 3 years	Beyond 3 years	Total (MXN)	
Trade Payable	132,802	132,802	–	–	–	–	132,802	668,313
Other Financial Liabilities	129,131	–	–	129,131	–	–	129,131	649,839
Total	261,933	132,802	–	129,131	–	–	261,933	1,318,152

v. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company. Financial instruments that are subject to the concentration of credit risk principally consist of cash and trade receivables. Credit is extended to Customers after evaluating them against key parameters such as financial position, credit ratings, market intelligence, past experience etc., as may be appropriate. Trade receivables are monitored regularly. The risk of incidence of bad debts is negligible. The Company recognizes provision for expected credit loss on an individual customer basis, based on internal reviews, which are conducted regularly and considers all aspects with respect to debts.

NOTES TO THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

22. SEGMENT REPORTING

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

	For the year ended 31st March, 2024 (MXN)	For the year ended 31st March, 2024 (INR) (Unaudited)
Segment Revenue		
Mexico	641,691	3,229,245
India	5,258,694	26,463,852
Total	5,900,385	29,693,097

No single external customer / group individually accounted for more than 10% of the revenues in the period ended 31st March, 2024.

23. RELATED PARTY DISCLOSURES

- (i) Ultimate Holding Company:
ITC Limited
- (ii) Holding Company:
ITC Infotech India Limited
- (iii) Fellow Subsidiary Companies:
ITC Infotech Limited
ITC Infotech (USA), Inc. and its wholly owned subsidiary Indivate Inc.
ITC Infotech Malaysia SDN. BHD. w.e.f 3rd February, 2023
ITC Infotech GmbH w.e.f. 10th March, 2023
ITC Infotech France SAS w.e.f. 8th February, 2023
ITC Infotech Do Brasil LTDA w.e.f. 10th October, 2022
ITC Infotech Arabia Limited w.e.f. 17th December, 2023
- (iv) Key Management Personnel
Mr. Bharath Krishnaswamy - Director
Mr. Soumyarup Roy – Director
Mr. Sharad Jain – Director

Disclosure of transactions between the Company and Related Parties:

- (v) Holding Company - ITC Infotech India Limited. (w.e.f from 17th April, 2023)

Description	Holding Company	
	For the year ended 31st March, 2024 (MXN)	For the year ended 31st March, 2024 (INR) (Unaudited)
Sale of Services	5,258,694	26,463,852

Sale of Services rendered to group companies are recognized based on cost plus mark-up in accordance with the terms of the respective agreements.

- (vi) Disclosure of Outstanding Balances as at 31st March, 2024

	For the year ended 31st March, 2024 (MXN)	For the year ended 31st March, 2024 (INR) (Unaudited)
Financial Assets - Others (Unbilled)	5,258,694	26,463,852

- (vii) Information regarding significant transactions

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

Related Party Transactions	2024 (MXN)	2024 (INR) (Unaudited)	Related Party Transactions	2024 (MXN)	2024 (INR) (Unaudited)
Sale of Goods / Services	5,258,694	26,463,852	Remuneration to Key Management Personnel (KMP)		
			Mr. Bharath Krishnaswamy	-	-
			Mr. Soumyarup Roy	-	-
			Mr. Sharad Jain	-	-
ITC Infotech India Limited (Holding Company)					

24. SUBSEQUENT EVENTS

The Company evaluated subsequent events through 5th May, 2024 which is the date on which the Special Purpose Standalone Financial Statements are approved by the Board of Directors. Based on this evaluation, the Company is not aware of any other events or transactions that would require recognition or disclosure in the Special Purpose Standalone Financial Statements.

25. APPROVAL OF THE FINANCIAL STATEMENTS

The Special Purpose Standalone Financial Statements were approved for issue by the Board of Directors on 5th May, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

DIRECTORS REPORT

Your Directors are pleased to submit their Report and the Audited Accounts of the Company for the year ended 31st Asadh, 2080 (16th July, 2023).

SOCIO-ECONOMIC AND REGULATORY ENVIRONMENT

During the year under review, Nepal witnessed a marked slowdown in economic activity with GDP growth decelerating sharply to 1.9%, largely due to subdued performance in the industry and services sectors. While the pandemic-related disruptions abated, geopolitical tensions and domestic macro-economic factors rendered the operating environment extremely challenging. Inflationary pressure on food products and household consumer goods, coupled with steep depreciation of the Nepalese Rupee against the US dollar, resulted in higher cost of imported goods and a sharp increase in consumer prices; annual average consumer price inflation remained elevated at 7.7% in July, 2023. To combat inflationary headwinds, Nepal Rastra Bank resorted to further monetary tightening measures including raising policy rates by 150 bps during the year; consequently, the average lending rate increased from 10% to 12.6% leading to a slowdown in credit growth. This, coupled with low rates of capital formation and a decline in aggregate demand, adversely impacted overall levels of investment and economic activity.

On the external sector, Trade Deficit decreased by 15.5% to NRs. 1,455 billion (Rs. 909 billion) largely due to lower imports of fuel and vehicles. While the tourism sector staged a smart recovery, foreign tourist arrivals remain below pre-pandemic levels. Remittances from Nepali citizens working abroad, a major source of foreign currency for the Country, recorded a healthy increase of 21.2% to NRs. 1,221 billion (Rs. 763 billion) during the year. Along with lower imports, this led to narrowing of the Current Account Deficit to NRs.72 billion (Rs. 45 billion) (1.3% of GDP) from NRs. 623 billion (Rs. 389 billion) last year (12.6% of GDP). Balance of Payments (BOP) also turned positive at NRs.291 billion (Rs. 182 billion) (NRs. 255 billion (Rs. 159 billion) deficit last year). Gross foreign exchange reserves increased by 26.6% to NRs. 1,539 billion (Rs. 962 billion) as at mid-July, 2023, sufficient to cover merchandise and services imports for 10 months (higher than the Central Bank's target of 7 months).

While on the one hand lower imports contributed to a positive BOP position, on the other it resulted in decline in Government's revenue collections by 10.2% during the year, adding to pressure on the fiscal balance. External sector stability, healthy flow of remittances and a strong rebound in tourism are expected to support revival of growth in the ensuing year; however, high inflation and elevated cost of credit will remain key monitorables in the near term.

In view of challenges in the macro-economic environment, the Government of Nepal had taken certain proactive measures (viz. restrictions on import of luxury items for a part of the year, stringent regulations on import trade finance, etc.) to support the external sector. In addition to the above, policies and reforms aimed towards encouraging Foreign Direct Investment (FDI) and incentivizing domestic manufacturing to substitute imports would be critical for structural improvements in the external sector and sustained macro-economic stability. Policy measures, regulations and administrative practices that support technology transfers, contract manufacturing, contemporary laws on intellectual property, land acquisition, allowing set-off of losses of one business with the profits of another business carried out by the same entity, etc., would go a long way in enhancing the competitiveness of domestic manufacturing industries.

The domestic legal cigarette industry occupies an important place in Nepal's economy by virtue of:

- supporting the livelihoods of more than 5 lakh farmers, farm workers, retailers and others engaged in the cultivation and trade of tobacco products;
- contributing around 3% of the total revenue collection and 15% of the total Excise Duty collection of the Government;
- building the Country's manufacturing competitiveness and industrial productivity – being amongst a handful of industries in which Nepal has sufficient domestic manufacturing capacity;
- being a significant contributor to the manufacturing GDP of the Country.

Despite its far-reaching economic impact, the legal cigarette industry continues to face significant challenges from an increasingly punitive and

discriminatory taxation and regulatory regime. The operating environment for the legal cigarette industry in Nepal has been extremely challenging in view of the steep increase in tax incidence in recent years. Apart from adversely impacting the legal cigarette industry in Nepal, this has driven consumption of tobacco to other moderately taxed/tax-evaded forms of tobacco products, including illegal cigarettes, chewing tobacco, *gutkha*, *zarda*, *khaini* and snuff, thereby sub-optimizing the revenue earning potential of the Government from this sector.

As per the STEPS Survey, 2019 carried out by the Nepal Health Research Council, there is a clear increase in the number of users of smokeless tobacco products during the period 2013 to 2019, while the number of smokers of manufactured cigarettes has decreased during the same period. As per a research report¹ published by Oxford University Press in 2020, people have migrated to smokeless tobacco products after taxes have been increased on cigarettes.

Unlike most countries, cigarettes account for a relatively low share of total tobacco consumption in Nepal. The manufacture of smokeless tobacco products, which constitute the largest share of tobacco consumption, is widely dispersed and highly prone to tax evasion, leading to major challenges in revenue administration. It is relevant to note that most of these products escape regulatory oversight and tend to be manufactured in unhygienic conditions with ingredients of dubious quality.

Excessive taxation on cigarettes over the years has also created an extremely lucrative arbitrage opportunity for trade in illicit cigarettes. This has provided a fillip to the illicit cigarette trade resulting in the proliferation of counterfeit and smuggled products in the Country. Markets, particularly in the Terai region and Kathmandu, have been flooded with smuggled international brands and counterfeits of domestic brands. This is borne out by several instances of seizure of large quantities of smuggled cigarettes by law enforcement authorities during the year.

Illicit trade of cigarettes and the growth of non-smoking tobacco products have emerged as serious threats to the domestic legal cigarette industry which is adversely impacting revenue collections and undermining the tobacco control policies of the Government. It is estimated that the revenue loss to the Exchequer on account of illegal cigarettes, i.e. tax-evaded/counterfeit and other tobacco products is in excess of NRs.1,000 crores (Rs. 625 crores) per annum. Your Company continues to engage with the revenue and enforcement authorities to highlight the rapidly growing menace of illegal cigarette trade in Nepal.

Directives issued under the Tobacco Product (Control and Regulation) Act, 2010 (TOPCA) require cigarette packages to carry prescribed pictorial warnings which rank amongst the largest in the world. Whilst the legal cigarette industry ensures scrupulous statutory compliance, smuggled international cigarette brands do not bear the Graphical Health Warnings (GHW) mandated under the laws of Nepal, or bear much smaller pictorial/textual warnings as per the tobacco laws of the countries from where such cigarettes originate. Consequently, such cigarettes are perceived to be a "safer" alternative by many consumers, as against the domestic legal cigarettes that carry the prescribed pictorial warnings. Such a false perception lends buoyancy to illicit cigarette volumes. The growth of illicit trade and counterfeit products of dubious quality adversely impacts consumers, the Exchequer, and the legal cigarette industry. It should be noted that international experience indicates that extreme regulations do not reduce demand for tobacco, but merely shifts it from legal to illegal tobacco products of suspect quality, thereby undermining public health objectives.

In addition to the TOPCA enacted by the Federal Government of Nepal, the Gandaki Province had in Baishakh 76 (May, 2019) enacted the Tobacco Products (Control & Regulatory) Act, 2076 (Provincial TOPCA), applicable in that Province. Apart from the fact that the Provincial TOPCA has been enacted beyond jurisdiction, several of its provisions are inconsistent with those under the Federal TOPCA. Industry players, including your Company, have challenged the constitutional validity of Provincial TOPCA at the Supreme Court.

Your Company continues to engage with policymakers for equitable, non-discriminatory, pragmatic, evidence-based regulations and taxation policies that balance the economic imperatives and the tobacco control objectives.

COMPANY PERFORMANCE

For the year ended 31st Asadh, 2080, your Company posted Gross

¹ Burden, prevention, and control of tobacco consumption in Nepal: a narrative review of existing evidence

Revenue of NRs. 5,128 crores (Rs. 3,205 crores) against NRs. 4,669 crores (Rs. 2,918) during the previous year. Profit for the year (after tax expense) stood at NRs. 1,137 crores (Rs. 711 crores) {previous year: NRs. 1,042 crores (Rs. 651 crores)}. Earnings per share for the year stood at NRs. 564 (Rs. 353) {previous year: NRs. 517 (Rs. 323)}. Net cash flows from operations aggregated NRs. 1,226 crores (Rs. 766 crores) compared to NRs. 1,284 crores (Rs. 803 crores) in the previous year.

CONTRIBUTION TO THE EXCHEQUER

Your Company remains the highest taxpayer in the Country and was felicitated by the Government of Nepal for the same. Its contribution to the Exchequer, accounts for about 3% of the total revenues of the Government of Nepal.

For the year under review, your Company contributed NRs. 3,606 crores (Rs. 2,254 crores) by way of Excise Duty, Health Risk Tax, Excise Sticker Charges, VAT, Customs Duty, Dividend Distribution Tax, Income Tax and Contribution to National Level Welfare Fund. Your Company's Excise Duty contribution to the Exchequer constitutes about 13% of the Government's total Excise Revenue while its VAT and Income Tax contributions constitute nearly 2% of the Government's aggregate revenue from these sources.

DIVIDEND

The Board of Directors declared an Interim Dividend of NRs. 94 (Rs. 59) per Ordinary Share for the year ended 31st Asadh, 2080. Your Board has also recommended to the Shareholders, a Final Dividend of NRs. 469 (Rs. 293) per Ordinary Share, which if approved, will take the total Dividend for the year to NRs. 563 (Rs. 352) per Ordinary Share.

All Dividends declared in the previous years have been paid after obtaining necessary statutory approvals and there are no unclaimed dividends lying with your Company.

FAST MOVING CONSUMER GOODS (FMCG) BUSINESSES

• Cigarettes

Despite a challenging economic environment, your Company reinforced its market standing in the Cigarette Business by leveraging its robust portfolio, superior product quality, and wide distribution network. Differentiated and innovative offerings under the 'Naulo' and 'Shaan' trademarks received encouraging response. A new capsule variant - 'Striker Spice Rush' - was launched to fortify the portfolio. In addition, interventions on blend enhancements and contemporary packaging were executed for the key brands - 'Khukuri' and 'Pilot' - during the year.

Your Company's manufacturing systems continued to set new benchmarks in responsiveness, quality, and productivity. Various initiatives including installation of state-of-art technologies and process automation were implemented during the year towards further strengthening the manufacturing systems. Assessment and mitigation of supply chain risks remains a key focus area towards ensuring uninterrupted supplies to the market.

Relentless focus on developing world-class products anchored on innovation and benchmarked international quality standards remains a key source of sustainable competitive advantage for your Company.

• OTHER FMCG

Agarbatti

During the year, your Company continued to strengthen its market standing in the Agarbatti Business by deploying a differentiated product portfolio supported by targeted marketing investments and availability across target markets. The product range straddles all segments and price points, offering consumers a variety of fragrances and packaging formats backed by a robust trade marketing and distribution infrastructure. Product portfolio was augmented during the year with the launch of new variants such as 'Pushpanjali', 'Indreni', 'Marigold' and 'Champa Ziplock'.

During the year, a wholly owned subsidiary under the name "Surya Nepal Ventures Private Limited" has been incorporated by your Company for undertaking the Agarbatti business, to realize better operational efficiencies.

The subsidiary is in the process of obtaining requisite statutory approvals and is expected to commence operations by January, 2024.

Safety Matches

The closure of the Safety Matches Business has been completed pursuant to the decision of your Board of Directors as reported during

the previous year.

Branded Packaged Food Products

Confectionery

The Confectionery Business continues to make focused investments towards strengthening its market standing. During the year, two new offerings were launched - 'Toffichoo Tadka Litchi' and 'Toffichoo Chatpata Fun', which received encouraging consumer response.

Biscuits

Your Company recently forayed into the Biscuits Category with the launch of premium biscuits under the trademark "Sunfeast Dark Fantasy Choco Fills" licensed from ITC Limited. A state-of-the-art manufacturing facility has been set up at Biratnagar and commercial production has commenced from August, 2023.

• LEAF TOBACCO

Your Company continues to make focused interventions towards improving the quality and productivity of domestic grades of tobacco cultivated in the Country through the introduction of sustainable agriculture practices. Efforts continue to be made to scale up the business with a view to support domestic tobacco farmers and boost foreign exchange earnings of the Country.

ENVIRONMENT HEALTH AND SAFETY (EHS)

Your Company continues to adopt various initiatives in Environment, Health & Safety to remain a benchmark manufacturing facility in the Country.

Simara manufacturing unit was awarded "Best Industry in Madhesh Province" by the Department of Labour and Occupational Safety for compliance with Safety Standards. Similarly, the Seratar unit was accorded the "Best Enterprise Award" by the Labour Office for compliance with Labour Laws.

TAX MATTERS

As reported in earlier years, the Inland Revenue Department had issued Show Cause Notices ("SCNs") and raised demands related to Excise Duty, Income Tax, and Value Added Tax ("VAT") on the basis of alleged theoretical production of cigarettes for the period prior to 16th July, 2008.

The Hon'ble Supreme Court of Nepal ("Supreme Court") vide its orders dated 29th October, 2009 and 1st April, 2010 had set aside the Excise Duty demands for the Financial Years ("FY") 1993-1994, 1994-1995 and 1998-1999 to 2002-2003 and the Income Tax demand for FY 2001-2002, in this matter. Subsequently, the Inland Revenue Department has also set aside similar demands for FY 2001-2002 and 2007-2008 in respect of VAT and Income Tax demand for FY 2005-2006.

Your attention is drawn to Note 31 in the 'Notes to the Financial Statements' with respect to the demands raised and SCNs issued by the Department for various financial years on similar grounds. These demands and a SCN on theoretical production for different years were challenged by your Company by way of Writ Petitions in the Hon'ble Supreme Court between the years 2007 to 2010.

The Writ Petitions regarding various tax demands and the SCN were disposed of by the Hon'ble Supreme Court on 15th April, 2021, holding that the Company should avail the alternate remedy by way of appeal to the Inland Revenue Department (IRD). The Administrative Petitions relating to the above demand are currently pending for disposal with the IRD. The Management is of the opinion that all the aforesaid demands have no legal and factual basis as the issue underlying these demands has already been settled by the Hon'ble Supreme Court in favour of the Company.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

Your Company continues to follow a systems-based approach to risk management. The Corporate Governance Policy of your Company lays down the structure, roles, and responsibilities of the key entities in the governance process and mandates periodic review of critical areas of operations. Robust internal control systems consisting of the following key elements are also in place:

- Organizational policies for key areas of operations, e.g., Financial Policies and Procedures, IT Policy, etc. and Risk Management Policy.
- Comprehensive Standard Operating Procedures (SOPs) across all areas of operations which ensure appropriate segregation of duties, tiered approval mechanisms, and maintenance of supporting records.

- Maintenance of Books of Accounts through the use of ERP (SAP) with appropriate transactional controls built in.
- An independent, periodic risk-based internal audit across functions and businesses.

Automation and digitalization of processes across all areas of operations continue to be a key focus area. During the year, your Company's automation initiatives were recognized with Jury Recognition award for "Excellence in Automation - Nepal" at the Uipath Automation Excellence Awards 2022.

There is constant focus on regular reviews and continuous improvement of systems, policies, and internal controls to ensure that various risks associated with the Company's businesses and operations are adequately addressed and appropriate risk mitigation plans are put in place.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Your Company continues to support and invest in initiatives towards building the societal and economic capital of the Nation. The Company, in line with the applicable regulations and CSR policy of the Company, carried out following activities under four distinct CSR Platforms, namely, Surya Nepal Asha, Surya Nepal Prakriti, Surya Nepal Adharshila and Surya Nepal Gatha during the year under review:

- assisted farmers in areas proximate to the Company's operating locations in the construction of Agri Shed, creation of agri-infrastructure like vermicompost pits, provided training and development towards improvement in productivity, and other income-generating activities;
- supported the animal husbandry sector by providing extension services covering animal breeding, health, and nutrition to drive yield improvement and higher returns for farmers;
- contributed towards improvement in the quality of education in public schools in the economic vicinity of the Company's operating locations through:
 - partnership with "Teach for Nepal" in Tanahun and Parsa district, and
 - augmenting existing educational infrastructure of public schools through the establishment of computer labs, digital libraries, etc.;
- assisted in large-scale urban plantation and development of local public infrastructure like green plastic road, construction of water retention dam and river embankment, in the catchment areas of operating locations.

During the year, your Company continued to partner with the Nepal Army in the mountain clean-up campaign for cleaning of different mountain peaks including the Mt. Everest. Your Company also carried out various health-related initiatives involving distribution of medical equipment and ambulance. Further, CSR initiatives taken under 'Surya Nepal Gatha' included holding of Surya Nepal Kalinga Literature festival and the promotion of the local folk musical instrument – 'Sarangi' through various training programs and workshops.

EMPLOYMENT GENERATION

Your Company continues to be one of the largest employment generators in the Country creating direct/indirect employment for more than one lakh people comprising farmers, farm workers, and others involved in manufacturing, distribution, and sales. The strategy of diversifying the business portfolio also complements the Company's role of a responsible corporate citizen by creating enablers for employment opportunities as well as generating sustainable economic surplus for the Nation.

EMPLOYEES

Your Company has a strong employer equity and the terms and conditions of employment offered by your Company remain competitive. Employee relations in the Company continues to be harmonious. During the year, Long Term Agreements (LTA) were executed with labour unions of both Simara & Seratar Factories in a cordial manner.

The total number of employees as on 16th July, 2023 stood at 577.

The talent management strategy of your Company is focused on making the Company customer-centric, performance driven, and future-ready. A comprehensive capability development program to cater to the needs of existing as well as new businesses is already in place. Through various interventions under this program, the Company is building a leadership pipeline, strengthening the learning culture and building both functional and managerial capabilities.

Your Directors place on record, their sincere appreciation for the contribution made by the employees during the year under review.

DIRECTORS

There were no changes in the composition of the Board of Directors during the year under review. The details of shares held by the Directors in the Company as on 31st Asadh, 2080 are annexed to this Report (Annexure I).

None of the Directors or their close relatives have any direct involvement or any personal interest in any transaction of sale or purchase or any kind of contract or arrangement connected with the business of your Company. No amounts are due to your Company from any of the Directors, the Managing Director, or their close relatives.

The details of payments made during the year to your Directors, the Managing Director, and other officials are also annexed to this Report (Annexure II).

MANAGEMENT EXPENSES

The management expenses incurred by your Company for the Financial Year 2079/80 (2022-23) comprising rent, electricity, fuel & water, rates & taxes, insurance, repairs, safety & pollution control cost, maintenance, travel & conveyance, postage, telephone, bank charges, legal expenses, printing & stationery, consultancy charges, professional service charges & other fees, information technology services, business entertainment expenses, donations, books & periodicals, and miscellaneous expenses amounted to NRs. 164.99 Crores (Rs. 103.12 crores).

AUDITORS

Messrs. N Amatya & Co., Chartered Accountants, Kathmandu, Nepal and Messrs. T R Upadhyaya & Co., Chartered Accountants, Kathmandu, Nepal, auditors of your Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

FUTURE OUTLOOK

Your Company continues to explore opportunities for profitable and sustainable growth and looks forward to the future with confidence and stands committed to creating enduring value for all stakeholders.

On behalf of the Board

Sanjiv Puri Chairman	Sandeep Kaul Director	Ravi Kumar Rayavaram Managing Director

Date: 27th September, 2023 (10th Ashwin, 2080)

Annexure I

Sl. No.	Name of Director	Number of Ordinary Shares of NRs. 100/- each held singly and / or jointly as on 31st Asadh, 2080 (16th July, 2023)
1.	Sanjiv Puri	Nil
2.	Supratim Dutta	Nil
3.	Sandeep Kaul	Nil
4.	Sashi Raj Pandey	67,212
5.	Siddhartha SJB Rana	2,088
6.	Rajendra Kumar Singhi	Nil
7.	Ravi Kumar Rayavaram	Nil

Annexure II

AMOUNT OF REMUNERATION AND ALLOWANCE PAID AND FACILITIES PROVIDED TO DIRECTOR, MANAGING DIRECTOR, CHIEF EXECUTIVE AND COMPANY OFFICIALS

Payment to/on behalf of the Managing Director for the Financial Year 2079/80 (2022-23):

- Salary - NRs. 23,167,116 (Rs. 14,479,448)
- Allowances - NRs. 23,580,762 (Rs. 14,737,976)

The Managing Director has also been provided with the following:

- Furnished accommodation
- Company Car with driver
- Reimbursement of fuel and water charges
- Two Club memberships

Payment to/on behalf of Company officials i.e. those serving on the management committees of the Company and the Company Secretary for the Financial Year 2079/80 (2022-23):

- Salary - NRs. 44,768,414 (Rs. 27,980,259)
- Allowances - NRs. 41,617,423 (Rs. 26,010,889)

Company officials have also been provided with car.

The Managing Director and other officials also receive benefits/facilities from Company Level Welfare Fund under the Labour Act, 2074 and Rules made thereunder, as may be decided by the Labour Relation Committee.

The Managing Director and some other officials of your Company have been granted stock options by the Holding Company (ITC Limited) under the Employee Stock Option Scheme(s). Such options were granted at 'market price' [within the meaning of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since these options are not tradeable, no benefit is conferred upon the employee at the time of grant of options. Your Company, however, has recorded employee benefits expense by way of share-based payments to employees in accordance with Nepal Financial Reporting Standards-2, out of which NRs. 6,699,351 (Rs. 4,187,094) is attributable to Managing Director and NRs. 5,075,131 (Rs. 3,171,957) is attributable to other officials. During the year, 9,450 options were granted to the Managing Director and 7,500 options were granted to other officials of your Company.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SURYA NEPAL PRIVATE LIMITED

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Surya Nepal Private Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31st Asadh 2080 (16th July 2023), and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31st Asadh 2080 (16th July 2023), and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing

(NSAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the code of ethics for professional accountant issued by Institute of Chartered Accountants of Nepal (ICAN) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2063 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Code of Ethics for professional accountants. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 year ended on 31st Asadh 2080 (16th July 2023). 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	How our audit addressed the key audit matter
Revenue recognition <i>(Refer Note 1 "Revenue" and Note 21 of the consolidated financial statements)</i>	
Revenue from sale of goods (hereinafter referred to as "Revenue") is recognised when the Group transfers significant risks and rewards of ownership to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure of evaluation of performance. There is a risk of revenue being recorded before significant risks and rewards of ownership are transferred.	Our audit procedures included the following: - Assessed the Group's accounting policies on revenue recognition in line with NFRS 15 (Revenue from contract with customers) and tested thereof. - Evaluated the integrity of the Group's general information and technology control environment and tested the operating effectiveness of IT application controls over Revenue recognition. - Performed detailed analysis of Revenue, analytical testing with monthly sales information filed with tax authorities, tested the timing of its recognition and accuracy of the amounts recognized and verification of the supporting information of the Revenue transactions. - Tested the supporting documentation for selected sample of sales transactions recorded during the period closer to the year end and subsequent to the year end to evaluate whether revenue was recognised in the correct period.
Related party transactions <i>(refer Note 31(vi) of the consolidated financial statements)</i>	
The Group has undertaken transactions with its related parties which include purchase of goods and services, advance payments in the ordinary course of business and dividend payments. We identified related party transactions as a key audit matter due to their significance and the risk of such transactions remaining undisclosed.	Our audit procedures included the following: - Reviewed Group's processes and procedures in respect of identifying related parties, recording and disclosure of related party transactions in accordance with NAS 24 (Related party disclosures). - Verified that the transactions are approved in accordance with internal procedures including involvement of key personnel at the appropriate level. - Tested, on a sample basis, related party transactions with the underlying contracts approved by the appropriate authority, wherever necessary, confirmation letters and other supporting documents. - Agreed the related party information disclosed in the consolidated financial statements with the underlying supporting documents, on a sample basis.
Litigations – Contingencies <i>(refer Note 1 "Claims" and "Provisions" and Note 31 (vii) of the consolidated financial statements)</i>	
The Group has ongoing litigations on Excise, Income Tax and Value Added Tax (VAT) which could have a significant impact on results, if the potential exposures were to materialize. The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective. Claims against the Group not acknowledged as debts are disclosed in the consolidated financial statements by the Group after a careful evaluation of the facts and legal aspects of the matter involved. The outcome of such litigation is uncertain and the position taken by the Group involves significant judgement and estimation to determine the likelihood and / or timing of the cash outflows.	Our audit procedures included the following: - Obtained and read the Group's accounting policies in respect of claims, provisions and contingent liabilities to assess compliance in accordance with NAS 37 (Provisions, contingent liabilities and contingent assets). - Assessed the design and implementation of the Group's controls over the assessment of litigations and completeness of disclosures. Supporting documentation was tested for the positions taken by the management and meetings were conducted with in-house legal team, to test the operating effectiveness of these controls. - Assessed in accordance with accounting standard, the provisions in respect of litigations and assessed disclosures relating thereto, including those for contingencies.

Information other than the financial statements and auditors' report thereon

The management of the Group is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements, 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 during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

The management of the Group is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with NFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' 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 NSAs 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 NSAs, we exercise professional judgement 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 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 consolidated 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.

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 ethical requirements in accordance with the Code of Ethics for professional accountants 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.

Nem Lal Amatya

Partner

N. Amatya & Co.

Chartered Accountants

UDIN :231006CA00034YZKTV

Shashi Satyal

Partner

T R Upadhy & Co.

Chartered Accountants

UDIN :231008CA000083rNGh

Date: 10th Ashwin 2080 (27th September, 2023)

Place: Kathmandu

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST ASADH 2080 (16TH JULY 2023)

	Note	Figures in NRs. As at 31st Asadh 2080 (16th July 2023)	Figures in Rs. As at 31st Asadh 2080 (16th July 2023)	Figures in NRs. As at 32nd Asadh 2079 (16th July 2022)	Figures in Rs. As at 32nd Asadh 2079 (16th July 2022)
ASSETS					
NON-CURRENT ASSETS					
a) Property, Plant and Equipment	3A	3,753,817,651	2,346,136,037	4,054,903,049	2,534,314,408
b) Capital Work-in-Progress	3B	216,016,141	135,010,089	168,549,335	105,343,335
c) Intangible Assets	3C	16,958,619	10,599,136	22,094,465	13,809,040
d) Intangible Assets under Development	3D	—	—	—	—
e) Right of use assets	3E	87,502,164	54,688,853	63,287,391	39,554,620
f) Financial Assets					
i) Loans	4	23,349,227	14,593,267	23,920,462	14,950,289
ii) Others	5	—	—	880,825	550,516
g) Deferred Tax Assets (Net)	6	250,291,024	156,431,889	205,609,959	128,506,224
h) Other Non-Current Assets	7	630,096,730	393,810,456	1,587,513,049	992,195,656
CURRENT ASSETS					
a) Inventories	8	4,281,412,995	2,675,883,123	4,673,881,096	2,921,175,693
b) Financial Assets					
i) Investments	9	3,879,612,797	2,424,757,998	—	—
ii) Trade Receivables	10	158,421,839	99,013,649	32,511,444	20,319,653
iii) Cash and Cash Equivalents	11	417,756,308	261,097,693	152,614,129	95,383,831
iv) Other Bank Balances	12	7,350,078,592	4,593,799,120	10,000,074,526	6,250,046,579
v) Loans	4	3,921,344	2,450,840	4,064,522	2,540,326
vi) Others	5	67,932,336	42,457,710	63,439,518	39,649,699
c) Other Current Assets	7	899,420,294	562,137,684	954,295,027	596,434,393
TOTAL ASSETS		22,036,588,061	13,772,867,544	22,007,638,797	13,754,774,262
EQUITY AND LIABILITIES					
EQUITY					
a) Equity Share Capital	13	2,016,000,000	1,260,000,000	2,016,000,000	1,260,000,000
b) Other Equity		14,646,862,655	9,154,289,163	13,682,220,660	8,551,387,922
LIABILITIES					
NON-CURRENT LIABILITIES					
a) Financial Liabilities					
i) Lease Liabilities	14	68,237,158	42,648,224	31,946,405	19,966,503
b) Provisions	15	206,759,538	129,224,712	187,899,455	117,437,160
CURRENT LIABILITIES					
a) Financial Liabilities					
i) Borrowings	16	500,000,000	312,500,000	1,347,831,417	842,394,636
ii) Trade Payables	17	1,315,817,353	822,385,846	1,157,855,928	723,659,955
iii) Lease Liabilities	14	24,873,906	15,546,191	32,294,985	20,184,366
iv) Other Financial Liabilities	18	1,943,974,159	1,214,983,850	1,837,781,101	1,148,613,191
b) Other Liabilities	19	743,967,373	464,979,609	935,068,193	584,417,621
c) Provisions	15	17,259,995	10,787,497	49,205,426	30,753,391
d) Current Tax Liabilities (Net)	20	552,835,924	345,522,452	729,535,227	455,959,517
TOTAL EQUITY AND LIABILITIES		22,036,588,061	13,772,867,544	22,007,638,797	13,754,774,262

The accompanying notes 1 to 32 are an integral part of the Financial Statements.

This is the Statement of Financial Position referred to in our Report of even date.

Vikas Bhutra
Vice President, Finance

Ravi K Rayavaram
Managing Director

Siddhartha SJB Rana
Director

S Dutta
Director

S Puri
Chairman

S R Pandey
Director

S Kaul
Director

R K Singhi
Director

Nem Lal Amatya
Partner
N. Amatya & Co.
Chartered Accountants

Shashi Satyal
Partner
T R Upadhyaya & Co.
Chartered Accountants

Date: 10th Ashwin 2080 (27th September 2023)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST ASADH 2080 (16TH JULY 2023)

		Figures in NRs. As at 31st Asadh 2080 (16th July 2023)	Figures in Rs. As at 31st Asadh 2080 (16th July 2023)	Figures in NRs. As at 32nd Asadh 2079 (16th July 2022)	Figures in Rs. As at 32nd Asadh 2079 (16th July 2022)
	Note				
Gross Revenue from sale of products	21	51,275,634,264	32,047,271,414	46,688,254,699	29,180,159,187
Less: Duties	22	22,305,255,399	13,940,784,624	19,702,211,299	12,313,882,062
Net Revenue from sale of products		28,970,378,865	18,106,486,790	26,986,043,400	16,866,277,125
Other Operating Revenue	23	19,336,783	12,085,490	27,834,096	17,396,310
Net Revenue from operations		28,989,715,648	18,118,572,280	27,013,877,496	16,883,673,435
Raw Materials Consumed etc.	24	7,119,454,039	4,449,658,774	6,734,498,518	4,209,061,574
Employee Benefits Expenses	25	2,724,618,723	1,702,886,702	2,455,401,520	1,534,625,950
Manufacturing, Admin, Selling Expenses etc.	26	3,014,574,094	1,884,108,817	2,865,311,986	1,790,819,994
Operating Profit		16,131,068,792	10,081,917,987	14,958,665,472	9,349,165,917
Other Income	27	948,278,067	592,673,792	687,100,535	429,437,834
Finance Cost	28	64,478,669	40,299,168	25,890,096	16,181,311
Depreciation and Amortization Expenses		642,079,126	401,299,451	618,518,836	386,574,268
Profit before Tax		16,372,789,064	10,232,993,160	15,001,357,075	9,375,848,172
Tax Expense	29	5,001,568,348	3,125,980,218	4,577,663,044	2,861,039,404
Profit for the year		11,371,220,716	7,107,012,942	10,423,694,031	6,514,808,768
Other Comprehensive Income					
(i) Items that will not be reclassified to profit or loss:					
- Remeasurements of defined benefit plans	30.a	(5,741,030)	(3,588,144)	(27,137,332)	(16,960,833)
(ii) Income tax relating to items that will not be reclassified to profit or loss	29	1,722,309	1,076,443	8,141,200	5,088,250
Other Comprehensive Income		(4,018,721)	(2,511,701)	(18,996,132)	(11,872,583)
Total Comprehensive Income for the year		11,367,201,995	7,104,501,241	10,404,697,899	6,502,936,185

The accompanying notes 1 to 32 are an integral part of the Financial Statements.

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our Report of even date.

Vikas Bhutra
Vice President, Finance

Ravi K Rayavaram
Managing Director

Siddhartha SJB Rana
Director

S Dutta
Director

S Puri
Chairman

S R Pandey
Director

S Kaul
Director

R K Singhi
Director

Nem Lal Amatya
Partner
N. Amatya & Co.
Chartered Accountants

Shashi Satyal
Partner
T R Upadhya & Co.
Chartered Accountants

Date: 10th Ashwin 2080 (27th September 2023)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST ASADH 2080 (16TH JULY 2023)

A. Equity Share Capital

Figures in NRs.

Figures in ₹

	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 32nd Asadh 2079 (16th July 2022)	2,016,000,000	–	2,016,000,000	1,260,000,000	–	1,260,000,000
For the year ended 31st Asadh 2080 (16th July 2023)	2,016,000,000	–	2,016,000,000	1,260,000,000	–	1,260,000,000

B. Other Equity

Figures in NRs.

Figures in ₹

	Reserves and Surplus			Items of Other Comprehensive Income	Total	Reserves and Surplus			Items of Other Comprehensive Income	Total
	General Reserve	Employees' Housing Reserve	Retained Earnings			General Reserve	Employees' Housing Reserve	Retained Earnings		
Balance as at 31st Asadh 2078 (15th July 2021)	108,778,401	2,556,108,099	10,052,971,120	(25,614,859)	12,692,242,761	67,986,501	1,597,567,561	6,283,106,946	(16,009,283)	7,932,651,725
Profit for the year	–	–	10,423,694,031	–	10,423,694,031	–	–	6,514,808,768	–	6,514,808,768
Other Comprehensive Income (net of tax)	–	–	–	(18,996,132)	(18,996,132)	–	–	–	(11,872,583)	(11,872,583)
Total Comprehensive Income for the year	–	–	10,423,694,031	(18,996,132)	10,404,697,899	–	–	6,514,808,768	(11,872,583)	6,502,936,185
Interim Dividend	–	–	(1,572,480,000)	–	(1,572,480,000)	–	–	(982,800,000)	–	(982,800,000)
Final Dividend	–	–	(7,842,240,000)	–	(7,842,240,000)	–	–	(4,901,400,000)	–	(4,901,400,000)
Transferred from Employees' Housing Reserve	–	(347,423,364)	347,423,364	–	–	–	(217,139,603)	217,139,603	–	–
Total	–	(347,423,364)	1,356,397,395	(18,996,132)	989,977,899	–	(217,139,603)	847,748,371	(11,872,583)	618,736,185
Balance as at 32nd Asadh 2079 (16th July 2022)	108,778,401	2,208,684,735	11,409,368,515	(44,610,991)	13,682,220,660	67,986,501	1,380,427,958	7,130,855,329	(27,881,866)	8,551,387,922
Profit for the year	–	–	11,371,220,716	–	11,371,220,716	–	–	7,107,012,942	–	7,107,012,942
Other Comprehensive Income (net of tax)	–	–	–	(4,018,721)	(4,018,721)	–	–	–	(2,511,701)	(2,511,701)
Total Comprehensive Income for the year	–	–	11,371,220,716	(4,018,721)	11,367,201,995	–	–	7,107,012,942	(2,511,701)	7,104,501,241
Interim Dividend	–	–	(1,733,760,000)	–	(1,733,760,000)	–	–	(1,083,600,000)	–	(1,083,600,000)
Final Dividend	–	–	(8,668,800,000)	–	(8,668,800,000)	–	–	(5,418,000,000)	–	(5,418,000,000)
Total	–	–	968,660,716	(4,018,721)	964,641,995	–	–	605,412,942	(2,511,701)	602,901,241
Balance as at 31st Asadh 2080 (16th July 2023)	108,778,401	2,208,684,735	12,378,029,231	(48,629,712)	14,646,862,655	67,986,501	1,380,427,958	7,736,268,271	(30,393,567)	9,154,289,163

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST ASADH 2080 (16TH JULY 2023)

For the year ended 31st Asadh 2080 (16th July 2023), the Board of Directors of the Company at its meeting held on 10th Ashwin 2080 (27th September 2023) have:

- a) declared interim dividend of NRs. 94/- (Rs. 58.75) per share, amounting to NRs. 1,89,504,000 (Rs. 1,184,400,000) and
- b) recommended final dividend of NRs. 469/- (Rs. 293.13) per share amounting to NRs. 9,455,040,000 (Rs. 5,909,400,000)

General Reserve: The reserve is an outcome of appropriation from one component of equity to another, neither being an item of other comprehensive income. It can be distributed / utilized by the Group.

Employees' Housing Reserve: Reserve represents the amounts set aside for providing employees' housing as per the provisions of the erstwhile Labour Act, 2048, which has since been replaced by the Labour Act, 2074.

Retained Earnings: This reserve represents the cumulative profits of the Group and can be distributed / utilized by the Group.

The accompanying notes 1 to 32 are an integral part of the Financial Statements.

This is the Statement of Changes in Equity referred to in our Report of even date.

Vikas Bhutra Vice President, Finance	Ravi K Rayavaram Managing Director	Siddhartha SJB Rana Director	S Dutta Director	S Puri Chairman
S R Pandey Director	S Kaul Director	R K Singhi Director	Nem Lal Amatya Partner N. Amatya & Co. Chartered Accountants	Shashi Satyal Partner T R Upadhyaya & Co. Chartered Accountants

Date: 10th Ashwin 2080 (27th September 2023)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST ASADH 2080 (16TH JULY 2023)

	Figures in NRs. For the year ended 31st Asadh 2080 (16th July 2023)	Figures in ₹ For the year ended 31st Asadh 2080 (16th July 2023)	Figures in NRs. For the year ended 32nd Asadh 2079 (16th July 2022)	Figures in ₹ For the year ended 32nd Asadh 2079 (16th July 2022)
A Cash Flow From Operating Activities				
Profit Before Tax	16,372,789,064	10,232,993,160	15,001,357,075	9,375,848,172
Adjustments for :				
Depreciation and amortization expenses	642,079,126	401,299,451	618,518,836	386,574,268
Finance Cost	64,478,669	40,299,168	25,890,096	16,181,311
Interest from Investments	(68,835,117)	(43,021,948)	–	–
Interest on Short Term / Call Deposits	(916,297,410)	(572,685,881)	(676,674,250)	(422,921,406)
Foreign currency translations and transactions - Net	14,872,600	9,295,375	(18,753,669)	(11,721,041)
Loss / (Gain) on sale of property, plant and equipment, lease termination - Net	(6,741,312)	(4,213,320)	(5,937,270)	(3,710,794)
Liability no longer required written back	(4,246,177)	(2,653,861)	(5,612,432)	(3,507,770)
Operating Profit Before Working Capital Changes	16,098,099,443	10,061,312,144	14,938,788,386	9,336,742,740
Adjustments for :				
Trade Receivables, Loans, Advances and Other Assets	895,603,223	559,752,016	948,470,445	592,794,030
Inventories	392,468,101	245,292,557	1,735,577,463	1,084,735,906
Trade Payables, Other Liabilities and Provisions	109,301,702	68,313,566	(299,364,141)	(187,102,586)
Cash Generated From Operation	17,495,472,469	10,934,670,283	17,323,472,153	10,827,170,090
Income Tax Paid	(5,235,426,407)	(3,272,141,504)	(4,481,890,440)	(2,801,181,525)
Net Cash From Operating Activities (A)	12,260,046,062	7,662,528,779	12,841,581,713	8,025,988,565
B Cash Flow From Investing Activities				
Purchase of property, plant and equipment, Intangibles etc.	(400,985,422)	(250,615,887)	(248,629,886)	(155,393,677)
Disposal of property, plant and equipment	8,383,929	5,239,958	11,268,694	7,042,936
Purchase of Current Investments	(5,075,788,429)	(3,172,367,768)	–	–
Sale / redemption of Current Investments	1,196,175,632	747,609,770	–	–
Investment in Bank Deposits (Original Maturity more than 3 months)	(7,350,000,000)	(4,593,750,000)	(12,385,600,000)	(7,741,000,000)
Redemption / Maturity of Bank Deposits (Original Maturity more than 3 months)	10,000,000,000	6,250,000,000	8,650,000,000	5,406,250,000
Interest Received	958,083,903	598,802,442	646,621,349	404,138,345
Net Cash from Investing Activities (B)	(664,130,387)	(415,081,485)	(3,326,339,843)	(2,078,962,396)
C Cash Flow From Financing Activities				
Interest Paid	(50,007,591)	(31,254,742)	(11,723,916)	(7,327,446)
Dividends Paid	(10,402,560,000)	(6,501,600,000)	(9,414,720,000)	(5,884,200,000)
Principal Payment of Lease Liabilities	(30,673,727)	(19,171,077)	(6,915,302)	(4,322,062)
Net Cash Used in Financing Activities (C)	(10,483,241,318)	(6,552,025,819)	(9,433,359,218)	(5,895,849,508)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	1,112,674,357	695,421,475	81,882,652	51,176,661
Opening Cash and Cash Equivalents	(1,199,883,383)	(749,927,116)	(1,281,766,035)	(801,103,777)
Closing Cash and Cash Equivalents	(87,209,026)	(54,505,641)	(1,199,883,383)	(749,927,116)
Notes:				
1 The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in NAS - 7 "Statement of Cash Flows".				
2 Cash and Cash Equivalents:				
Cash and Cash Equivalents as above	(87,209,026)	(54,505,641)	(1,199,883,383)	(749,927,116)
Unrealised gain / (Loss) on foreign currency cash and cash equivalents	4,965,334	3,103,334	4,666,095	2,916,311
Current Borrowings (Note 16)	500,000,000	312,500,000	1,347,831,417	842,394,636
Cash and Cash Equivalents (Note 11)	417,756,308	261,097,693	152,614,129	95,383,831

The accompanying notes 1 to 32 are an integral part of the Financial Statements.

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

Vikas Bhutra
Vice President, Finance

Ravi K Rayavaram
Managing Director

Siddhartha SJB Rana
Director

S Dutta
Director

S Puri
Chairman

S R Pandey
Director

S Kaul
Director

R K Singhi
Director

Nem Lal Amatya
Partner
N. Amatya & Co.
Chartered Accountants

Shashi Satyal
Partner
T R Upadhya & Co.
Chartered Accountants

Date: 10th Ashwin 2080 (27th September 2023)

NOTES TO THE FINANCIAL STATEMENTS

1. **SIGNIFICANT ACCOUNTING POLICIES****Statement of Compliance**

These financial statements have been prepared in accordance with requirements of Company Act, 2063 of Nepal and applicable Nepal Financial Reporting Standards (NFRS) and the relevant presentation requirements thereof. The Group adopted NFRS from 1st Shrawan, 2073 (16th July, 2016).

Basis of Preparation

These financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of NFRS 2 – Share Based Payment, leasing transactions that are within the scope of NFRS 16 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in NAS 2– Inventories or value in use in NAS 36 – Impairment of Assets.

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

Basis of Consolidation

The Consolidated Financial Statements (CFS) include the financial statements of the Company and its subsidiaries.

Subsidiaries are entities controlled by the Group. There are no associates or joint ventures of the Group.

Control, significant influence and joint control, where applicable, is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Group in its capacity as an investor that provides it the power and consequential ability to direct the investee's activities and significantly affect the Group's returns from its investment. Such assessment requires the exercise of judgement and is disclosed by way of a note to the Financial Statements. The Group is considered not to be in control of entities where it is unclear as to whether it enjoys such power over the investee.

The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or Loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests. The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. The excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the CFS. On disposal of the subsidiary, attributable amount on goodwill is included in the determination of the profit or loss and recognised in the Statement of Profit and Loss. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or a group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes. An investment in an associate or a JV is initially recognized at cost on the date of the investment, and inclusive of any goodwill / capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the Group in the net profits / losses as also in the other comprehensive income is recognised in the Statement of

Profit and Loss and the carrying value of the investment is adjusted by a like amount (referred as 'equity method'). All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in NAS 1 - Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Property, Plant & Equipment– Tangible Assets

Property, plant & equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives on a straight line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Group are as follows:

Buildings	3 – 60 Years
Plant and Equipment	9 – 15 Years
Furniture and Fixtures	10 Years
Vehicles	6 – 10 Years
Office Equipment	5 Years
Computers	3 – 6 Years

Property, plant and equipment's residual values and useful lives are reviewed at each Statement of Financial Position date and changes, if any, are treated as changes in accounting estimate.

Intangible Assets

Intangible Assets that the Group controls and from which it expects future economic benefits are capitalised upon acquisition and measured at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., licences) or the likelihood of technical, technological obsolescence (e.g., computer software). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

Software is amortised over a period of five years.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit or Loss and Other Comprehensive Income. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Impairment of Assets

Impairment loss, if any, is provided to the extent the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

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

Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

Foreign Currency Transactions

The functional and presentation currency of the Group is Nepalese Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/Losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Derivatives

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

Financial instrument, Financial assets and Financial liabilities

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Group commits to purchase or sell the asset.

Financial assets

Recognition: Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit or Loss and Other Comprehensive Income.

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

Financial assets are classified as those measured at:

- amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair

value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

- fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit or Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes.

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

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

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

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

Income Recognition: Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Statement of Financial Position.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

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

Revenue

Revenue is measured at the transaction price that the Group receives or expects to receive as consideration for goods supplied, net of returns and estimates of variable consideration such as discounts to customers. Revenue from the sale of goods includes excise duty, health risk tax and sticker charges payable by the Group but excludes amounts collected on behalf of third parties, such as value added tax.

Revenue from the sale of goods and services is recognised when the Group performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the periods in which such services are rendered.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Dividend Distribution

Dividends paid is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

Employee Benefits

The Group provides for both defined benefit and defined contribution schemes.

Contribution to defined contribution schemes (Provident Fund and Social Security Fund for certain employees) are charged as expense based on the amount of contribution required to be made as and when services are rendered by the employee.

The Group also provides for defined benefits in the form of Gratuity and other retirement benefits in respect of certain employees. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit or Loss and Other Comprehensive Income. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur. Gratuity is funded and deposited with the designated funds as per applicable laws, towards meeting the Gratuity obligation. Other retirement benefits are unfunded.

The employees of the Group are entitled to compensated leave for which the Group records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Employee Share Based Compensation

The cost of options granted under the ITC Employee Stock Option Scheme to employees of ITC Limited ("ITC") seconded to the Group at its request is measured at the fair value of the options as on the grant date. The fair value of awards at grant date is calculated using the Black Scholes Option Pricing Model. The cost of stock options is recognised in the Statement of Profit or Loss and Other Comprehensive Income with a corresponding payable, when such reimbursement is sought by ITC.

Leases

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

Group as a Lessee

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases and low value leases are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease. The Group recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method.

Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

Taxes on Income

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for

taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

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

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

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Claims

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

Provisions

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

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

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

A. Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

B. Actuarial Valuation:

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit or Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

C. Claims, Provisions and Contingent Liabilities:

The Group has ongoing litigations with various regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

[Amount in NRs.]

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 31.03.2078 (15.07.2021)	Additions	Withdrawals/ Adjustments	As at 32.03.2079 (16.07.2022)	Additions	Withdrawals/ Adjustments	As at 31.03.2080 (16.07.2023)	Upto 31.03.2080 (16.07.2023)	As at 32.03.2079 (16.07.2022)
3A. Property, Plant and Equipment									
Land and Land Development	305,147,856	-	-	305,147,856	-	-	305,147,856	-	305,147,856
Buildings	2,305,721,580	292,662,419	725,526	2,618,324,161	20,665,688	74,497,298	2,618,324,161	1,074,231,485	1,544,092,676
Plant and Equipment	8,027,444,370	81,824,800	48,269,334	8,249,399,769	188,399,933	469,177,237	8,249,399,769	6,624,498,180	1,624,901,589
Furniture and Fixtures	80,987,884	5,428,229	5,207,344	81,208,769	2,407,786	4,968,494	78,648,061	62,491,283	19,829,692
Vehicles	183,374,532	103,553,348	25,448,433	261,479,447	54,428,506	31,036,074	284,871,879	105,437,823	162,413,183
Computers	224,227,556	4,821,015	18,792,236	210,256,335	32,601,881	210,841	242,647,375	210,839	53,910,389
Office Equipment	121,634,570	2,929,714	865,573	123,698,711	2,353,345	1,356,479	124,695,577	106,799,150	24,365,268
Total	11,248,538,348	491,219,525	50,313,586	11,689,444,287	300,857,139	86,566,748	11,903,734,678	8,149,917,027	4,054,903,049
3B. Capital Work-in-Progress									
	371,380,698	181,513,955	384,345,318	168,549,335	291,605,973	244,139,167	216,016,141	-	168,549,335
3C. Intangible Assets									
Capitalised Software	316,595,730	3,460,797	-	320,056,527	1,314,731	-	321,371,258	304,412,639	22,094,465
3D. Intangible assets under development	2,119,539	1,341,258	3,460,797	-	1,314,731	1,314,731	-	-	-
3E. Right of Use Assets									
Building	-	71,156,692	-	71,156,692	61,704,803	16,791,429	116,070,066	28,567,902	63,287,391

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

[Amount in ₹]

Particulars	Gross Block					Depreciation and Amortization					Net Block			
	As at 31.03.2078 (15.07.2021)	Additions	Withdrawals/ Adjustments	As at 32.03.2079 (16.07.2022)	As at 31.03.2080 (16.07.2023)	Upto 31.03.2078 (15.07.2021)	For the Year	On Withdrawals/ Adjustments	Upto 32.03.2079 (16.07.2022)	For the Year	On Withdrawals/ Adjustments	Upto 31.03.2080 (16.07.2023)	As at 31.03.2080 (16.07.2023)	As at 32.03.2079 (16.07.2022)
3A. Property, Plant and Equipment														
Land and Land Development	190,717,410	-	-	190,717,410	-	-	-	-	-	-	-	-	190,717,410	190,717,410
Buildings	1,441,075,988	182,914,012	-	1,623,990,000	12,916,055	453,454	1,636,452,601	46,560,807	625,291,534	46,556,592	453,452	671,394,674	965,057,927	998,698,466
Plant and Equipment	5,017,152,732	51,140,499	-	5,068,293,231	117,749,958	30,168,334	5,155,874,855	293,235,774	3,886,218,783	284,245,437	30,152,856	4,140,311,364	1,015,563,491	1,182,074,448
Furniture and Fixtures	50,617,428	3,392,643	3,254,590	50,755,481	1,504,866	3,105,309	49,155,038	3,485,583	38,361,923	3,389,918	2,694,789	39,057,052	10,097,986	12,393,558
Vehicles	114,609,082	64,720,844	15,905,271	163,424,655	34,017,816	19,397,546	178,044,925	14,486,693	61,916,414	22,715,087	18,732,863	65,898,638	112,146,287	101,508,241
Computers	140,142,223	3,013,134	11,745,148	131,410,209	20,376,176	131,776	151,654,609	13,431,558	97,716,216	12,702,499	131,774	110,286,941	41,367,668	33,693,993
Office Equipment	76,021,608	1,831,069	540,983	77,311,694	1,470,841	847,799	77,934,736	6,828,738	62,083,402	5,510,861	844,795	66,749,468	11,185,268	15,228,292
Total	7,030,336,471	307,012,201	31,445,992	7,305,902,680	188,035,712	54,104,218	7,439,834,174	378,029,153	4,771,588,272	375,120,394	53,010,529	5,093,698,137	2,346,136,037	2,534,314,408
3B. Capital Work-in-Progress														
	232,112,936	113,446,223	240,215,824	105,343,335	182,253,733	152,586,979	135,010,089	-	-	-	-	-	135,010,089	105,343,335
3C. Intangible Assets														
Capitalised Software	197,872,331	2,162,998	-	200,035,329	821,707	-	200,857,036	3,626,802	186,226,289	4,031,611	-	190,257,900	10,599,136	13,809,040
3D. Intangible assets under development														
	1,324,712	838,286	2,162,998	-	821,707	821,707	-	-	-	-	-	-	-	-
3E. Right of Use Assets														
Building	-	44,472,933	-	44,472,933	38,565,502	10,494,643	72,543,792	4,918,313	4,918,313	22,147,446	9,210,820	17,854,939	54,688,853	39,554,620

1. The amount of expenditures recognised in the carrying amount of property, plant and equipment in the course of construction is NRs. 2,844,309 (Rs. 1,777,693) (2078/79 - NRs. 2,199,795 (Rs. 1,374,872)).

2. The amortization expense of intangible assets have been included under 'Depreciation and Amortization expense' in the Statement of Profit or Loss and Other Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	Figures in NRs. As at 31st Asadh 2080 (16th July 2023)	Figures in ₹ As at 31st Asadh 2080 (16th July 2023)	Figures in NRs. As at 32nd Asadh 2079 (16th July 2022)	Figures in ₹ As at 32nd Asadh 2079 (16th July 2022)
4. LOANS				
NON-CURRENT				
Employee Loans	23,349,227	14,593,267	23,920,462	14,950,289
Total	23,349,227	14,593,267	23,920,462	14,950,289
CURRENT				
Employee Loans	3,921,344	2,450,840	4,064,522	2,540,326
Total	3,921,344	2,450,840	4,064,522	2,540,326
5. OTHER FINANCIAL ASSETS				
NON-CURRENT				
Deposits	–	–	880,825	550,516
Total	–	–	880,825	550,516
CURRENT				
Interest Accrued on				
- Investments	54,010,749	33,756,718	–	–
- Call and Other Deposit with Banks	3,192,474	1,995,296	30,107,481	18,817,176
- Commercial Advances	913	571	48,031	30,019
Derivative instruments not designated as hedging instruments	7,099,160	4,436,975	23,951,133	14,969,458
Deposits	880,825	550,516	–	–
Recoverable from Holding Company	862,765	539,228	889,856	556,160
Claims Receivable	1,885,450	1,178,406	8,443,017	5,276,886
Total	67,932,336	42,457,710	63,439,518	39,649,699
6. DEFERRED TAX ASSETS / (LIABILITIES) (NET)				
Deferred Tax Assets	265,751,249	166,094,531	233,591,921	145,994,951
Less: Deferred Tax Liabilities	15,460,225	9,662,642	27,981,962	17,488,727
Deferred Tax Assets / (Liabilities) (Net)	250,291,024	156,431,889	205,609,959	128,506,224

Movement in Deferred Tax Assets / (Liabilities) Balances	Figures in NRs. Opening Balance	Figures in ₹ Opening Balance	Figures in NRs. Recognized in Profit or Loss	Figures in ₹ Recognized in Profit or Loss	Figures in NRs. Recognized in OCI	Figures in ₹ Recognized in OCI	Figures in NRs. Closing Balance	Figures in ₹ Closing Balance
2079/80								
Deferred Tax Assets in relation to:								
On Provision for Retirement and Other Employee Benefits	71,131,465	44,457,166	(5,647,914)	(3,529,946)	1,722,309	1,076,443	67,205,860	42,003,663
On Provision for Doubtful Advances	604,858	378,036	–	–	–	–	604,858	378,036
On Fiscal Allowances on Property, Plant and Equipment etc.	127,995,579	79,997,237	43,932,229	27,457,643	–	–	171,927,808	107,454,880
On Provision for Inventories	14,137,412	8,835,883	–	–	–	–	14,137,412	8,835,883
Other Timing Difference	19,722,607	12,326,629	(7,847,296)	(4,904,560)	–	–	11,875,311	7,422,069
Total Deferred Tax Assets	233,591,921	145,994,951	30,437,019	19,023,137	1,722,309	1,076,443	265,751,249	166,094,531
Deferred Tax Liabilities in relation to:								
On Overheads Allocation on Finished Goods	21,880,169	13,675,107	(8,355,348)	(5,222,092)	–	–	13,524,821	8,453,015
Other Timing Difference	6,101,793	3,813,620	(4,166,389)	(2,603,993)	–	–	1,935,404	1,209,627
Total Deferred Tax Liabilities	27,981,962	17,488,727	(12,521,737)	(7,826,085)	–	–	15,460,225	9,662,642
Deferred Tax Assets / (Liabilities) (Net)	205,609,959	128,506,224	42,958,756	26,849,222	1,722,309	1,076,443	250,291,024	156,431,889
2078/79								
Deferred Tax Assets in relation to:								
On Provision for Retirement and Other Employee Benefits	63,944,312	39,965,195	(954,047)	(596,279)	8,141,200	5,088,250	71,131,465	44,457,166
On Provision for Doubtful Advances	605,128	378,205	(270)	(169)	–	–	604,858	378,036
On Fiscal allowances on Property, Plant and Equipment etc.	85,897,978	53,686,236	42,097,601	26,311,001	–	–	127,995,579	79,997,237
On Provision for Inventories	14,137,412	8,835,883	–	–	–	–	14,137,412	8,835,883
Other Timing Difference	18,844,957	11,778,098	877,650	548,531	–	–	19,722,607	12,326,629
Total Deferred Tax Assets	183,429,787	114,643,617	42,020,934	26,263,084	8,141,200	5,088,250	233,591,921	145,994,951
Deferred Tax Liabilities in relation to:								
On Overheads Allocation on Finished Goods	28,285,356	17,678,348	(6,405,187)	(4,003,241)	–	–	21,880,169	13,675,107
Other Timing Difference	693,103	433,189	5,408,690	3,380,431	–	–	6,101,793	3,813,620
Total Deferred Tax Liabilities	28,978,459	18,111,537	(996,497)	(622,810)	–	–	27,981,962	17,488,727
Deferred Tax Assets / (Liabilities) (Net)	154,451,328	96,532,080	43,017,431	26,885,894	8,141,200	5,088,250	205,609,959	128,506,224

The Group has tax losses of NRs. 440,762,801 [Rs. 275,476,751] (2078/79 - NRs. 382,984,549 [Rs. 239,365,343]) for which no deferred tax assets have been recognized. These losses will expire between financial year 2080/81 to 2086/87.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	Figures in NRs. As at 31st Asadh 2080 (16th July 2023)	Figures in ₹ As at 31st Asadh 2080 (16th July 2023)	Figures in NRs. As at 32nd Asadh 2079 (16th July 2022)	Figures in ₹ As at 32nd Asadh 2079 (16th July 2022)
7. OTHER ASSETS				
NON-CURRENT				
Capital Advances	12,357,042	7,723,151	10,474,008	6,546,255
Advances other than Capital Advances				
- Commercial Advances to Holding Company	306,585,755	191,616,097	1,266,009,108	791,255,693
- Deposits				
- With Statutory Authorities	302,737,392	189,210,870	302,737,392	189,210,870
- Others	8,416,541	5,260,338	8,292,541	5,182,838
Total	630,096,730	393,810,456	1,587,513,049	992,195,656
CURRENT				
Commercial Advances				
- Green Leaf bought from Tobacco Farmers (net of loan disbursed by Bank)	1,065,689	666,056	1,359,316	849,573
- Other Goods and Services	25,877,247	16,173,279	17,978,555	11,236,597
Advance with Statutory Authorities	377,744,969	236,090,606	421,438,188	263,398,868
Deposit with Statutory Authorities	333,776,537	208,610,336	360,297,269	225,185,793
Employee Advances	465,871	291,169	74,964	46,853
Unexpired Expenses	159,585,253	99,740,783	146,004,098	91,252,561
Margin Money Deposit	904,728	565,455	7,142,637	4,464,148
Total	899,420,294	562,137,684	954,295,027	596,434,393
8. INVENTORIES				
(At lower of cost and net realisable value)				
Raw Materials (including in-transit)	2,731,735,109	1,707,334,444	2,559,409,927	1,599,631,207
Stock - In - Process	546,690,975	341,681,859	367,658,623	229,786,642
Finished Goods	756,306,811	472,691,757	1,496,895,659	935,559,787
Stores and Supplies (including in-transit)	246,680,100	154,175,063	249,916,887	156,198,057
Total	4,281,412,995	2,675,883,123	4,673,881,096	2,921,175,693
The above includes goods in transit as under				
Raw Materials	54,461,705	34,038,566	235,410,119	147,131,324
Stores and Supplies	728,723	455,452	866,748	541,718
Total	55,190,428	34,494,018	236,276,867	147,673,042
The cost of inventories recognised as an expense includes NRs. 2,570,969 {Rs. 1,606,856} (2078/79: NRs. 5,437,505 {Rs. 3,398,441}) in respect of write-downs of inventory to net realisable value.				
9. CURRENT INVESTMENTS				
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortized cost)				
Investment in Treasury Bill issued by Nepal Rastra Bank	3,879,612,797	2,424,757,998	-	-
Total	3,879,612,797	2,424,757,998	-	-
10. TRADE RECEIVABLES (CURRENT)				
Secured, considered good	6,350,000	3,968,750	2,589,016	1,618,135
Unsecured, considered good	152,071,839	95,044,899	29,922,428	18,701,518
Total	158,421,839	99,013,649	32,511,444	20,319,653
11. CASH AND CASH EQUIVALENTS*				
Balances with Banks				
Current Accounts	37,468,272	23,417,670	77,316,833	48,323,021
Short Term - Call Deposits	380,288,036	237,680,023	75,297,296	47,060,810
Total	417,756,308	261,097,693	152,614,129	95,383,831
* Cash and cash equivalents include cash on hand, cheques on hand, cash at bank and deposits with banks with original maturity of 3 months or less.				
12. OTHER BANK BALANCES				
In Deposit Accounts *	7,350,000,000	4,593,750,000	10,000,000,000	6,250,000,000
Earmarked Balance (Savings Account - Provident Fund)	78,592	49,120	74,526	46,579
Total	7,350,078,592	4,593,799,120	10,000,074,526	6,250,046,579
* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Statement of Financial Position date.				
13. EQUITY SHARE CAPITAL				
Authorised				
180,000,000 (2078/79 - 180,000,000) Ordinary Shares of NRs. 100/- (Rs.62.50) each	18,000,000,000	11,250,000,000	18,000,000,000	11,250,000,000
Issued, Subscribed & Paid up				
20,160,000 (2078/79 - 20,160,000) Ordinary Shares of NRs.100/- (Rs. 62.50) each, fully paid	2,016,000,000	1,260,000,000	2,016,000,000	1,260,000,000
	2,016,000,000	1,260,000,000	2,016,000,000	1,260,000,000

Out of the above:

1. 16,800,000 Ordinary Shares were issued as fully paid up bonus shares in 2065-66 (2008-09).
2. 2,800,000 Ordinary Shares were issued as fully paid up bonus shares in 2060-61 (2003-04).
3. 280,000 Ordinary Shares were issued as fully paid up bonus shares in 2052-53 (1995-96).
4. 11,894,400 Ordinary Shares are held by the Holding Company, ITC Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	Figures in NRs. As at 31st Asadh 2080 (16th July 2023)	Figures in ₹ As at 31st Asadh 2080 (16th July 2023)	Figures in NRs. As at 32nd Asadh 2079 (16th July 2022)	Figures in ₹ As at 32nd Asadh 2079 (16th July 2022)
Reconciliation of number of Shares outstanding:				
	Number of Shares			
At the beginning of the year	20,160,000	20,160,000	20,160,000	20,160,000
At the end of the year	20,160,000	20,160,000	20,160,000	20,160,000
Rights, preferences and restrictions attached to the Ordinary Shares				
The Ordinary Shares of the Company, having par value of NRs. 100/- (Rs. 62.50) per share, rank pari passu in all respects including voting rights and entitlement to dividend.				
The Shareholders of the Company have approved sub-division of one Ordinary Share of NRs. 100/- (Rs. 62.50) each, into two Ordinary Shares of NRs. 50/- (Rs.31.25) each vide resolution dated 12th Asadh 2080 (27th June, 2023). This has been approved by the Office of Company Registrar on 31st Asadh 2080 (16th July 2023). The Company is in the process of completing such subdivision of shares as on 31st Asadh 2080 (16th July 2023).				
14. LEASE LIABILITIES				
NON-CURRENT				
Lease Liabilities	68,237,158	42,648,224	31,946,405	19,966,503
Total	68,237,158	42,648,224	31,946,405	19,966,503
CURRENT				
Lease Liabilities	24,873,906	15,546,191	32,294,985	20,184,366
Total	24,873,906	15,546,191	32,294,985	20,184,366
Movement of Lease Liabilities during the year:				
Opening Lease Liabilities	64,241,390	40,150,869	–	–
New Leases recognised	61,704,803	38,565,502	71,156,692	44,472,933
Remeasurements and withdrawals	(2,161,402)	(1,350,876)	–	–
Interest expense on Lease Liabilities	10,133,506	6,333,441	2,312,254	1,445,159
Payment of Lease Liabilities	(40,807,233)	(25,504,521)	(9,227,556)	(5,767,223)
Closing Lease Liabilities	93,111,064	58,194,415	64,241,390	40,150,869
15. PROVISIONS				
NON-CURRENT				
Provision for Retirement and Other Employee Benefits [Refer Note 30]				
Retirement Benefits	72,822,300	45,513,938	65,619,929	41,012,456
Other Benefits	133,937,238	83,710,774	122,279,526	76,424,704
Total	206,759,538	129,224,712	187,899,455	117,437,160
CURRENT				
Provision for Retirement and Other Employee Benefits				
Retirement Benefits	9,482,339	5,926,462	41,201,647	25,751,029
Other Benefits	7,777,656	4,861,035	8,003,779	5,002,362
Total	17,259,995	10,787,497	49,205,426	30,753,391
16. BORROWINGS (CURRENT)				
Secured				
Overdrafts / Other Demand Loans from Banks*	500,000,000	312,500,000	1,347,831,417	842,394,636
Total	500,000,000	312,500,000	1,347,831,417	842,394,636
* Overdrafts / Other Demand Loans from Banks are secured by way of charge against certain property, plant and equipment, inventories, advances and trade receivables, both present and future.				
17. TRADE PAYABLES (CURRENT)				
Trade Payables for Goods and Services				
- Holding Company	747,874,931	467,421,832	665,754,110	416,096,319
- Others	567,942,422	354,964,014	492,101,818	307,563,636
Total	1,315,817,353	822,385,846	1,157,855,928	723,659,955
18. OTHER FINANCIAL LIABILITIES (CURRENT)				
Payable for Property, Plant and Equipment	49,983,503	31,239,689	91,398,171	57,123,857
Retention Money				
- For Property, Plant and Equipment	21,286,560	13,304,100	29,335,604	18,334,753
- Others	6,274,800	3,921,750	4,648,777	2,905,486
Payable for Employee Benefits	30,769,217	19,230,761	28,043,428	17,527,143
Provision for Employee's Bonus under The Bonus Act, 2030				
- Distribution by Group	331,723,029	207,326,893	310,774,916	194,234,323
- Deposit with Welfare Funds established under the Labour Act	1,041,245,707	650,778,567	949,229,776	593,268,610
- Deposit with National Level Welfare Fund established by Govt. of Nepal	446,248,160	278,905,100	406,812,761	254,257,976
Security Deposits from Customers	8,294,000	5,183,750	7,924,000	4,952,500
Interest Accrued but not due on current borrowings	271,078	169,424	–	–
Others (derivatives not designated as hedging instrument)	7,878,105	4,923,816	9,613,668	6,008,543
Total	1,943,974,159	1,214,983,850	1,837,781,101	1,148,613,191
19. OTHER LIABILITIES (CURRENT)				
Advances received from Customers	1,282,764	801,728	392,804,015	245,502,509
Statutory Liabilities	406,915,118	254,321,949	213,252,833	133,283,021
Provision for Corporate Social responsibility	288,119,002	180,074,376	278,994,003	174,371,252
Others	47,650,489	29,781,556	50,017,342	31,260,839
Total	743,967,373	464,979,609	935,068,193	584,417,621
20. CURRENT TAX LIABILITIES (NET)				
Provision for Income Tax	5,662,581,247	3,539,113,279	5,169,083,876	3,230,677,423
Less: Advance Tax paid / Withholding Tax deducted	(5,109,745,323)	(3,193,590,827)	(4,439,548,649)	(2,774,717,906)
Total	552,835,924	345,522,452	729,535,227	455,959,517

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21. GROSS REVENUE FROM SALE OF PRODUCTS				
FMCG				
- Cigarettes	50,664,614,551	31,665,384,094	46,129,103,000	28,830,689,375
- Branded Packaged Food Products	121,686,210	76,053,881	87,993,378	54,995,861
- Others (Agarbatti and Safety Matches)	438,924,728	274,327,955	409,523,153	255,951,971
Others				
- Unmanufactured Tobacco	50,408,775	31,505,484	61,635,168	38,521,980
Total	51,275,634,264	32,047,271,414	46,688,254,699	29,180,159,187
22. DUTIES				
Excise Duty	16,679,786,879	10,424,866,799	14,229,313,824	8,893,321,140
Health Risk Tax	5,510,663,040	3,444,164,400	5,356,955,440	3,348,097,150
Sticker Charges	114,805,480	71,753,425	115,942,035	72,463,772
Total	22,305,255,399	13,940,784,624	19,702,211,299	12,313,882,062
23. OTHER OPERATING REVENUE				
Liability no longer required written back	4,246,177	2,653,861	5,612,432	3,507,770
Miscellaneous Income	15,090,606	9,431,629	22,221,664	13,888,540
Total	19,336,783	12,085,490	27,834,096	17,396,310
24. RAW MATERIALS CONSUMED ETC.				
Leaf and Casing Materials	3,394,880,144	2,121,800,090	3,308,856,003	2,068,035,002
Wrapping Materials	3,290,750,925	2,056,719,328	3,021,597,542	1,888,498,464
Purchases and Contract Manufacturing Charges	340,518,402	212,824,001	323,090,254	201,931,409
Sugar, Liquid Glucose, Laminates, Jar etc.	58,205,016	36,378,135	40,387,895	25,242,434
Finished Goods Written off *	137,461	85,913	-	-
	7,084,491,948	4,427,807,467	6,693,931,694	4,183,707,309
Allocation of overheads etc. on Finished Goods (manufactured)				
Opening	136,206,454	85,129,034	176,773,278	110,483,299
Closing	(101,244,363)	(63,277,727)	(136,206,454)	(85,129,034)
Total	7,119,454,039	4,449,658,774	6,734,498,518	4,209,061,574
* Book value of NPR 0.047 million (Rs. 0.03 million) of cigarettes damaged during transit.				
25. EMPLOYEE BENEFITS EXPENSES				
Salaries, Wages and Allowances	796,302,213	497,688,883	695,778,495	434,861,559
Contribution to Provident and Other Funds	36,015,134	22,509,459	33,308,828	20,818,018
Provision for Retirement Benefits (Refer (I) of Note 30.a)	26,161,340	16,350,838	19,639,436	12,274,648
Cost of Stock Option Reimbursable	12,781,989	7,988,743	5,262,362	3,288,976
Labour and Staff Welfare	34,141,151	21,338,219	34,594,946	21,621,841
Provision for Employees' Bonus	1,819,216,896	1,137,010,560	1,666,817,453	1,041,760,908
Total	2,724,618,723	1,702,886,702	2,455,401,520	1,534,625,950
26. MANUFACTURING, ADMIN, SELLING EXPENSES ETC.				
Hired Machine Expenses	61,569,706	38,481,066	55,938,445	34,961,528
Rent	37,949,916	23,718,698	63,557,677	39,723,548
Electricity, Fuel and Water	138,870,976	86,794,360	113,061,307	70,663,317
Rates and Taxes	15,373,732	9,608,583	9,957,258	6,223,286
Insurance	140,255,167	87,659,479	125,330,788	78,331,743
Repairs - Depreciable Assets	174,120,134	108,825,084	182,263,203	113,914,502
Maintenance - Owned Properties	7,070,606	4,419,129	7,974,120	4,983,825
Maintenance - Other Properties	10,297,143	6,435,714	11,052,839	6,908,024
Safety and Pollution Control Cost	33,387,293	20,867,058	32,630,160	20,393,850
Consumption of Stores and Spare Parts	38,944,905	24,340,566	41,203,918	25,752,449
Freight and Handling charges	77,576,520	48,485,325	65,411,520	40,882,200
Product and Packaging Development - Tools / Accessories	6,884,421	4,302,763	4,755,762	2,972,351
Product Development and License Fees	732,675,702	457,922,314	681,052,125	425,657,578
Advertising	6,705,628	4,191,018	12,835,520	8,022,200
Market Research	55,607,953	34,754,971	40,625,105	25,390,691
Trade Distribution Expenses	175,907,963	109,942,477	237,463,651	148,414,782
Information Technology Services	124,518,102	77,823,814	97,124,858	60,703,036
Travel and Conveyance	81,520,020	50,950,013	59,612,960	37,258,100
Training and Development	1,064,107	665,067	1,284,323	802,702
Postage, Telephone, etc.	3,926,108	2,453,818	3,809,820	2,381,138
Bank Charges and Commission	5,478,543	3,424,089	4,150,291	2,593,932
Audit Fees	1,465,000	915,625	1,225,000	765,625
Legal Expenses	5,601,609	3,501,006	5,545,171	3,465,732
Printing and Stationery	12,785,068	7,990,668	7,988,214	4,992,634
Consultancy Charges	676,918,004	423,073,753	625,255,976	390,784,985
Professional Service Charges and Other Fees	153,663,508	96,039,693	171,372,431	107,107,769
Business Entertainment Expenses	10,542,884	6,589,303	7,453,101	4,658,188
Sponsorship	28,225,607	17,641,004	11,049,334	6,905,834
Board Meeting Fees	-	-	17,647	11,029
Donations	2,411,400	1,507,125	2,585,000	1,615,625
Books and Periodicals	146,265	91,416	164,325	102,703
Membership Fee	777,500	485,938	208,514	130,321
(Gain)/Loss on Property, Plant and Equipment Sold / Discarded (Net)	(6,634,028)	(4,146,268)	(5,937,270)	(3,710,794)
Corporate Social Responsibility	183,759,282	114,849,551	168,365,399	105,228,374
Miscellaneous Expenses (Refer (v) of Note 31)	15,207,350	9,504,597	18,923,494	11,827,187
Total	3,014,574,094	1,884,108,817	2,865,311,986	1,790,819,994

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27. OTHER INCOME				
Interest Income from:				
a) Deposits with bank - carried at amortised cost	916,297,410	572,685,881	676,674,250	422,921,406
b) Investment - measured at amortised cost	68,835,117	43,021,948	–	–
c) Employee loans - measured at amortised cost	469,191	293,244	466,761	291,726
d) Others - Interest received from customers etc.	13,709,804	8,568,628	8,189,821	5,118,638
Net foreign exchange gain / (loss)	(51,033,455)	(31,895,909)	1,769,703	1,106,064
Total	948,278,067	592,673,792	687,100,535	429,437,834
28. FINANCE COST				
Interest expenses:				
a) On financial liabilities measured at amortised cost				
- Interest on Short Term Loans / Overdrafts	37,515,306	23,447,066	4,701,211	2,938,257
b) On Lease Liabilities	10,133,506	6,333,441	2,312,254	1,445,159
c) Others				
- Interest on Trading Debts	2,629,857	1,643,661	4,636,073	2,897,546
- Others	14,200,000	8,875,000	14,240,558	8,900,349
Total	64,478,669	40,299,168	25,890,096	16,181,311
29. TAX EXPENSE				
A. Amount recognised in Profit or Loss				
Current Tax	5,044,527,104	3,152,829,440	4,620,328,911	2,887,705,569
Deferred Tax	(42,958,756)	(26,849,223)	(43,017,431)	(26,885,894)
Adjustments / (credits) related to previous years - Net	–	–	351,564	219,728
Total	5,001,568,348	3,125,980,217	4,577,663,044	2,861,039,403
B. Amount recognised in Other Comprehensive Income				
The tax (charge) / credit arising on income and expenses recognised in other comprehensive income is as follows:				
On items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	1,722,309	1,076,443	8,141,200	5,088,250
Total	1,722,309	1,076,443	8,141,200	5,088,250
C. Reconciliation between tax expense and accounting profit				
Profit before tax	16,372,789,064	10,232,993,160	15,001,357,075	9,375,848,172
Income Tax expense calculated at the applicable tax rate (Cigarettes Manufacturing @ 30%, Exports @ 24%, Other Manufacturing @ 20% and Trading @ 25%)	4,915,052,310	3,071,907,694	4,503,631,136	2,814,769,460
Factors affecting tax charge for the year				
Effects of:				
– Difference in tax treatment of certain expense	75,861,205	47,413,253	63,199,340	39,499,588
– Adjustments recognised in the current year in relation to previous years	–	–	351,564	219,728
– Unused tax losses not recognised (net)	10,654,833	6,659,271	10,481,004	6,550,628
Income Tax recognised in profit or loss	5,001,568,348	3,125,980,218	4,577,663,044	2,861,039,404

30. a. Defined Benefit Plans

The Group provides defined benefit in the form of Gratuity and other retirement benefits. Gratuity is funded and deposited with the designated funds {e.g. Citizen Investment Trust (CIT), Social Security Fund (SSF)} as per applicable laws, towards meeting the Gratuity obligation. Other retirement benefits are unfunded.

CIT is a public financial organization established under the Citizen Investment Trust Act, 2047. Nepal Government, Nepal Rastra Bank, Nepal Stock Exchange Ltd., Rastriya Beema Sansthan, etc. are the shareholders of CIT, which is listed on Nepal Stock Exchange. CIT operates and manages various types of retirement schemes / programs. The Gratuity Fund Scheme is operated by a committee of CIT in accordance with terms and conditions of Gratuity Scheme Operation Procedure, 2055 as approved by Board of CIT. The Committee managing the Gratuity Fund Scheme invests in various sectors as prescribed under Gratuity Scheme Operation Procedure, 2055. As per the CIT Act, 2047, amount deposited by the Group and interest thereon shall be paid by the Government of Nepal in the event the same is not paid by CIT.

SSF is an autonomous statutory body established by the Government of Nepal as per the provisions of Contribution Based Social Security Act, 2074 ("Act"). The fund is managed by a Committee formed as per the Act with investment in assets such as government bonds, debentures, mutual funds, fixed deposits of class "A" banks or financial institutions, shares of banks, financial institutions and other companies etc. as per the provisions of section 32 of the Act.

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professional qualified actuary, using the projected unit credit method. The Group makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation.

The Defined Benefit plans expose the Group to risk of actuarial deficit arising out of interest rate risk, salary cost inflation risk and investment risk. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the yield as communicated by CIT and SSF. A decrease in yields will increase the fund liabilities, leading to accounting deficit in the funds. Increase in salary due to adverse inflationary pressures might lead to higher liabilities. Investment risk may arise from lower earnings in the investment portfolio which is managed by the committee of CIT and SSF as referred above.

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		Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	
		Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	
I	Components of Employer Expense									
	–	Recognised in Profit or Loss								
	1	Current Service Cost	15,776,418	2,689,693	9,860,261	1,681,059	12,321,640	3,656,789	7,701,025	2,285,493
	2	Past Service Cost	–	2,783,359	–	1,739,599	–	–	–	–
	3	Net Interest Cost	48,574	4,863,296	30,359	3,039,560	(1,272,387)	4,933,393	(795,241)	3,083,371
	4	Total expense recognised in the Statement of Profit or Loss	15,824,992	10,336,348	9,890,620	6,460,218	11,049,253	8,590,182	6,905,784	5,368,864
	–	Re-measurements recognised in Other Comprehensive Income								
	5	Return on Plan Assets (excluding amount included in Net Interest Cost)	(5,350,183)	–	(3,343,864)	–	(15,105,081)	–	(9,440,676)	–
	6	Effect of Changes in demographic assumptions	3,758,249	5,885,628	2,348,906	3,678,518	–	–	–	–
	7	Effect of Changes in financial assumptions	8,389,125	1,198,368	5,243,203	748,980	12,209,813	(2,794,378)	7,631,133	(1,746,486)
	8	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
	9	Effect of experience adjustments	(10,091,549)	1,951,392	(6,307,218)	1,219,619	39,276,585	(6,449,607)	24,547,866	(4,031,004)
	10	Total re-measurements included in Other Comprehensive Income	(3,294,358)	9,035,388	(2,058,973)	5,647,117	36,381,317	(9,243,985)	22,738,323	(5,777,490)
	11	Total defined benefit cost recognised in Statement of Profit or Loss and Other Comprehensive Income (4+10)	12,530,634	19,371,736	7,831,647	12,107,335	47,430,570	(653,803)	29,644,107	(408,626)

The current service cost, past service cost and net interest cost for the year pertaining to Gratuity and Other Retirement Benefit expenses have been recognised in "Provision for Retirement Benefits" under Note 25. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

		Figures in NRs.		Figures in ₹		Figures in NRs.		Figures in ₹		
		For the year ended 31st Asadh, 2080 (16th July, 2023)		For the year ended 31st Asadh, 2080 (16th July, 2023)		For the year ended 32nd Asadh, 2079 (16th July, 2022)		For the year ended 32nd Asadh, 2079 (16th July, 2022)		
		Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	
II	Actual Returns	26,240,645	–	16,400,403	–	30,338,988	–	18,961,868	–	
III	Net Asset/(Liability) recognised in Statement of Financial Position									
	1	Present Value of Defined Benefit Obligation	313,445,580	80,327,589	195,903,488	50,204,743	283,699,981	68,732,053	177,312,488	42,957,533
	2	Fair Value on Plan Assets	311,468,530	–	194,667,831	–	245,610,458	–	153,506,536	–
	3	Status [Surplus / (Deficit)]	(1,977,050)	(80,327,589)	(1,235,656)	(50,204,743)	(38,089,523)	(68,732,053)	(23,805,952)	(42,957,533)
	4	Restriction on Asset recognised	–	–	–	–	–	–	–	–
5	Net Asset/(Liability) recognised in Statement of Financial Position	Figures in NRs.		Figures in ₹		Figures in NRs.		Figures in ₹		
		As at 31st Asadh, 2080 (16th July, 2023)		As at 31st Asadh, 2080 (16th July, 2023)		As at 32nd Asadh, 2079 (16th July, 2022)		As at 32nd Asadh, 2079 (16th July, 2022)		
		Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	
		Gratuity	(1,977,050)	–	(1,235,656)	–	(38,089,523)	–	(23,805,952)	–
		Other Retirement Benefits	(7,505,289)	(72,822,300)	(4,690,806)	(45,513,938)	(3,112,124)	(65,619,929)	(1,945,077)	(41,012,456)

		Figures in NRs.		Figures in ₹		Figures in NRs.		Figures in ₹		
		For the year ended 31st Asadh, 2080 (16th July, 2023)		For the year ended 31st Asadh, 2080 (16th July, 2023)		For the year ended 32nd Asadh, 2079 (16th July, 2022)		For the year ended 32nd Asadh, 2079 (16th July, 2022)		
		Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	
IV	Change in Defined Benefit Obligations (DBO)									
	1	Present Value of DBO at beginning of the year	283,699,981	68,732,053	177,312,488	42,957,533	223,654,814	82,410,856	139,784,259	51,506,785
	2	Current Service Cost	15,776,418	2,689,693	9,860,261	1,681,058	12,321,640	3,656,789	7,701,025	2,285,493
	3	Past service cost	–	2,783,359	–	1,739,599	–	–	–	–
	4	Interest Cost	20,939,036	4,863,296	13,086,898	3,039,560	13,961,520	4,933,393	8,725,950	3,083,371
	5	Remeasurement gains / (losses):								
	a	Effect of Changes in demographic assumptions	3,758,249	5,885,628	2,348,906	3,678,518	–	–	–	–
	b	Effect of Changes in financial assumptions	8,389,125	1,198,368	5,243,203	748,980	12,209,813	(2,794,378)	7,631,133	(1,746,486)
	c	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
	d	Effect of experience adjustments	(10,091,549)	1,951,392	(6,307,218)	1,219,620	39,276,585	(6,449,607)	24,547,865	(4,031,005)
	6	Curtailment Cost / (Credits)	–	–	–	–	–	–	–	–
	7	Settlement Cost / (Credits)	–	–	–	–	–	–	–	–
	8	Liabilities assumed in business combination	–	–	–	–	–	–	–	–
	9	Exchange difference on foreign plans	–	–	–	–	–	–	–	–
	10	Benefits Paid	(9,025,680)	(7,776,200)	(5,641,050)	(4,860,125)	(17,724,391)	(13,025,000)	(11,077,744)	(8,140,625)
	11	Present Value of DBO at the end of the year	313,445,580	80,327,589	195,903,488	50,204,743	283,699,981	68,732,053	177,312,488	42,957,533

V	Best Estimate of Employer's Expected Contribution for the next year	Figures in NRs.		Figures in ₹		Figures in NRs.		Figures in ₹	
		As at 31st Asadh, 2080 (16th July, 2023)		As at 31st Asadh, 2080 (16th July, 2023)		As at 32nd Asadh, 2079 (16th July, 2022)		As at 32nd Asadh, 2079 (16th July, 2022)	
	Gratuity	1,977,050		1,235,656		38,089,523		23,805,952	

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		Figures in NRs.		Figures in ₹		Figures in NRs.		Figures in ₹	
		For the year ended 31st Asadh, 2080 (16th July, 2023)		For the year ended 31st Asadh, 2080 (16th July, 2023)		For the year ended 32nd Asadh, 2079 (16th July, 2022)		For the year ended 32nd Asadh, 2079 (16th July, 2022)	
		Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits
VI	Change in Fair Value of Assets								
	1 Plan Assets at beginning of the year	245,610,458	–	153,506,536	–	223,125,127	–	139,453,204	–
	2 Asset acquired in Business Combination	–	–	–	–	–	–	–	–
	3 Interest Income	20,890,462	–	13,056,539	–	15,233,907	–	9,521,192	–
	4 Remeasurement Gains / (Losses) on plan assets	5,350,183	–	3,343,863	–	15,105,081	–	9,440,675	–
	5 Actual Group Contributions	48,643,107	7,776,200	30,401,942	4,860,125	9,870,734	13,025,000	6,169,209	8,140,625
	6 Benefits Paid	(9,025,680)	(7,776,200)	(5,641,050)	(4,860,125)	(17,724,391)	(13,025,000)	(11,077,744)	(8,140,625)
	7 Plan Assets at the end of the year	311,468,530	–	194,667,830	–	245,610,458	–	153,506,536	–

VII	Actuarial Assumptions	As at 31st Asadh, 2080 (16th July, 2023)	As at 32nd Asadh, 2079 (16th July, 2022)
		Discount Rate (%)	Discount Rate (%)
		7.10%	7.50%
	Gratuity	7.10%	7.50%
	Other Retirement Benefits	7.10%	7.50%

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

VIII	Major Category of Plan Assets as a % of the Total Plan Assets	As at 31st Asadh, 2080 (16th July, 2023)	As at 32nd Asadh, 2079 (16th July, 2022)
		90%	92%
	1 Citizen Investment Trust Managed Funds*	90%	92%
	2 Social Security Fund Managed Funds*	10%	8%

* In the absence of detailed information regarding plan assets which is funded with Citizen Investment Trust and Social Security Fund, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

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

The expected rate of return on plan assets is based on discount rate set with reference to the yield as communicated by CIT and SSF.

		Figures in NRs.		Figures in ₹		Figures in NRs.		Figures in ₹	
		For the year ended 31st Asadh, 2080 (16th July, 2023)		For the year ended 31st Asadh, 2080 (16th July, 2023)		For the year ended 32nd Asadh, 2079 (16th July, 2022)		For the year ended 32nd Asadh, 2079 (16th July, 2022)	
		Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits	Gratuity	Other Retirement Benefits
X	Net Asset / (Liability) recognized in Statement of Financial Position (including experience adjustment impact)								
	1 Present Value of Defined Benefit Obligation	313,445,580	80,327,589	195,903,488	50,204,743	283,699,981	68,732,053	177,312,488	42,957,533
	2 Fair Value on Plan Assets	311,468,530	–	194,667,831	–	245,610,458	–	153,506,536	–
	3 Status [Surplus / (Deficit)]	(1,977,050)	(80,327,589)	(1,235,656)	(50,204,743)	(38,089,523)	(68,732,053)	(23,805,952)	(42,957,533)
	4 Experience Adjustment of Plan Assets [Gain / (loss)]	5,350,183	–	3,343,864	–	15,105,081	–	9,440,676	–
	5 Experience Adjustment of Obligation [(Gain) / Loss]	(10,091,549)	1,951,392	(6,307,218)	1,219,620	39,276,585	(6,449,607)	24,547,866	(4,031,004)

XI Sensitivity Analysis

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

		Figures in NRs.	Figures in ₹	Figures in NRs.	Figures in ₹
		DBO as at 31st Asadh, 2080 (16th July, 2023)	DBO as at 31st Asadh, 2080 (16th July, 2023)	DBO as at 32nd Asadh, 2079 (16th July, 2022)	DBO as at 32nd Asadh, 2079 (16th July, 2022)
	1 Discount rate +100 basis points	370,629,882	231,643,676	333,910,816	208,694,260
	2 Discount rate -100 basis points	419,940,764	262,462,978	373,027,625	233,142,266
	3 Salary Increase Rate +1%	416,322,741	260,201,713	369,997,401	231,248,376
	4 Salary Increase Rate -1%	373,528,558	233,455,349	336,402,650	210,251,656

Maturity Analysis Of The Benefit Payments

	1 Year 1	28,340,455	17,712,784	26,395,571	16,497,232
	2 Year 2	40,761,818	25,476,136	41,471,241	25,919,526
	3 Year 3	47,776,017	29,860,011	50,731,443	31,707,152
	4 Year 4	45,515,291	28,447,057	54,615,883	34,134,927
	5 Year 5	44,131,394	27,582,121	52,832,471	33,020,294
	6 Next 5 Years	191,896,086	119,935,054	249,829,403	156,143,377

b. Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and Other Funds" in Note 25.

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31. Additional Notes to the Financial Statements

- (i) These financial statements were authorised for issue by the Board of Directors on 10th Ashwin 2080 (27th September 2023).
- (ii) The subsidiary (which along with Surya Nepal Private Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements in Surya Nepal Ventures Private Limited. Surya Nepal Ventures Private Limited is a wholly owned subsidiary of Surya Nepal Private Limited incorporated on 3rd July 2023.
- (iii) Estimated amount of contracts remaining to be executed on capital account and not provided for NRs. 210,028,171 (Rs. 131,267,607) {2078/79 - NRs. 363,307,638 (Rs. 227,067,274)}.
- (iv) Remuneration to Managing Director:

Particulars	For the year ended 31st Asadh, 2080 (16th July, 2023) In NRs.	For the year ended 31st Asadh, 2080 (16th July, 2023) In Rs.	For the year ended 32nd Asadh, 2079 (16th July, 2022) In NRs.	For the year ended 32nd Asadh, 2079 (16th July, 2022) In ₹
Salary & Allowances	46,747,878	29,217,424	37,261,546	23,288,466
Other Benefits *	4,543,610	2,839,756	3,502,186	2,188,866
Post Employment Benefits	**	**	**	**
Total	51,291,488	32,057,180	40,763,732	25,477,332

Note:

The Managing Director and some other employees of the Group had been granted stock options in the past by the Holding Company (ITC Limited) under the Employee Stock Option Scheme. Such options were granted at 'market price' [within the meaning of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since such options are not tradable, no benefit is conferred upon the employee at the time of grant of options. The Group, however has recorded employee benefits expense by way of share-based payments to employees, in accordance with NFRS 2, at NRs. 12,781,989 (Rs. 7,988,743) for the year ended 31st Asadh 2080 (2078/79 - NRs. 5,262,362) (Rs. 3,288,976), out of which NRs. 6,699,351 (Rs. 4,187,094) {2078/79 - NRs. 2,992,805 (Rs. 1,870,503)} is attributable to the Managing Director. During the year, 9,450 options (2078/79 - 4,300 options) were granted to the Managing Director.

* Other Benefits includes amounts incurred / reimbursed by the Group towards Residential Rent and Maintenance, Fuel and Driver Salary for Vehicle, Vehicle Repairs and Maintenance etc.

** Post employment benefits are actuarially determined on overall basis for all employees.

- (v) Miscellaneous Expenses include reimbursement of expenses to statutory auditors amounting to NRs. 592,666 (Rs. 370,416) {2078/79 - NRs. 329,232 (Rs. 205,770)}.

- (vi) Related Party Disclosures

Nature of relationship and name of the related parties:

1. Holding Company
ITC Limited, India
2. Fellow Subsidiary Companies
 - a) Srinivasa Resorts Limited, India
 - b) Fortune Park Hotels Limited, India
 - c) Bay Islands Hotels Limited, India
 - d) WelcomHotels Lanka (Private) Limited, Sri Lanka
 - e) Landbase India Limited, India
 - f) Russell Credit Limited, India and its subsidiary
Greenacre Holdings Limited, India
 - g) Technico Pty Limited, Australia and its subsidiaries
Technico Technologies Inc., Canada
Technico Asia Holdings Pty Limited, Australia and its subsidiary
Technico Horticultural (Kunming) Co. Limited, China
 - h) Technico Agri Sciences Limited, India
 - i) Wimco Limited, India
 - j) Pavan Poplar Limited, India
 - k) Prag Agro Farm Limited, India
 - l) ITC Infotech India Limited, India and its subsidiaries
ITC Infotech Limited, UK
ITC Infotech (USA), Inc. and its subsidiary
Indivate Inc., USA
ITC Infotech Do Brasil LTDA, Brazil (w.e.f. 10th October 2022)
ITC Infotech Malaysia SDN. BHD (w.e.f. 3rd February 2023)
ITC Infotech France SAS (w.e.f. 8th February 2023)
ITC Infotech GmbH ('ITC Germany') (w.e.f. 10th March 2023)
ITC Infotech de México, S.A. de C.V. (w.e.f. 17th April 2023)
 - m) Gold Flake Corporation Limited, India
 - n) ITC Integrated Business Services Limited (formerly known as ITC Investment & Holdings Limited) and its subsidiary
MRR Trading & Investment Company Limited, India
 - o) North East Nutrients Private Limited, India
 - p) ITC IndiVision Limited, India
 - q) ITC Fibre Innovations Limited (w.e.f. 3rd March 2023)
3. Associates of Holding Company
 - a) Gujarat Hotels Limited, India
 - b) International Travel House Limited, India
 - c) Delectable Technologies Private Limited, India
 - d) Mother Sparsh Baby Care Private Limited (w.e.f. 27th October 2022)
 - e) Sproutlife Foods Private Limited (w.e.f. 4th May 2023)
- being associates of the Holding Company, and
 - f) Tobacco Manufacturers (India) Limited, UK

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- of which the Holding Company is an associate
4. Associates of Holding Company's subsidiaries
 - a) Russell Investments Limited, India
 - b) Divya Management Limited, India
 - c) Antrang Finance Limited, India
 - being associates of Russell Credit Limited, India and
 - d) ATC Limited, India
 - being associate of Gold Flake Corporation Limited, India
 5. Joint Ventures of Holding Company
 - a) Maharaja Heritage Resorts Limited, India
 - b) Espirit Hotels Private Limited, India (upto 7th April 2023)
 - c) Logix Developers Private Limited, India
 6. Joint Venture of Holding Company's Subsidiary
 - a) ITC Filtrona Limited (formerly known as ITC Essentra Limited)
 - being joint venture of Gold Flake Corporation Limited, India
 7. Key Management Personnel:

Sanjiv Puri	Chairman & Non-Executive Director
Devraj Lahiri	Alternate Director to Mr. S Puri
Sandeep Kaul	Non-Executive Director
Supratim Dutta	Non-Executive Director
Rajendra Kumar Singhi	Non-Executive Director
Sashi Raj Pandey	Non-Executive Director
Siddhartha SJB Rana	Non-Executive Director
Ravi Kumar Rayavaram	Managing Director

Disclosure of transactions between the Group and related parties and the status of outstanding balances as at 31st Asadh, 2080 (16th July, 2023):

Related Party Transactions Summary	For the year ended 31st Asadh, 2080 (16th July, 2023) In NRs.		For the year ended 32nd Asadh, 2079 (16th July, 2022) In NRs.	
	Holding Company	Key Management Personnel*	Holding Company	Key Management Personnel*
Purchase of Goods / Services	4,858,383,086	–	5,334,402,288	–
Sitting Fees / Incidental Expenses to Other Directors	–	–	–	17,647
Cost of Stock Option Reimbursable	12,781,989	–	5,262,362	–
Hired Machine Expenses	50,073,532	–	49,928,107	–
Dividend Payments	6,137,510,400	–	5,554,684,800	–
Expenses recovered	3,585,186	–	869,019	–
Expenses reimbursed	156,272	–	236,480	–
Advances Given	–	–	1,018,541,348	–
Outstanding Balances				
- Advances / Other Receivables	307,448,520	–	1,266,898,963	–
- Creditors / Payables	747,874,931	–	665,754,110	–

Related Party Transactions Summary	For the year ended 31st Asadh, 2080 (16th July, 2023) In Rs.		For the year ended 32nd Asadh, 2079 (16th July, 2022) In Rs.	
	Holding Company	Key Management Personnel*	Holding Company	Key Management Personnel*
Purchase of Goods / Services	3,036,489,429	–	3,334,001,430	–
Sitting Fees / Incidental Expenses to Other Directors	–	–	–	11,029
Cost of Stock Option Reimbursable	7,988,743	–	3,288,976	–
Hired Machine Expenses	31,295,958	–	31,205,067	–
Dividend Payments	3,835,944,000	–	3,471,678,000	–
Expenses recovered	2,240,741	–	543,137	–
Expenses reimbursed	97,670	–	147,800	–
Advances Given	–	–	636,588,343	–
Outstanding Balances				
- Advances / Other Receivables	192,155,325	–	791,811,852	–
- Creditors / Payables	467,421,832	–	416,096,319	–

* also refer to Note 31 (iv).

Related Party Transactions Summary	For the year ended 31st Asadh, 2080 (16th July, 2023) In NRs.			or the year ended 32nd Asadh, 2079 (16th July, 2022) In NRs.		
	Fellow Subsidiary	Associate of Holding Company	Joint Venture of Holding Company's Subsidiary	Fellow Subsidiary	Associate of Holding Company	Joint Venture of Holding Company's Subsidiary
Purchase of Goods/ Services	40,337,768	3,158,100	321,624	35,761,483	462,102	420,426
Outstanding Balances						
- Creditors / Payables	12,535,069	88,570	–	17,731,738	203,938	–

Related Party Transactions Summary	For the year ended 31st Asadh, 2080 (16th July, 2023) In Rs.			or the year ended 32nd Asadh, 2079 (16th July, 2022) In Rs.		
	Fellow Subsidiary	Associate of Holding Company	Joint Venture of Holding Company's Subsidiary	Fellow Subsidiary	Associate of Holding Company	Joint Venture of Holding Company's Subsidiary
Purchase of Goods/ Services	25,211,105	1,973,813	201,015	22,350,927	288,814	262,766
Outstanding Balances						
- Creditors / Payables	7,834,418	55,356	–	11,082,336	127,461	–

Transactions with subsidiaries of Tobacco Manufacturers (India) Limited's ultimate parent company comprise dividend payments NRs. 208,051,200 (Rs. 130,032,000)

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{2078/79 – NRs. 188,294,400 (Rs. 117,684,000)}.

(vii) Contingent liabilities:

Claims against the Group not acknowledged as debts:

a) Demands raised by Revenue Authorities on theoretical production of cigarettes:

Excise, Income Tax and Value Added Tax authorities issued Show Cause Notices (SCNs) and raised demands to recover taxes for different years on theoretical production of cigarettes. In all these proceedings, the authorities applied an input-output ratio allegedly submitted by the Group in the year 2047-48 (1990-91) and arrived at a theoretical production and demanded tax/duty on the differential production/turnover. This, despite the fact that the Group's cigarette factory was under physical control of the Excise authorities and cigarettes produced were duly accounted for and certified as such by the Excise authorities.

The Revenue Authorities for the first time raised excise demands for the financial year ("FY") 2050-51 and 2051-52, (1993-94 and 1994-95) claiming that the Group did not produce cigarettes according to the input-output ratio submitted in the year 1990-91. The Group challenged these excise demands before the Hon'ble Supreme Court through a writ petition. A division bench of the Hon'ble Supreme Court decided the matter in favour of the Group (the "Division Bench Judgment") and rejected the above basis of theoretical production. The Ministry of Finance filed a review petition before the Full Bench of Hon'ble Supreme Court seeking review of the judgement of Division Bench. The full bench after hearing both the sides at length upheld the judgement of Division Bench by its order dated October 29, 2009.

Similar demands had been raised for other financial years viz., Excise Demands for FY 2055-56 to FY 2059-60 (1998-99 to 2002-03) and Income Tax Demand for FY 2058-59 (2001-02), which were also challenged by the Group before the Hon'ble Supreme Court by way of writ petitions and the court was pleased to allow all the writ petitions setting aside the demands.

Further, the Inland Revenue Department had decided administrative review petitions in favour of the Group setting aside Value Added Tax demands for the financial years 2058-59 and 2064-65 (2001-02 and 2007-08) and Income Tax demand for the financial year 2062-63 (2005-06) following the aforesaid decisions of the Hon'ble Supreme Court.

During the pendency of the aforementioned review petition before the Hon'ble Supreme Court and thereafter, the Revenue Authorities raised demands, in the same subject matter of theoretical production for different years (as listed below), which were also challenged by the Group by way of writ petitions before Hon'ble Supreme Court of Nepal between the years 2064 to 2066 (2007 to 2010).

1. Excise demand letters for NRs. 278,026,266 (Rs. 173,766,416) relating to the financial years 2060-61 to 2063-64 (2003-04 to 2006-07)
2. Value Added Tax (VAT) demand letters for NRs. 174,923,023 (Rs. 109,326,889) relating to financial years 2059-60 to 2063-64 (2002-03 to 2006-07)
3. Income Tax demand letters for NRs. 215,232,624 (Rs. 134,520,390) relating to financial years 2059-60 and 2060-61 (2002-03 and 2003-04).

The Group's writ petitions with regard to various tax demands mentioned hereinabove were disposed of by the Hon'ble Supreme Court on 15th April, 2021 holding that the Group should avail the alternate remedy by way of appeal to the Inland Revenue Department (IRD). The Administrative Review Petitions relating to above demands are currently pending for disposal with Inland Revenue Department.

The Management considers that all the demands listed above have no legal and factual basis; accordingly, the Management is of the view that there is no liability that is likely to arise, particularly in light of the fact that the issue underlying these demands has already been settled by the Hon'ble Supreme Court in favour of the Group.

b) Other demands raised on account of:

1. Income Taxes for various assessment years amounting to NRs. 166,098,340 (Rs. 103,811,463) {2078/79 - NRs 160,079,097 (Rs. 100,049,436)} (net of provisions) including interest on claims, where applicable, estimated to be NRs. 91,046,089 (Rs. 56,903,806) {2078/79 - NRs. 85,026,846 (Rs. 53,141,779)} against which the Group has filed appeals with the appropriate authorities/Courts.
2. Value Added Tax matters under dispute, pertaining to various financial years amounting to NRs. 52,745,221 (Rs. 32,965,763) {2078/79 - NRs. 50,537,088 (Rs. 31,585,680)} including interest on claims, where applicable, estimated to be NRs. 16,531,037 (Rs. 10,331,898) {2078/79 - NRs. 14,322,904 (Rs. 8,951,815)} which are under appeal / reassessment.
3. Health Risk Tax by Customs Authorities amounting to NRs. 37,412,000 (Rs. 23,382,500) {2078/79 - NRs. 37,412,000 (Rs. 23,382,500)} against which Group has filed appeals with the appropriate authority.

(viii) The Group's significant leasing arrangements are in respect of operating leases for building premises (residential, office, godowns, etc.) and machines. These arrangements generally range between 1 year and 6 years. The lease arrangements have extension/termination options exercisable by either parties which may make the assessment of lease term uncertain. While determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option are considered.

The amount of ROU Assets and Lease Liabilities recognised in the Statement of Financial Position are disclosed in Note 3E and Note 14 respectively. The total cash outflow for leases for the year is NRs 134,590,682 (Rs. 84,119,176) {2078/79 – NRs. 128,473,340 (Rs. 80,295,838)} (including payments of NRs.93,783,448 (Rs. 58,614,655) {2078/79 – NRs. 119,245,784 (Rs. 74,528,615)} in respect of short-term/low-value leases).

The undiscounted maturities of lease liabilities over the remaining lease term is as follows;

Term	AS at 31st Asadh, 2080 (16th July, 2023) In NRs.	AS at 31st Asadh, 2080 (16th July, 2023) In Rs.	As at 32nd Asadh, 2079 (16th July, 2022) In NRs.	As at 32nd Asadh, 2079 (16th July, 2022) In Rs.
Not later than three years	91,022,499	56,889,062	66,629,936	41,643,710
Later than three years and not later than six years	27,306,689	17,066,681	11,126,460	6,954,038

(ix) Some of the employee(s) of the Group seconded from the Holding Company (ITC Limited), had been granted stock options under the ITC Employee Stock Option Scheme (ITC ESOS). These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting. Each option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of ITC of Indian Rupee 1 each inter alia upon payment of exercise price.

These options had been granted at 'market price' within the meaning of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The fair value of the options granted is determined by ITC, using the Black Scholes Option Pricing Model, for all the options covered under the ITC ESOS as a whole.

The Group has recognised the cost of options granted, as stated above, under the ITC Employee Stock Option Scheme (ITC ESOS) (equity - settled) in accordance with NFRS 2 – Share Based Payment and the Group's share of the cost of fair value of such options has been accounted for based on the advice / on-charge by ITC. Accordingly, an amount of NRs. 12,781,989 (Rs. 7,988,743) {2078/79 – NRs. 5,262,362 (Rs. 3,288,976)} (Refer Note 25) (which represents the on-charge from ITC) has been recognised as employee benefits expense with a corresponding payable, when such reimbursement is sought by ITC.

During the year, 18,400 options (2078/79 – 14,400 options) were granted to certain employee(s) seconded by the Holding Company. The total number of options outstanding stood at 90,435 options (2078/79- 130,738 options).

(x) Figures have been rounded off to the nearest Nepalese Rupee / (Rupee).

(xi) Previous year's figures have been rearranged wherever necessary.

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32. Financial Instruments and Related Disclosures

1. Capital Management

The primary objective of the Group's capital management is to maximize the shareholder value. The Group aims at maintaining a strong capital base and augments its internal generations with a judicious use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth.

The Group is not subject to any capital adequacy norms under regulations presently in force.

2. Categories of Financial Instrument

(Amount in NRs.)

Particulars		Note	As at 31st Asadh 2080 (16th July 2023)		As at 32nd Asadh 2079 (16th July 2022)	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets						
a) Measured at amortised cost						
	i) Cash and Cash Equivalents	11	417,756,308	417,756,308	152,614,129	152,614,129
	ii) Other Bank Balances	12	7,350,078,592	7,350,078,592	10,000,074,526	10,000,074,526
	iii) Investments	9	3,879,612,797	3,879,612,797	–	–
	iv) Loans	4	27,270,571	16,569,126	27,984,984	16,931,377
	v) Trade Receivables	10	158,421,839	158,421,839	32,511,444	32,511,444
	vi) Other Financial assets	5	60,833,176	60,833,176	40,369,210	40,248,035
	Sub - total		11,893,973,283	11,883,271,838	10,253,554,293	10,242,379,511
b) Derivatives measured at fair value						
	i) Derivative instruments not designated as hedging instruments	5	7,099,160	7,099,160	23,951,133	23,951,133
	Sub - total		7,099,160	7,099,160	23,951,133	23,951,133
	Total financial assets		11,901,072,443	11,890,370,998	10,277,505,426	10,266,330,644
B. Financial liabilities						
a) Measured at amortised cost						
	i) Borrowings	16	500,000,000	500,000,000	1,347,831,417	1,347,831,417
	ii) Trade Payables	17	1,315,817,353	1,315,817,353	1,157,855,928	1,157,855,928
	iii) Lease Liabilities	14	93,111,064	93,111,064	64,241,390	64,241,390
	iv) Other financial liabilities	18	1,936,096,054	1,936,096,054	1,828,167,433	1,828,167,433
	Sub - total		3,845,024,471	3,845,024,471	4,398,096,168	4,398,096,168
b) Derivatives measured at fair value						
	i) Derivative instruments not designated as hedging instruments	18	7,878,105	7,878,105	9,613,668	9,613,668
	Sub - total		7,878,105	7,878,105	9,613,668	9,613,668
	Total financial liabilities		3,852,902,576	3,852,902,576	4,407,709,836	4,407,709,836

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(Amount in ₹.)

Particulars		Note	As at 31st Asadh 2080 (16th July 2023)		As at 32nd Asadh 2079 (16th July 2022)	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets						
a) Measured at amortised cost						
i) Cash and Cash Equivalents	11	261,097,693	261,097,693	95,383,831	95,383,831	
ii) Other Bank Balances	12	4,593,799,120	4,593,799,120	6,250,046,579	6,250,046,579	
iii) Investments	9	2,424,757,998	2,424,757,998	–	–	
iv) Loans	4	17,044,107	10,355,704	17,490,615	10,582,110	
v) Trade Receivables	10	99,013,649	99,013,649	20,319,653	20,319,653	
vi) Other Financial assets	5	38,020,735	38,020,735	25,230,757	25,155,022	
Sub - total		7,433,733,302	7,427,044,899	6,408,471,435	6,401,487,195	
b) Derivatives measured at fair value						
i) Derivative instruments not designated as hedging instruments	5	4,436,975	4,436,975	14,969,458	14,969,458	
Sub - total		4,436,975	4,436,975	14,969,458	14,969,458	
Total financial assets		7,438,170,277	7,431,481,874	6,423,440,893	6,416,456,653	
B. Financial liabilities						
a) Measured at amortised cost						
i) Borrowings	16	312,500,000	312,500,000	842,394,636	842,394,636	
ii) Trade Payables	17	822,385,846	822,385,846	723,659,955	723,659,955	
iii) Lease Liabilities	14	58,194,415	58,194,415	40,150,869	40,150,869	
iv) Other financial liabilities	18	1,210,060,034	1,210,060,034	1,142,604,648	1,142,604,648	
Sub - total		2,403,140,294	2,403,140,294	2,748,810,108	2,748,810,108	
b) Derivatives measured at fair value						
i) Derivative instruments not designated as hedging instruments	18	4,923,816	4,923,816	6,008,543	6,008,543	
Sub - total		4,923,816	4,923,816	6,008,543	6,008,543	
Total financial liabilities		2,408,064,110	2,408,064,110	2,754,818,651	2,754,818,651	

3. Financial risk management objectives

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group continues to focus on a system-based approach to risk management. The Group's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management framework is based on comprehensive internal policies and procedures across areas of operations. The Group has a process of regular reviews / audits for monitoring of such risks.

a) Market risk

Market risk comprises foreign currency risk and interest rate risk.

i. Foreign currency risk

The Group undertakes transactions denominated in foreign currency (mainly US Dollar, Euro and GBP) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency (other than Indian Rupee) are subject to reinstatement risks.

The carrying amounts of foreign currency denominated financial assets and liabilities including derivatives contracts are as follows:

(Amount in NRs.)				
As at 31st Asadh, 2080 (16th July 2023)	USD	EURO	GBP	Total
Financial Assets	37,892,840	3,912,201	–	41,805,041
Financial Liabilities	289,969,457	–	–	289,969,457

(Amount in NRs.)				
As at 32nd Asadh, 2079 (16th July 2022)	USD	EURO	GBP	Total
Financial Assets	27,011,598	–	–	27,011,598
Financial Liabilities	36,119,588	2,096,306	8,292	38,224,186

(Amount in ₹)				
As at 31st Asadh, 2080 (16th July 2023)	USD	EURO	GBP	Total
Financial Assets	23,683,025	2,445,126	–	26,128,151
Financial Liabilities	181,230,911	–	–	181,230,911

(Amount in ₹)				
As at 32nd Asadh, 2079 (16th July 2022)	USD	EURO	GBP	Total
Financial Assets	16,882,249	–	–	16,882,249
Financial Liabilities	22,574,743	1,310,191	5,183	23,890,117

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

The Group uses derivatives, such as forward exchange contracts, to manage the business risk arising out of the underlying foreign currency transactions, which serves as an economic hedge. Such forward exchange contracts that were outstanding on respective reporting dates are as follows:

(Amount in Foreign Currency)

Currency	Cross Currency	As at 31st Asadh, 2080 (16th July 2023) Buy	As at 31st Asadh, 2080 (16th July 2023) Sell	As at 32nd Asadh, 2079 (16th July 2022) Buy	As at 32nd Asadh, 2079 (16th July 2022) Sell
US Dollar	NRs	1,437,718	–	4,166,831	–
Euro	NRs	237,248	–	288,383	–
GBP	NRs	–	–	2,230	–

Hedges of Foreign currency risk and derivative financial instruments

The Group uses derivatives to hedge its exposure to changes in movement in foreign currency. Where such derivatives are not designated under hedge accounting, changes in the fair value of such hedges are recognised in the Statement of Profit or Loss and Other Comprehensive Income. The counter parties in these derivative instruments are highly rated commercial banks and the Group considers the risk of non-performance by such counter parties as not material.

Foreign currency sensitivity

As the foreign currency risk on the Statement of Financial Position date is not significant, no sensitivity disclosures have been made.

ii. Interest rate risk

The objectives of the Group's interest rate risk management processes are to manage the impact of adverse interest rate movements on its statement of profit or loss and other comprehensive income and cash flows and to minimise counter party risks.

The Group is exposed to interest rate risk primarily with respect to its short terms borrowings from banks, which are used to fund spikes in working capital that arise from time to time. Such risks arise primarily due to changes in money supply within the economy and/or liquidity in banking system. In view of the short term nature of such borrowings, impact of such interest rate risk is insignificant.

The Group's investments are predominantly held in fixed deposits and treasury bills issued by Nepal Rastra Bank. Fixed deposits are held with highly rated commercial banks and have a short term tenure and are not subject to interest rate volatility. The Group ensures optimisation of cash through fund planning and robust cash management practices.

b) Liquidity risk

The Group manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. The Group's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Group also maintains adequate credit lines with the commercial banks to fund spikes in working capital that arise from time to time.

The Group's Current assets aggregate to NRs. 17,058,556,505 (Rs. 10,661,597,817){2078/79 – NRs. 15,880,880,262 (Rs. 9,925,550,174)} including Cash and cash equivalents and other bank balances of NRs. 7,767,834,900 (Rs. 4,854,896,813){2078/79 – NRs. 10,152,688,655 (Rs. 6,345,430,410)} against an aggregate Current liability (excluding borrowings) of NRs. 4,598,728,710 (Rs. 2,874,205,445){2078/79 – NRs. 4,741,740,860 (Rs. 2,963,588,041)} on the reporting date.

Further, while the Group's total equity stands at NRs. 16,662,862,655 (Rs. 10,414,289,163){2078/79 – NRs. 15,698,220,660 (Rs. 9,811,387,922)}, it has borrowings of NRs. 500,000,000 (Rs. 312,500,000){2078/79 – NRs. 1,347,831,417 (Rs. 842,394,636)}. In such circumstances, liquidity risk or the risk that the Group may not be able to settle or meet its obligations as they become due does not exist.

c) Credit risk

The Group's short-term surpluses are generally deployed in fixed deposits, call deposits with highly rated commercial banks and treasury bills issued by Nepal Rastra Bank. Such deposits and investments in treasury bills stood at NRs. 11,609,900,833 (Rs. 7,256,188,021){2078/79 – NRs. 10,075,297,296 (Rs. 6,297,060,810)} at amortised cost. The commercial banks for placement of such deposits are short listed and exposure limits are determined on the basis of their credit rating, financial statements and other relevant information which are periodically reviewed.

The Group has policy of dealing on cash terms, to the extent practicable. Credit is extended in business interest in accordance with guidelines which takes into account various factors such as market feedback, past trading patterns, etc. The Group during the course of its operations deals with a large number of customers limiting the risk of credit concentration. The Group's exposure to trade receivables on the reporting date, net of expected loss provisions stood at NRs. 158,421,839 (Rs. 99,013,649){2078/79 – NRs. 32,511,444 (Rs. 20,319,653)}. The Group's historical experience of collecting receivables and the level of default indicate that the credit risk is low. Loss allowances are recognized, where considered appropriate by the Management. There has been no movement in expected loss provision

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

during the year (2078/79: Nil).

4. Fair value measurement

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

(Amount in NRs)

Particulars	Fair Value Hierarchy (Level)	Fair Value	Fair Value
		As at 31st Asadh 2080 (16th July 2023)	As at 32nd Asadh 2079 (16th July 2022)
A. Financial Assets			
a) Measured at amortised cost			
i) Loans *	3	12,647,782	12,866,855
ii) Other Financial Assets *	3	–	759,650
Sub-Total		12,647,782	13,626,505
b) Derivatives measured at fair value			
i) Derivative instruments not designated as hedging instruments	2	7,099,160	23,951,133
Sub-Total		7,099,160	23,951,133
Total financial assets		19,746,942	37,577,638
B. Financial liabilities			
a) Measured at amortised cost			
i) Lease Liabilities *	3	68,237,158	31,946,405
Sub-Total		68,237,158	31,946,405
b) Derivatives measured at fair value			
i) Derivative instruments not designated as hedging instruments	2	7,878,105	9,613,668
Sub-Total		7,878,105	9,613,668
Total financial liabilities		76,115,263	41,560,073

(Amount in ₹)

Particulars	Fair Value Hierarchy (Level)	Fair Value	Fair Value
		As at 31st Asadh 2080 (16th July 2023)	As at 32nd Asadh 2079 (16th July 2022)
A. Financial Assets			
a) Measured at amortised cost			
i) Loans *	3	7,904,864	8,041,784
ii) Other Financial Assets *	3	–	474,781
Sub-Total		7,904,864	8,516,565
b) Derivatives measured at fair value			
i) Derivative instruments not designated as hedging instruments	2	4,436,975	14,969,458
Sub-Total		4,436,975	14,969,458
Total financial assets		12,341,839	23,486,023
B. Financial liabilities			
a) Measured at amortised cost			
i) Lease Liabilities *	3	42,648,224	19,966,503
Sub-Total		42,648,224	19,966,503
b) Derivatives measured at fair value			
i) Derivative instruments not designated as hedging instruments	2	4,923,816	6,008,543
Sub-Total		4,923,816	6,008,543
Total financial liabilities		47,572,039	25,975,046

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

* Represents Fair Value of Non-current Financial Instruments.

Fair value hierarchy

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

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

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period.

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

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value is determined using discounted cash flow basis.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Vikas Bhutra
Vice President, Finance

Ravi K Rayavaram
Managing Director

Siddhartha SJB Rana
Director

S Dutta
Director

S Puri
Chairman

S R Pandey
Director

S Kaul
Director

R K Singhi
Director

Nem Lal Amatya
Partner
N. Amatya & Co.
Chartered Accountants

Shashi Satyal
Partner
T R Upadhya & Co.
Chartered Accountants

Date: 10th Ashwin 2080 (27th September 2023)

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

Your Directors submit their 11th Report for the financial year ended 31st March, 2024.

1. COMPANY PERFORMANCE

During the year under review, your Company continued its focused approach towards consistently improving operational efficiency and productivity. In recognition of its high standards of quality, the Company received three Gold awards at the 'Chapter Convention on Quality Concepts - CCQC 2023' organised by Quality Circle Forum of India, Kolkata Chapter.

The Company's Revenue from Operations for the year stood at ₹ 15,406.66 lakhs (previous year ₹ 16,068.70 lakhs), while Net Profit for the year stood at ₹ 1,490.03 lakhs (previous year ₹ 1,598.43 lakhs). Total Comprehensive Income for the year stood at ₹ 1,488.95 lakhs (previous year ₹ 1,614.34 lakhs).

Your Company continues to constantly engage with Government Authorities, both at Central and State level and has realised fiscal benefits aggregating ₹ 828.95 lakhs during the year, consisting of Central Goods & Services Tax, State Goods & Services Tax and Integrated Goods & Services Tax benefits from State Government of Assam and Government of India.

The key highlights of the financial performance of the Company are summarised in the table below:

(Amount in ₹ lakhs)

Particulars	Financial Year Ended	
	31.03.2024	31.03.2023
a) Profit Before Tax	1540.22	1622.28
b) Tax expense	(50.19)	(23.85)
c) Profit After Tax	1490.03	1598.43
d) Other Comprehensive Income	(1.08)	15.91
e) Total Comprehensive Income	1488.95	1614.34
Retained Earnings		
a) At the beginning of the year	2103.31	2507.97
b) Add: Profit for the year	1490.03	1598.43
c) Less: Dividend Paid	(956.30)	(219.00)
d) Less : Transfer of Capital Redemption Reserve	-	(1800.00)
e) Add : Other Comprehensive Income	(1.08)	15.91
f) At the end of the year	2635.96	2103.31

2. DIVIDEND

The Directors of your Company are pleased to recommend a Dividend of ₹ 2 per Equity Share of ₹ 10/- each (fully paid up) for the year ended 31st March, 2024. Total cash outflow on this account will be ₹ 1460 lakhs (previous year ₹ 956.30 lakhs).

3. DIRECTORS AND KEY MANAGERIAL PERSONNEL**a) Changes in Directors and Key Managerial Personnel during the year**

During the year under review, Mr. Paritosh Wali (DIN 06767740) stepped down as Chairman and Non-Executive Director of your Company with effect from close of work on 14th February, 2024. Your Directors place on record their appreciation for valuable contribution made by Mr. Wali during his association with the Company.

The Board of Directors ('the Board') at the Meeting held on 14th February, 2024 appointed Mr. Ali Harris Shere (DIN 10331133) as an Additional Non-Executive Director with effect from 15th February, 2024. In accordance with Section 161 of the Companies Act, 2013 ('the Act') and Article 80 of the Articles of Association of the Company, Mr. Shere will vacate office at the ensuing Annual General Meeting ('AGM') and is eligible for appointment as a Director of the Company.

The Board at the meeting held on 3rd May, 2024 recommended for the approval of the Members, appointment of Mr. Ali Harris Shere as a Non-Executive Director of your Company, liable to retire by rotation. Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Shere and consent from him to act as a Director of your Company, if appointed, have been received by the Company.

Appropriate resolution seeking your approval to the aforesaid appointment is appearing in the Notice convening the ensuing AGM of the Company.

During the year under review, Mr. Yanduru Giri Venkata Srikanth resigned as the Chief Financial Officer of the Company with effect from close of work on 30th April, 2023. The Board at its meeting held on 12th July, 2023, appointed Mr. Mehul Patni as the Chief Financial Officer of the Company with effect from 12th July, 2023, in terms of Section 203 of the Act read with Rules thereunder.

There were no other changes in the composition of the Board of Directors and in the Key Managerial Personnel of the Company during the year under review.

b) Retirement by Rotation

In accordance with the provisions of Section 152 of the Act and Article 77 of the Articles of Association of the Company, Messrs. Dharmarajan Ashok (DIN: 02009735), Neel Kingston Jasper (DIN: 07462201) and Samrat Deka (DIN: 00559110) will retire by rotation at the ensuing AGM of the Company and, being eligible, offer themselves for re-appointment. The Board has recommended their re-appointment.

c) Board and Board Committee

Your Board met five (5) times during the year under review.

Your Company is not required to constitute any Board Committee under the Act except a Corporate Social Responsibility Committee (CSR Committee). The CSR Committee comprises following members:

Mr. Dharmarajan Ashok – Chairman of the Committee

Mr. Samrat Deka – Member

Mr. Neel Kingston Jasper – Member

The CSR Committee met two (2) times during the year under review.

4. COMPLIANCE WITH SECRETARIAL STANDARDS

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

5. BOARD EVALUATION

For the year under review, the Board carried out an evaluation of its own performance and that of the individual Directors and also functioning of the CSR Committee, as required under Section 134 of the Act. The evaluation was carried out, as in the previous year, through a structured evaluation process basis the parameters derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as fulfill expectations of other stakeholders through strategic supervision. Performance evaluation of individual Directors was carried out in the context of the role played by each Director, as a member of the Board in assisting the Board in realizing its role of strategic supervision of the functioning of the Company. Report on functioning of the CSR Committee was placed before the Board by the Chairman of the CSR Committee after discussion with the Committee members.

6. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, the Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards and there are no material departures;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis, and
- devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has formulated and adopted the CSR Policy in terms of Section 135 of the Act.

The Annual Report on CSR activities of the Company in terms of Sections 134 and Section 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is provided as **Annexure 1**, forming part of this Report.

8. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**Conservation of Energy**

Your Company is committed to pursue energy conservation practices and continues to implement eco-friendly processes for energy and water preservation to minimise any kind of environmental pollution in course of its operations. In addition to several ongoing initiatives, the Unit through its "Steam Re-Circulation" project reduced Turbulence Fan Revolutions Per Minute (RPM) from 1200 RPM to 800 RPM on certain manufacturing lines thereby resulting in reduction of electricity consumption.

Technology absorption

Your Company continues to utilize the latest automation technology to ensure adoption of different industry-wide innovations to increase efficiency in operations of the Unit.

Your Company has neither imported any technology nor incurred any expenditure on Research & Development during the year under review.

Foreign exchange earnings and outgo

There has been no foreign exchange earnings and outgo during the year under review.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has neither given any loan, guarantee nor has made any investment in terms of the provisions of Section 186 of the Act.

10. RISK MANAGEMENT

Risk management is an integral part of the Company's overall strategy and straddles its planning, execution and reporting processes and systems.

Your Board is fully committed to developing sound and effective systems for identification, assessment and mitigation of anticipated risks. Your Company believes that robust risk management systems and processes ensure adequate controls and monitoring mechanism.

Your Company operates in the food processing industry and hence food safety and hygiene are of utmost importance. In its pursuit of achieving manufacturing excellence, the unit continues to maintain FSSC 22000 Version 5.1 certification through regular surveillance audit, thereby meeting the requirements of Global Food Safety Initiative benchmarking.

Corporate policies are in place setting out the philosophy and principles under which the management needs to conduct its operations within a control driven and risk managed environment. Risk focused audits are carried out periodically by the Internal Auditors, which lead to identification of areas where risk management processes need to be strengthened. The Board monitors the internal control environment and risk management systems within the Company including implementation of the action plan emerging out of internal audit findings. Annual update is provided to the Board on the effectiveness of the Company's risk management systems and policies.

11. INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls (IFC) which form the basis of the Financial Statements are adequate and commensurate with the size and nature of business of the Company. The Company follows approved policies and standard operating procedures to prepare, review and report financial performance.

During the year under review, internal audit of the systems, processes and compliances for all major areas of operations of the Company was carried out by the Internal Audit team of ITC Limited, the Holding Company. The Internal Auditors independently evaluate adequacy of design and operating effectiveness of internal controls and compliance with policies laid down by the Company.

IFC system testing including Enterprise Risk Services audit for automated control and IT General Controls were conducted during the year by the Statutory Auditors, Messrs. Deloitte Haskins & Sells.

12. COST RECORDS

The requirement of maintenance of cost records under Section 148(1) of the Act is not applicable to the Company.

13. AUDITORS**(a) Statutory Auditors**

The Company's Statutory Auditors, Messrs. Deloitte Haskins & Sells (DHS), Chartered Accountants, who were reappointed with your approval at the 6th AGM for a further period of five years, will complete their present term on conclusion of the ensuing 11th AGM of the Company.

The Board, has recommended for the approval of the Members, the appointment of Messrs. Maheshwari & Associates, Chartered Accountants (Registration No: 311008E), as the Auditors of the Company for a period of five years from the conclusion of the ensuing 11th AGM till the conclusion of the 16th AGM and payment of remuneration to the Auditors as may be mutually agreed between the Board and the Auditors. Messrs. Maheshwari & Associates have given their consent to act as the Auditors of the Company and has confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

Appropriate resolution seeking your approval to the appointment above is appearing in the Notice convening the 11th AGM of the Company.

There were no qualification, reservation, adverse remark or disclaimer made by the Auditors in their Report on the financial statements of the Company for the year ended 31st March, 2024.

(b) Secretarial Auditors

Your Board appointed Messrs. M. R. & Associates, Practising Company Secretaries, Kolkata (CP No. 2551), as the Secretarial Auditor of the Company for the financial year ended 31st March, 2024 in terms of the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to conduct the Secretarial Audit of the Company.

The Secretarial Audit Report issued by Messrs. M R & Associates is enclosed as **Annexure 2**, forming part of this Report.

There were no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

14. PARTICULARS OF RELATED PARTY TRANSACTIONS

All related party transactions entered into by the Company during the year were in the ordinary course of business and at arm's length basis.

Material related party transactions entered by your Company during the year under review are disclosed, as required under Section 134(3)(h) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, in Form AOC -2 and is provided in **Annexure 3**, forming part of this Report.

15. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company does not have any subsidiary, joint venture or associate company.

16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year, no significant and material order has been passed by the regulators, courts, or tribunals impacting the going concern status or the Company's operations in the future.

17. PARTICULARS OF EMPLOYEES

The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to the names and other particulars of top ten employees in terms of remuneration drawn is provided in **Annexure 4**, forming part of this Report.

18. DEPOSITS

Your Company has not accepted any deposit from the public / members under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

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

Your Company provides a gender friendly workplace. To ensure a safe and progressive work environment, an Internal Complaints Committee has been constituted by the Company as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules thereunder.

During the year under review, no complaint for sexual harassment was received by the Company.

20. HUMAN RESOURCES DEVELOPMENT

Human Resource practices in your Company are guided by the principles of relevance, consistency and fairness. Your Company implements a purpose-driven culture that aligns with the Company's vision and value which is demonstrated through various people engagement programs such as "Samahroh", "Sampark", "Samvaad", etc.,

Your Company fosters employee engagement by organising events such as Sports Month, Annual Day and Annual Picnics for its employees. The Company celebrates days of National importance such as Independence Day, Republic Day and Yoga Day with its employees and also organized free medical health checkup camps during the year. Your Company continued to nurture a culture in which its employees develop competencies and skill for current and future roles through training and development programs.

Industrial Relations during the year under review was generally cordial.

The Board record their sincere appreciation of the efforts of the committed team of employees.

21. ENVIRONMENT, HEALTH AND SAFETY

Your Company's Environment, Health and Safety ("EHS") strategies are aimed at conducting environment friendly and safe operations in its Unit and providing a safe and healthy workplace for each employee. Your Company is committed to implementing environmentally sustainable initiatives in its operations. As part of this commitment, your Company implemented systems for recirculation of exhaust steam which reduced consumption of Low Viscosity Furnace Oil (LVFO) for manufacturing Line.

During the year under review, the Unit implemented various measures to enhance the safety of its employees. "Smart Earth Monitoring" unit was installed at unloading areas to eliminate any chances of fire during unloading of vehicles. Thorough calibrations and checks were also done for the entire fire alarm system of the Factory. The Unit conducted regular safety meetings with employees and management representatives to ensure compliance with safety protocols.

The Occupational Health and Safety Management System of your Company has been assessed and found to conform to the requirements of ISO 45001:2018.

ACKNOWLEDGEMENT

The Directors acknowledge the assistance and support rendered to the Company by its members, customers and business associates, banks and various authorities under the Central and State Governments and the hard work of the employees.

Your Directors look forward to the future with confidence.

By order of the Board
North East Nutrients Private Limited

Dated : 3rd May, 2024
Place : Bengaluru

(A. H. Shere)
Chairman

(N. K. Jasper)
Director

Annexure 1 to the Report of Board of Directors for the Financial Year ended 31st March, 2024

ANNUAL REPORT ON CSR ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Brief outline on CSR Policy of the Company:

North East Nutrients Private Limited, being a subsidiary of ITC Limited ('ITC'), discharges its corporate social responsibilities by aligning itself with the CSR Policy of ITC and by undertaking CSR activities in areas or subjects which are independent of the normal conduct of the Company's business and are covered under the activities listed in Schedule VII read with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company's CSR Programmes are implemented (i) directly, or (ii) through a registered public trust or registered society or a company under Section 8 of the Act, established by ITC or otherwise, having track record of at least 3 years in undertaking CSR activities, or (iii) through other eligible implementing agencies.

The Company may also collaborate with ITC or other companies for undertaking CSR Activities in such a manner that the respective companies are in a position to report separately on the CSR activities being undertaken.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Dharmarajan Ashok (Chairman of the Committee)	Non-Executive Director	2	2
2	Mr. Samrat Deka	Non-Executive Director	2	2
3	Mr. Neel Kingston Jasper	Non-Executive Director	2	2

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company – **Not Applicable**4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - **Not Applicable**

5. (a) Average net profit of the Company as per Section 135(5) - ₹ 1,470.39 Lakhs

(b) Two percent of average net profit of the Company as per Section 135(5) - ₹ 29.41 Lakhs

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years – NIL

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

(e) Total CSR obligation for the financial year [6b+6c-6d] - ₹ 29.41 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - ₹ 29.50 Lakhs

(b) Amount spent in Administrative Overheads - ₹ 15,000/-

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

(d) Total amount spent for the financial year [6a+6b+6c] - ₹ 29.65 Lakhs

(e) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)			
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	
	Amount	Date of transfer	Name of the Fund	Amount
29,65,000/-	-	-	-	-

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Section 135(5)	29,41,000
(ii)	Total amount spent for the financial year	29,65,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	24,000
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	24,000*

* The total CSR spend during the FY 2023-24 amounts to ₹ 29.65 lakhs against an obligation of ₹ 29.41 lakhs. The Company does not propose to carryforward and set off the excess expenditure of ₹ 24,000 in succeeding financial years.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6	7	8
Sl. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135 (6) (in ₹)	Amount Spent in the financial year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any	Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer	
1	2020-21	Not Applicable					
2	2021-22						
3	2022-23						

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

☐ Yes ☒ No

If Yes, enter the number of Capital assets created/ acquired

Not Applicable

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) – **Not Applicable**

Dated: 3rd May, 2024

Place: Bengaluru

(D. Ashok)
Chairman - CSR Committee
Kolkata

(S. Deka)
Director
Mangaldoi

Annexure 2 to the Report of Board of Directors for the Financial Year ended 31st March, 2024

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024

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

To
The Members,
North East Nutrients Private Limited
Kanak Towers, 3rd Floor,
7A, Anandilal Poddar Sarani
Kolkata - 700071

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NORTH EAST NUTRIENTS PRIVATE LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, We hereby report that in our opinion and to the best of our understanding, the Company has, during the audit period covering the Financial Year ended on 31st March, 2024 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2024 according to the provisions of:

- i) The Companies Act, 2013 (the Act), amendments and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the Company during the audit period)
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable to the Company during the audit period)
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; (Not applicable to the Company during the audit period)
- v) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations/guidelines/circulars as may be issued by SEBI from time to time, to the extent applicable.
- vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the audit period, as the Company is an unlisted entity:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We further report that based on the compliance certificate issued by the Management, the following laws are specifically applicable to the Company, other than general laws like factory related laws, labour laws, environment laws etc.;

- (i) Food Safety & Standards Act, 2006 and Rules made thereunder;
- (ii) Legal Metrology Act, 2009 and Rules made thereunder

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

- (i) The Listing Agreements entered into by the Company – (Not applicable to the Company during the audit period).
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India and to the extent amended and notified from time to time.

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

We further report that,

The Board of Directors of the Company is duly constituted. There were changes in the composition of the Board of Directors during the period under review. The Ministry of Corporate Affairs (MCA) vide Notification dated July 05, 2017 notified the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017, thereby exempting wholly owned subsidiary, Joint Venture and Dormant Company which are unlisted public Companies from the requirement of appointing Independent Directors and hence, no Audit Committee, Nomination and Remuneration Committee exists as on the Financial Year ended 31st March 2024.

Adequate notice is generally given to all directors to schedule the Board Meetings, agendas and detailed notes on agendas were sent at least seven days in advance; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

We further report that based on review of compliance mechanism established by the Company, we are of the opinion that the management has 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.

This Report is to be read with our letter of even date which is annexed "ANNEXURE - A" and forms an Integral Part of this Report.

For MR & Associates
Company Secretaries
A Peer Reviewed Firm
Peer Review Certificate No.: 5598/2024

Place: Kolkata
Date: 03/05/2024

[CS Mohan Ram Goenka]
Partner
FCS No.: 4515
C P No: 2551
UDIN: F004515F000298677

**ANNEXURE – A TO THE SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024**

To,
The Members,
North East Nutrients Private Limited
Kanak Towers, 3rd Floor,
7A, Anandilal Poddar Sarani,
Kolkata – 700071.

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. The verification was done on test basis to ensure that correct facts are reflected in secretarial records and also based on opinions furnished to us by the Company. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. As regards the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form MR-3, the adherence and compliance to the requirements of the said provisions is the responsibility of the management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said provisions of the Act.
6. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MR & Associates
Company Secretaries
A Peer Reviewed Firm
Peer Review Certificate No.: 5598/2024

Place: Kolkata
Date: 03/05/2024

[CS Mohan Ram Goenka]
Partner
FCS No.: 4515
C P No: 2551
UDIN: F004515F000298677

Annexure 3 to the Report of Board of Directors for the Financial Year ended 31st March, 2024

FORM AOC – 2

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Nil
2. **Details of material contracts or arrangement or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	ITC Limited, Holding Company
(b)	Nature of contracts / arrangements / transactions	Manufacturing & Sale Agreement
(c)	Duration of the contracts / arrangements / transactions	Period of 5 years effective 24th August, 2020 with an option to extend or renew on such terms as may be mutually agreed between the Company and ITC Limited.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transaction during the year ₹ 16,694.11 lakhs (including applicable taxes).
(e)	Date(s) of approval by the Board	17th August, 2020
(f)	Amount paid as advances, if any.	Nil

Dated : 3rd May, 2024
Place : Bengaluru

By order of the Board
North East Nutrients Private Limited
(A. H. SHERE) (N. K. Jasper)
Chairman Director

Annexure 4 to the Report of Board of Directors for the Financial Year ended 31st March, 2024
TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE FINANCIAL YEAR 2023-24

[Pursuant To Rules 5(2) And 5(3) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014]

Sl. No.	Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of Employment / Deputation	Position held / Previous Employment
A	B	C	D	E	F	G	H	I	J
1	Mr. Mehul Patni*	29	Chief Financial Officer	32,97,116	22,44,687	A.C.A.	7	01.07.23	Senior Manager Finance, FBD, ITC Limited
2	Mr. Suresh Kannan C.*	44	Manager – Process Excellence	27,51,985	20,27,483	Diploma in Mechanical Engineering and Plastic Mould Design	23	04.09.22	Regional Manager, South – Confectionery, FBD, ITC Limited
3	Mr. Saurabh Saraf*	38	Chief Operating Officer	27,14,462	20,05,062	B. Tech in Mechanical Engineering	14	11.05.22	Manager – Manufacturing, FBD, ITC Limited
4	Mr. Sanjeeb Kumar Kanu	52	Assistant Manager – Finance	16,80,623	14,46,023	M.Com	21	08.12.15	Deputy Manager – Accounts, FENA Private Limited
5	Ms. Savitha Bai S.*	41	Manager & Company Secretary	16,85,999	13,20,645	B.Com, A.C.S., MBL	21	01.03.16	Assistant Manager, Finance, FBD, ITC Limited
6	Mr. Mrinmoy Koushik	40	HR Manager	11,98,495	10,49,595	M.B.A. in HR	17	01.09.20	Manager HR & Admin, SRD Nutrients Private Limited
7	Mr. Rambhu Kumar Sah*	36	Unit Finance Manager	8,18,575	6,36,667	CA (Inter), CMA (Inter)	17	01.10.23	Assistant Manager – Finance, FBD, ITC Limited
8	Ms. Indu Choudhury	37	Assistant Manager – Finance	7,67,249	7,22,249	M.Com, ICWA	9	01.12.17	Assistant Manager - Accounts, North West Carrying Company
9	Mr. Anil Kumar Mandal	42	Executive – Logistic & Procurement	6,97,631	6,52,631	B.A.	17	18.12.15	Store Manager – CMJ Beverage
10	Mr. Binanda Bormudoi	37	Assistant Manager – HR & Admin	6,20,279	5,75,279	M.B.A. (HR)	14	13.05.20	HR Executive – Emami Limited

* On deputation from ITC Limited, the Holding company (ITC).

Notes:

- In respect of employees on deputation, gross remuneration disclosed above is the deputation cost which is borne by the Company.
- Gross Remuneration includes salary, allowances, performance bonus, contribution to Provident Fund & approved Pension Fund and other benefits / applicable perquisites, as the case may be, except the contribution to approved Gratuity Fund and provisions for leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net Remuneration comprises cash income less:
 - income tax, surcharge (as applicable) & education cess deducted at source.
 - Employee's own contribution to Provident Fund.
- All appointments (except deputed employees) are /were contractual in accordance with terms and conditions as per Company's rules.
- The aforesaid employees are neither relatives of any Directors of the Company nor hold any Equity share in the Company.

By order of the Board
North East Nutrients Private Limited
(A. H. SHERE) **(N. K. Jasper)**
 Chairman Director

Dated : 3rd May, 2024

Place : Bengaluru

INDEPENDENT AUDITOR'S REPORT**To the members of NORTH EAST NUTRIENTS PRIVATE LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **NORTH EAST NUTRIENTS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, but does not include the 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 conclusion thereon.
- In connection with our audit of the 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 during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the IND AS specified under section 133 of the Act. 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 financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going

concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (a) The Management has represented that, to the best of its knowledge and belief, 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note 27 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.302009E)

Ketan Vora
(Partner)

Date: May 3, 2024
Place: Mumbai

(Membership No.100459)
UDIN: 24100459BKFATF9874

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of North East Nutrients Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.302009E)

Ketan Vora
(Partner)

Date: May 3, 2024
Place: Mumbai

(Membership No.100459)
UDIN: 24100459BKFATF9874

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

- (i) In respect of property, plant and equipment:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital-work-in progress.
 - B. As the Company does not hold any intangible assets, reporting under clause 3(i) of the Order is not applicable.
 - (b) The Property, Plant and Equipment and capital work-in-progress were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals.
No material discrepancies were noticed on such verification.
 - (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its property, plant and equipment during the year. The Company does not have any intangible assets.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for

each class of inventories were noticed on such physical verification of inventories when compared with books of account.

- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.
There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
 - (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2024.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (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 (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit report issued to the Company after the balance sheet date covering the period February 2023 to December 2023.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company, subsidiary company, associate company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provisions of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.302009E)

Ketan Vora
(Partner)

(Membership No.100459)
UDIN: 24100459BKFATF9874

Date: May 3, 2024
Place: Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2024

	Note	As at 31st March, 2024 Amount (in Lakhs)	As at 31st March, 2023 Amount (in Lakhs)
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2A	5,828.74	6,260.29
(b) Capital work-in-progress	2B	6.11	–
(c) Deferred tax assets (net)	3	841.19	622.47
(d) Other non-current assets	4	62.88	73.96
Total non-current assets		6,738.92	6,956.72
Current assets			
(a) Inventories	5	908.15	1,238.93
(b) Financial assets			
(i) Investments	6	2,665.10	2,078.17
(ii) Trade receivables	7	633.73	383.13
(iii) Cash and cash equivalents	8A	257.49	70.99
(iv) Other Bank balances	8B	510.00	511.00
(v) Other financial assets	9	1.16	1.07
(c) Other current assets	4	777.51	489.92
Total current assets		5,753.14	4,773.21
Total assets		12,492.06	11,729.93
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	7,300.00	7,300.00
(b) Other equity		4,436.06	3,903.40
Total Equity		11,736.06	11,203.40
Liabilities			
Non-current liabilities			
(a) Provisions	11	146.94	127.56
Total non-current liabilities		146.94	127.56
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(A) Dues of micro, small and medium enterprises	21 (iii)	37.13	9.53
(B) Dues of creditors other than micro, small and medium enterprises		432.91	298.46
(ii) Other financial liabilities	12	15.43	22.47
(b) Provision	13	6.69	6.08
(c) Other current liabilities	14	116.90	62.43
Total current liabilities		609.06	398.97
Total equity and liabilities		12,492.06	11,729.93

The accompanying notes 1 to 28 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 302009E)

KETAN VORA

Partner

(Membership No. 100459)

Mumbai, 3rd May, 2024

For and on behalf of the Board of Directors
NORTH EAST NUTRIENTS PRIVATE LIMITED

A. H. SHERE
Chairman

(DIN 10331133)

S. DEKA
Director

(DIN 00559110)

N. K. JASPER
Director

(DIN 07462201)

MEHUL PATNI
Chief Financial Officer

SAVITHA BAI S.
Manager & Company Secretary

Bengaluru, 3rd May, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Note	For the year ended 31st March, 2024 Amount (in Lakhs)	For the year ended 31st March, 2023 Amount (in Lakhs)
I Revenue from operations	15	15,406.66	16,068.70
II Other income	16	173.22	89.98
III Total Income (I+II)		15,579.88	16,158.68
IV EXPENSES			
Cost of material consumed		9,836.49	10,349.42
Changes in inventories of finished goods		53.08	(15.90)
Employee benefits expense	17	700.60	700.09
Finance costs	18	–	9.86
Depreciation and amortization expense	2A	701.91	749.19
Other expenses	19	2,747.58	2,743.74
Total expenses (IV)		14,039.66	14,536.40
V Profit before tax (III- IV)		1,540.22	1,622.28
VI Tax expense:			
Current Tax	25	268.91	287.96
MAT credit entitlement	3	(233.57)	(262.19)
Deferred Tax	3	14.85	(1.92)
VII Profit for the year (V-VI)		1,490.03	1,598.43
VIII Other comprehensive income for the year			
Items that will not be reclassified to profit or loss:			
– Remeasurements of defined benefit plans	21 (ii)	(1.08)	15.91
VIII Total other comprehensive income for the year		(1.08)	15.91
IX Total comprehensive income for the year (VII+VIII)		1,488.95	1,614.34
X Earnings per equity share (Face Value Rs.10 per share): Basic and Diluted (in ₹)	20	2.04	2.19

The accompanying notes 1 to 28 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 302009E)

KETAN VORA

Partner

(Membership No. 100459)

Mumbai, 3rd May, 2024

For and on behalf of the Board of Directors
NORTH EAST NUTRIENTS PRIVATE LIMITED

A. H. SHERE
Chairman

(DIN 10331133)

S. DEKA
Director

(DIN 00559110)

N. K. JASPER
Director

(DIN 07462201)

MEHUL PATNI
Chief Financial Officer

SAVITHA BAI S.
Manager & Company Secretary
Bengaluru, 3rd May, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity Share Capital

Amount (in Lakhs)

	Balance at the beginning of the reporting year	Changes in Equity Share Capital due to prior period items	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2023	7,300.00	-	7,300.00	-	7,300.00
For the year ended 31st March, 2024	7,300.00	-	7,300.00	-	7,300.00

B. Other Equity

Amount (in Lakhs)

	Reserves and Surplus		Items of other comprehensive income	Total
	Capital redemption reserve	Retained earnings	Remeasurements of defined benefit plans	
Balance as at 1st April 2023	1,800.00	2,092.21	11.10	3,903.41
Profit for the year	-	1,490.03	-	1,490.03
Less: Dividend Paid	-	(956.30)	-	(956.30)
Capital Redemption Reserve	-	-	-	-
Other Comprehensive Income (Net of Tax)	-	-	(1.08)	(1.08)
Balance as at 31st March, 2024	1,800.00	2,625.94	10.02	4,436.06
Balance as at 1st April, 2022	-	2,512.78	(4.81)	2,507.97
Profit for the year	-	1,598.43	-	1,598.43
Less : Dividend Paid	-	(219.00)	-	(219.00)
Capital Redemption Reserve	1,800.00	(1,800.00)	-	-
Other Comprehensive Income (net of tax)	-	-	15.91	15.91
Balance as at 31st March 2023	1,800.00	2,092.21	11.10	3,903.41

The accompanying notes 1 to 28 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 302009E)

KETAN VORA

Partner

(Membership No. 100459)

Mumbai, 3rd May, 2024

For and on behalf of the Board of Directors

NORTH EAST NUTRIENTS PRIVATE LIMITED

A. H. SHERE

Chairman

(DIN 10331133)

S. DEKA

Director

(DIN 00559110)

N. K. JASPER

Director

(DIN 07462201)

MEHUL PATNI

Chief Financial Officer

SAVITHA BAI S.

Manager & Company Secretary

Bengaluru, 3rd May, 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2024

		For the year ended 31st March, 2024 Amount (in Lakhs)	For the year ended 31st March, 2023 Amount (in Lakhs)
A. Cash flow from operating activities			
Profit before tax		1,540.22	1,622.28
Adjustments for:			
Depreciation and amortisation expense	701.91		749.19
Finance costs	—		9.86
(Profit) / Loss on sale of fixed assets	32.13		(6.20)
Income from investments in mutual funds	(131.35)		(78.24)
Interest income	(41.86)	560.83	(5.55)
Operating profit before working capital changes		2,101.05	2,291.34
Changes in working capital:			
Adjustments for :			
Trade receivables and other current assets	(556.42)		408.00
Inventories	330.78		(45.58)
Adjustment for:			
Trade payables, other liabilities and provisions	228.40	2.76	(253.55)
Cash generated from operations		2,103.81	2,400.21
Net income tax paid		(239.61)	(269.26)
Net cash from operating activities (A)		1,864.20	2,130.95
B. Cash flow from investing activities			
Purchase of fixed assets	(348.33)		(84.74)
Proceeds from sale of fixed assets	39.71		100.34
Interest income received	41.77		9.16
Investment in Mutual Funds	(1,969.90)		(3,562.82)
Proceeds from redemption of Mutual Funds	1,514.35		3,664.65
Maturity of fixed deposit with Bank	511.00		500.00
Fixed deposit in bank	(510.00)	(721.40)	(511.00)
Net cash used in investing activities (B)		(721.40)	115.59
C. Cash flow from financing activities			
Dividend paid	(956.30)		(408.86)
Redemption of Preference Share Capital	—	(956.30)	(1,800.00)
Net cash from/(used in) financing activities (C)		(956.30)	(2,208.86)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		186.50	37.68
Cash and cash equivalents at the beginning of the year		70.99	33.31
Cash and cash equivalents at the end of the year		257.49	70.99

Note:

The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS-7 "Statement of Cash Flow"

The accompanying notes 1 to 28 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 302009E)

KETAN VORA

Partner

(Membership No. 100459)

For and on behalf of the Board of Directors
NORTH EAST NUTRIENTS PRIVATE LIMITED

A. H. SHERE
Chairman

(DIN 10331133)

S. DEKA
Director

(DIN 00559110)

N. K. JASPER
Director

(DIN 07462201)

MEHUL PATNI
Chief Financial Officer

SAVITHA BAI S.
Manager & Company Secretary

Bengaluru, 3rd May, 2024

Mumbai, 3rd May, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1. COMPANY OVERVIEW AND MATERIAL ACCOUNTING POLICIES**A. COMPANY OVERVIEW**

North East Nutrients Private Limited (the 'Company') is a Company incorporated on 5th August, 2013 with its registered office at Kolkata. The Company has a biscuits manufacturing facility at Mangaldai, Assam.

B. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Indian Accounting Standards notified under section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013, (collectively "Ind AS"). The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

C. BASIS OF PREPARATION

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair value, as explained in the accounting policies below.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis.

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

D. OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

E. PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

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

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will be realized. All other repairs and maintenance are charged to the Statement of Profit and Loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their

intended use which is generally on commissioning. Items of Property, plant and equipment are depreciated in a manner that amortises the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Buildings	30 – 60 years
Plant and Equipment	10 – 15 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years

Property, plant and equipments' residual values and useful lives are reviewed, and are treated as changes in accounting estimates, at each balance sheet date.

F. IMPAIRMENT OF ASSETS

Impairment loss, if any, is provided, to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

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

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

G. INVENTORIES

Inventories are stated at lower of cost and net realisable value. The cost of inventories is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Cost of purchased inventories are determined after deducting rebates and discounts.

Obsolete, slow moving and defective inventories are identified at the time of periodic physical verification of inventories and, where necessary, a markdown is made for such inventories.

H. FINANCIAL INSTRUMENTS, FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include investments, Trade receivable, Advances, Security Deposits, Cash & Cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Company becomes party to contractual obligations. The transaction price includes transaction costs unless the assets is being fair valued through the statement of Profit and Loss.

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

Financial assets are classified as those measured at :

- (a) Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principle and/or interest.
- (b) Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with Unrealised gains and losses arising from changes in the fair value, interest income and dividend income, if any, are recognised under 'other income' in the Statement of Profit and Loss in the period in which they arise.

Trade receivable, Advances, Security Deposits, Cash and Cash equivalents etc are classified for measurement at amortised cost while investment may fall under any of aforesaid classes.

FINANCIAL LIABILITIES

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is, when contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

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

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

I. REVENUE RECOGNITION

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods include Excise Duties and National Calamity Contingent Duty which are payable on manufacture of goods but excludes taxes such as VAT and Goods and Services Tax which are payable in respect of sale of goods and services.

Revenue from the sale of goods is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.

J. GOVERNMENT GRANT

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant.

Accordingly, government grants:

- (a) related to or used for assets are included in the Balance Sheet and deducted from the carrying amount of the asset.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised as income when they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

K. EMPLOYEE BENEFITS

The Company makes contributions to both defined benefit and defined contribution schemes. Provident Fund contributions are in the nature of defined contribution scheme. They are deposited with the Government and recognised as expense.

The Company's defined benefit gratuity plan is unfunded. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the statement of profit and loss. Gain or Loss on account of re-measurements are recognised immediately through Other Comprehensive Income in the period in which they occur.

Employee Benefits – Short-term benefits: Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

L. DIVIDEND DISTRIBUTION

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

M. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in the statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Short-term leases and leases of low-value assets: Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

N. TAXES ON INCOME

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates enacted or substantively enacted during the period, together with any adjustment to tax payable in respect of previous years. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income or Equity, are disclosed separately under Other Comprehensive Income or Equity, as applicable.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT):

MAT paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability is recognised as an asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

O. OPERATING SEGMENTS

Operating Segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Segments are organized based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

P. PROVISIONS AND CLAIMS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the

Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

In respect of claims against the Company not acknowledged as debts, a careful evaluation of the facts and legal aspects of the matter involved is undertaken and appropriately disclosed.

Q. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statement in conformity with generally accepted accounting principles requires managements to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current event and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. Useful lives of Property, Plant and equipment:

As described in the significant accounting policies, the Company reviews the estimated useful lives of Property, Plant and equipment at the end of reporting period.

ii. Fair Value measurements and valuation processes:

Some of the Company's assets are measured at fair value for financial reporting purpose. In estimating the fair value of an asset, the Company uses market-observable data to the extent it is available.

iii. Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon the assumption determined after taking into account inflation, seniority, promotion and other relevant factors. Information about such valuation is provided in the notes to the financial statements.

All figures in Lakhs

Particulars	Gross Block						
	As at 1st April, 2022	Additions	Withdrawals and adjustments	As at 31st March, 2023	Additions	Withdrawals and adjustments	As at 31st March, 2024
2A. Property, plant and equipment							
Land	397.35	–	–	397.35	307.05	–	704.40
Buildings	5,628.99	9.79	–	5,638.78	2.40	(3.93)	5,645.11
Plant and Equipment	6,495.68	78.72	103.20	6,471.20	27.03	262.11	6,236.12
Furniture and Fixtures	93.49	–	–	93.49	2.99	–	96.48
Vehicles	43.04	–	–	43.04	–	–	43.04
Office Equipment	65.57	4.01	–	69.58	2.75	(2.89)	75.22
Total	12,724.12	92.52	103.20	12,713.44	342.22	255.29	12,800.37
2B. Capital work-in-progress [Refer note 2(c)]	7.78	84.74	92.52	–	348.33	342.22	6.11
Total	12,731.90	177.26	195.72	12,713.44	690.55	597.51	12,806.48

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Particulars	Depreciation and Amortisation						Net Book Value	
	As at 1st April, 2022	For the year	Withdrawals & adjustments	As at 31st March, 2023	For the year	Withdrawals & adjustments	As at 31st March, 2024	As at 31st March, 2023
2A. Property, plant and equipment								
Land	–	–	–	–	–	–	704.40	397.35
Buildings	1,315.39	184.02	–	1,499.41	166.45	(1.46)	1,664.40	4,139.37
Plant and Equipment	4,289.75	543.80	9.06	4,824.49	520.82	(180.94)	5,164.37	1,646.70
Furniture and Fixtures	37.59	8.89	–	46.48	9.47	–	55.95	47.01
Vehicles	29.39	5.11	–	34.50	3.73	–	38.23	8.54
Office Equipment	40.90	7.37	–	48.27	1.44	(1.03)	48.68	21.30
Total	5,713.02	749.19	9.06	6,453.15	701.91	(183.43)	6,971.63	6,260.28
2B. Capital work-in-progress [Refer note 2(c)]	–	–	–	–	–	–	6.11	–
Total	5,713.02	749.19	9.06	6,453.15	701.91	(183.43)	5,834.85	6,260.28

Note 2(c) Capital Work in progress ageing analysis

As at 31st March, 2024	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	6.11	–	–	–	6.11
Project temporarily suspended	–	–	–	–	–
Total	6.11	–	–	–	6.11

2D. The Company does not have any Capital-work-in progress where completion is overdue or has exceeded its cost compared to its original plan. Intangibles under development as at 31st March, 2024 is Nil (31st March, 2023 : Nil)

	As at 31st March, 2024 Amount (in lakhs)		As at 31st March, 2023 Amount (in lakhs)	
	Current	Non-Current	Current	Non-Current
3. Deferred Tax Assets	–	841.19	–	622.47
TOTAL	–	841.19	–	622.47

Particulars	As at 1st April, 2023	Current year credit/(charge) to profit and loss account	Adjustment of MAT Credit pertaining to previous year	As at 31st Mar, 2024
Deferred Tax Assets				
MAT credit entitlement (A)	1,051.14	235.60	(2.03)	1,284.71
Deferred tax assets/(liabilities) in relation to:				
Provision for expenses (i)	42.21	3.73	–	45.94
Provision for employee benefit expenses(ii)	44.34	3.80	–	48.14
Impact of difference in carrying amount of property, plant and equipment as per tax accounts and books (iii)	(515.22)	4.07	–	(511.15)
Other timing difference (iv)	–	(26.45)	–	(26.45)
Deferred tax credit/(charge) as per profit and loss statement (B)=(i+ii+iii+iv)	(428.67)	(14.85)	–	(443.52)
Net Deferred Tax Asset (A+B)	622.47	220.75	(2.03)	841.19

Particulars	As at 1st April, 2022	Current year credit/(charge) to profit and loss account	Adjustment of MAT Credit pertaining to previous year	As at 31st Mar, 2023
Deferred Tax Assets				
MAT credit entitlement (A)	788.95	262.19	–	1,051.14
Deferred tax assets/(liabilities) in relation to:				
Provision for expenses (i)	57.85	(15.64)	–	42.21
Provision for employee benefit expenses(ii)	30.18	14.16	–	44.34
Impact of difference in carrying amount of property, plant and equipment as per tax accounts and books (iii)	(518.62)	3.40	–	(515.22)
Other timing difference (iv)	–	–	–	–
Deferred tax credit/(charge) as per profit and loss statement (B)=(i+ii+iii+iv)	(430.59)	1.92	–	(428.67)
Net Deferred Tax Asset (A+B)	358.36	264.11	–	622.47

	As at 31st March, 2024 Amount (in lakhs)		As at 31st March, 2023 Amount (in lakhs)	
	Current	Non-Current	Current	Non-Current
4. Other Non-Current & Current Assets				
(A) Advances other than capital advances				
Unsecured, considered good				
i) Security Deposits				
1) With statutory authorities	–	51.45	–	51.45
ii) Advance Tax	–	11.43	–	22.51
iii) Advance with Government authorities	737.62	–	454.27	–
iv) Prepaid expenses	25.88	–	18.32	–
v) Other advances	14.01	–	17.33	–
TOTAL	777.51	62.88	489.92	73.96

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

	As at 31st March, 2024 Amount (in lakhs)		As at 31st March, 2023 Amount (in lakhs)	
	Current	Non-Current	Current	Non-Current
5. Inventories				
(At lower of cost or net realisable value)				
Raw materials (including packing materials)	452.33	–	709.19	–
Finished goods (manufactured)	99.89	–	152.96	–
Stores and spares	355.93	–	376.78	–
TOTAL	908.15	–	1,238.93	–
	As at 31st March, 2024 Amount (in lakhs)		As at 31st March, 2023 Amount (in lakhs)	
6. Investments - Current				
Investment in Mutual Funds (mandatorily measured at FVTPL)	2,665.10		2,078.17	
TOTAL	2,665.10		2,078.17	
6.1. Details of Investment in mutual funds				
ICICI Prudential Liquid Fund - Growth				
108867.31 (2023 - NIL) Units of ₹ 100 each	385.80		–	
HDFC Liquid Fund - Growth				
10701.186 (2023 - NIL) Units of ₹ 100 each	502.73		–	
SBI Liquid Fund Regular Growth				
16,616.01 (2023 - 16616.009) Units of Rs. 1,000 each	622.38		580.91	
UTI Liquid Cash Plan - Regular Plan - Growth				
19002.268 (2023 - 31444.189) Units of ₹ 1,000 each	746.15		1,151.96	
Axis Liquid Fund - Regular Growth				
15314.98 (2023 - 13,899.96) Units of ₹ 1,000 each	408.04		345.30	
TOTAL	2,665.10		2,078.17	
7. Trade Receivables - Current				
Unsecured, considered good (Refer note 23)	633.73		383.13	
TOTAL	633.73		383.13	
8A. Cash and cash equivalents				
Balances with Banks				
In Current account	30.49		70.99	
In Deposit account	227.00		–	
TOTAL	257.49		70.99	
The Company does not have any significant cash and cash equivalents that are not available for use.				
@ Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less				
8B. Other Bank balance				
In deposit accounts#	510.00		511.00	
TOTAL	510.00		511.00	
# Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date				
9. Other Financial Assets				
Interest accrued but not due on fixed deposits with a bank	1.16		1.07	
TOTAL	1.16		1.07	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 Amount (in lakhs)	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 Amount (in lakhs)
10. Equity Share capital				
Authorised				
Equity shares of ₹ 10.00 each	7,50,00,000	7,500.00	7,50,00,000	7,500.00
Preference shares of ₹ 100.00 each	20,00,000	2,000.00	20,00,000	2,000.00
Issued, Subscribed and paid up				
Equity Shares of ₹ 10 each, fully paid	7,30,00,000	7,300.00	7,30,00,000	7,300.00
A) Reconciliation of number of Equity Shares outstanding				
As at beginning of the year	7,30,00,000	7,300.00	7,30,00,000	7,300.00
Add: Issue of Shares	—	—	—	—
As at end of the year	7,30,00,000	7,300.00	7,30,00,000	7,300.00
B) Shareholders holding more than 5% of the Equity Shares in the Company and Promoters Holding				
	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 %	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 %
ITC Limited (Holding Company)	5,54,80,000	76.00	5,54,80,000	76.00
Mukul Chandra Deka	43,80,000	6.00	43,80,000	6.00
Rajib Kumar Deka	43,80,000	6.00	43,80,000	6.00
Anupam Deka	43,80,000	6.00	43,80,000	6.00
Samrat Deka	43,80,000	6.00	43,80,000	6.00
C) Rights, preferences and restrictions attached to the Equity Shares				
The Equity Shares of the Company, having par value of ₹ 10 per share, rank pari passu in all respects including voting rights and entitlement to dividend.				
D) No shares are bought back by the Company during the period of five years immediately preceding the Balance Sheet date.				
E) No shares are allotted without payment being received in cash during the five years immediately preceding the Balance Sheet date.				
F) No bonus shares are allotted during five years immediately preceding the Balance Sheet date.				
		As at 31st March, 2024 Amount (in lakhs)	As at 31st March, 2023 Amount (in lakhs)	
11. Provisions -non current				
Provision for employee benefits [Refer note 21(ii)(a)]				
Retirement benefits		146.94		127.56
TOTAL		146.94		127.56
12. Other Financial liabilities				
Other payables		15.43		22.47
TOTAL		15.43		22.47
13. Provisions - Current				
Provision for employee benefits [Refer Note 21(ii)(a)]				
Retirement benefits		6.69		6.08
TOTAL		6.69		6.08
14. Other current liabilities				
Statutory liabilities		116.90		62.43
TOTAL		116.90		62.43
		For the year ended 31st March, 2024 Amount (in lakhs)	For the year ended 31st March, 2023 Amount (in lakhs)	
15. Revenue from operations				
Sale of products		14,147.56		14,884.13
Revenue from sale of products		14,147.56		14,884.13
Other operating revenues				
Subsidies - GST, Insurance & Freight		1,146.29		1,088.35
Income from scrap sale		112.81		96.22
TOTAL		15,406.66		16,068.69
16. Other income				
Interest income from bank deposits measured at amortised cost		38.16		1.91
Income from Investments in Mutual Fund*		131.35		78.24
Income from Security Deposit		3.71		3.63
Profit on sale of fixed assets		—		6.20
TOTAL		173.22		89.98
*Income from investment in mutual fund comprises				
a) Financial assets mandatorily measured at FVTPL ₹ 90.81 Lakhs (2023 - ₹ 37.33 Lakhs)				
b) Net gain on sale of investments ₹ 40.54 Lakhs (2023 - ₹ 40.90 Lakhs)				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

	For the year ended 31st March, 2024 Amount (in lakhs)	For the year ended 31st March, 2023 Amount (in lakhs)
17. Employee benefits expense		
Salaries and wages	550.79	546.43
Contribution to provident and other funds	31.34	31.88
Staff welfare expenses	118.47	121.78
TOTAL	700.60	700.09
18. Finance cost		
Preference dividend	—	9.86
TOTAL	—	9.86
19. Other Expenses		
Power and fuel	751.22	759.80
Consumption of stores and spare parts	189.34	188.56
Rent	82.28	72.40
Rates and taxes	9.75	11.50
Insurance	38.99	39.98
Repairs		
- Machinery	30.26	17.05
- Building	0.19	21.49
- Others	33.89	21.20
Outward freight and handling charges	340.32	318.48
Contractual charges	910.71	939.93
Information technology services	35.33	48.44
Travelling and conveyance	14.79	14.92
Consultancy / professional fees	222.09	245.80
Loss on sale of fixed assets	32.13	—
Corporate social responsibility expenses	29.65	22.14
Miscellaneous expenses	26.64	22.05
TOTAL	2,747.58	2,743.74
Consultancy / professional fees include :		
Auditors' remuneration and expenses *		
statutory audit fees	8.00	8.00
tax audit fees	1.25	1.25
fee for limited review	—	0.50
reimbursement of expenses	0.62	0.30
	9.87	10.05
* Excluding taxes		
20. Earnings per equity share has been computed as under:		
(a) Profit for the year (₹)	1,490.03	1,598.43
(b) Weighted average number of Equity shares outstanding	7,30,00,000	7,30,00,000
(c) Earnings per equity share on profit for the year (Face value ₹ 10.00 per share)	10.00	10.00
— Basic and diluted [(a)/(b)]	2.04	2.19

21. Additional Notes to the Financial Statements**21. (i) Contingent liabilities and commitments :**

(a) Contingent liabilities: Nil (2023 - Nil)

(b) Commitments

- Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for: ₹ 15.70 lakhs (2023 - 10.38 lakhs).

21. (ii) (a) Defined Benefit Plans - As per Actuarial Valuations as on 31st March, 2024 and recognized in the financial statements in respect of gratuity:**Description of Plans**

The liabilities arising in the defined benefit scheme of gratuity are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method.

Risk Management

The defined benefit plan of gratuity exposes the Company to actuarial deficit arising out of interest rate risk, salary cost inflation risk, longevity risk. These plans are not exposed to any unusual, entity specific or scheme specific risks but there are general risks. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the Government security yields. A decrease in yields will increase the liabilities, leading to accounting deficit in the funds. Increase in salary due to adverse inflationary pressures might lead to higher liabilities. The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Particulars		For the year ended 31st March, 2024 in lakhs	For the year ended 31st March, 2023 in lakhs
		Gratuity	Gratuity
		Unfunded	Unfunded
I	Components of Employer Expense		
	- Recognised in Profit or Loss		
1	Current service cost	22.07	25.34
2	Past service cost	-	-
3	Net interest cost	9.54	7.99
4	Total expense recognised in the Statement of Profit and Loss	31.61	33.33
	Re-measurements recognised in other comprehensive income		
5	(Return) on plan assets (excluding amounts included in Net interest cost)	-	-
6	Effect of changes in demographic assumptions	(0.00)	(0.00)
7	Effect of changes in financial assumptions	(8.88)	(12.99)
8	Changes in asset ceiling (excluding interest income)	-	-
9	Effect of experience adjustments	(7.80)	(2.92)
10	Total re-measurements included in Other Comprehensive Income	1.08	(15.91)
11	Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (4+10)	32.69	17.42
	Particulars	Gratuity	Gratuity
II	Actual returns	-	-
III	Net Asset/(Liability) recognised in Balance Sheet		
1	Present value of Defined Benefit Obligation	153.63	133.64
2	Fair value of plan assets	-	-
3	Status [Surplus/(Deficit)]	(153.63)	(133.64)

Net Asset/(Liability) recognised in Balance Sheet		As at 31st March, 2024		As at 31st March, 2023	
		Current	Non-current	Current	Non-current
Gratuity		6.69	146.94	6.08	127.56

Particulars		As at 31st March, 2024 in lakhs	As at 31st March, 2023 in lakhs
		Gratuity	Gratuity
IV	Change in Defined Benefit Obligation (DBO)		
1	Present value of DBO at the beginning of the year	133.64	120.30
2	Current service cost	22.07	25.34
3	Interest cost	9.54	7.99
4	Cash flows	(12.70)	(4.08)
5	Remeasurement losses / (gains):	-	-
	Effect of changes in demographic assumptions	-	-
	Effect of changes in financial assumptions	8.88	(12.99)
	Effect of experience adjustments	(7.80)	(2.92)
6	Present Value of DBO at the end of the year	153.63	133.64

V	Actuarial Assumptions	As at 31st March, 2024	As at 31st March, 2023
1	Discount rate	7.00%	7.50%
2	Weighted expected rate of salary increase	12%	12%
3	Retirement age	60	60
4	Attrition rate	8%	8%
5	Mortality table	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
	The estimates of future salary increase, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		

Sensitivity analysis

	Particulars	As at 31st March, 2024	As at 31st March, 2023
1	Discount rate +100 basis points	136.63	118.88
2	Discount rate -100 basis points	174.07	151.39
3	Salary Increase Rate +1%	172.31	149.95
4	Salary Increase Rate -1%	137.67	119.74
5	Attrition Rate +1%	147.13	128.15
6	Attrition Rate -1%	161.20	140.03

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

- (b) Provident Fund contributions are in the nature of defined contribution scheme. They are deposited with the Government and recognised as expense. Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 17 ₹ 31.34 Lakhs (2023 - ₹ 31.88 Lakhs).
- (c) Leave is paid on a yearly basis and is not considered to be a long-term retirement benefit.
21. (iii) Micro, Small and Medium scale business entities:
Payable to Micro and Small Enterprises as at 31st March 2024 is ₹ 37.13 Lakhs (2023 - ₹ 9.53 Lakhs) on account of trade payables and Nil (2023 - Nil) on account of other current liabilities. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; - Principal - Interest	Principal - Rs.37.13* Interest - Nil	Principal - Rs.9.53* Interest - Nil
The amount of interest paid by the buyer in terms of section 16 of the Micro, small, and medium enterprises Development Act, 2006 (the Act) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the said Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

*Dues not outstanding for more than 45 days.

21. (iv) The Company has entered into cancellable operating lease arrangement for office space, residential accommodation and plant & equipment. The lease rentals payable is charged as 'Rent' under Note 19.
21. (v) The Company operates in a single business segment of manufacturing biscuits and the principal geographical segment is India. The chief operating decision maker (CODM) is the Board of Directors. The entire sales of finished goods of the Company are to ITC Limited (Holding Company).
21. (vi) Financial instruments and related disclosures

1. Capital Management

The Company funds its operations through equity. The Company aims to maintain an adequate supply of funds towards future growth of its business as a going concern.

The capital structure of the Company consists of equity of ₹ 11,736.06 Lakhs and no debt. The Company is not subject to any externally imposed capital requirement.

2. Categories of Financial Instruments

Particulars		Note	As at 31st March, 2024		As at 31st March, 2023	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets						
a) Measured at amortised cost						
	i) Cash and Cash Equivalents	8A	257.49	257.49	70.99	70.99
	ii) Other Bank Balances	8B	510.00	510.00	511.00	511.00
	iii) Trade Receivables	7	633.73	633.73	383.13	383.13
	iv) Other Financial Assets	9	1.16	1.16	1.07	1.07
b) Measured at Fair Value Through Profit or loss						
	i) Investment in Mutual Funds	6	2,665.10	2,665.10	2,078.17	2,078.17
	Total financial assets		4,067.48	4,067.48	3,044.36	3,044.36
B. Financial liabilities						
a) Measured at amortised cost						
	ii) Trade Payables		470.05	470.05	307.99	307.99
	iii) Other financial liabilities	12	15.43	15.43	22.47	22.47
	Total financial liabilities		485.48	485.48	330.46	330.46

3. Financial risk management objectives

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

Market risk

The Company is not an active investor in Equity market. The Company's investments are predominantly held in debt mutual funds. The Company also invest in mutual fund schemes of leading fund houses. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

which the Company has invested such price risk are not significant. Commodity price risk arising out of movement of prices of raw materials, packing materials, consumables etc. are transferred to customers. Derivative transactions are not undertaken. .

i. Interest rate risk

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

ii. Commodity Price risk

The Company's exposure to commodity price risk is negligible as it follows the policy of passing on such risk to its customers and maintain adequate inventory cover for its operations.

a) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due.

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

Particulars	As at 31st March, 2024						
	Contractual Cash flows* (Figures in lakhs)						
	Carrying value	Less than 3 months	More than 3 months upto 6 months	More than 6 months upto 1 year	More than 1 year upto 3 years	Beyond 3 years	Total
Trade Payables	470.05	470.05	–	–	–	–	470.05
Other Financial Liabilities	15.43	15.43	–	–	–	–	15.43
	485.48	485.48	–	–	–	–	485.48

Particulars	As at 31st March, 2023						
	Contractual Cash flows* (Figures in lakhs)						
	Carrying value	Less than 3 months	More than 3 months upto 6 months	More than 6 months upto 1 year	More than 1 year upto 3 years	Beyond 3 years	Total
Trade Payables	307.99	307.99	–	–	–	–	307.99
Other Financial Liabilities	22.47	22.47	–	–	–	–	22.47
	330.46	330.46	–	–	–	–	330.46

* The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay. The table includes principal cash flows.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company.

The Company has sales to a single customer which is also the holding Company. Hence, there is no credit risk to the Company.

4. Fair value measurement

Fair value hierarchy

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

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

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

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

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable.

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

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables and payables and other current financial assets and liabilities are equal to the carrying amounts of these items due to their short – term nature.

There has been no change in the fair valuation methodology as compared to previous year.

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

Particulars	Fair Value Hierarchy (Level)	Fair Value	
		As at 31st March, 2024	As at 31st March, 2023
A. Financial assets			
Measured at Fair Value Through Profit or Loss			
Investment in Mutual Funds	1	2,665.10	2,078.17
Total financial assets		2,665.10	2,078.17
B. Financial liabilities			
Measured at amortised cost		–	–
Total financial liabilities		–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

21. (vii) Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities :

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) Amount required to be spent by the company during the year	29.50	21.78
(ii) Amount of expenditure incurred	29.65	22.14
(iii) Shortfall at the end of the year	Nil	Nil
(iv) Total of previous years shortfall	Nil	Nil
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities	Promoting education among children through digital means	Promoting education among children through digital means; contribution to Clean Ganga Fund
(vii) Details of related party transactions	NA	NA
(viii) Where a provision is made with respect to a liability incurred by entering a contractual obligation	NA	NA

CSR expenditure does not include any spends on construction / acquisition of assets.

21. (viii) The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after 1st April, 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the financial statements of the Company.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases. There is no impact on the financial statements of the Company on account of the aforesaid amendment.

22. Trade payables

Aging of trade payables:

(₹ in Lakhs)

Trade Payable as on 31.03.2024	Outstanding for the following periods from due date						
	Not Due	Unbilled Payable	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
MSME	37.13	-	-	-	-	-	37.13
Others	264.64	168.27	-	-	-	-	432.91
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-	-
Total	301.77	168.27	-	-	-	-	470.04

Trade Payable as on 31.03.2023	Outstanding for the following periods from due date						
	Not Due	Unbilled Payable	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
MSME	9.53	-	-	-	-	-	9.53
Others	124.32	174.14	-	-	-	-	298.46
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-	-
Total	133.85	174.14	-	-	-	-	307.99

23. Trade receivables

Aging for trade receivables:

(₹ in Lakhs)

Trade Receivables as on 31.03.2024	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables							
- considered good	633.73	-	-	-	-	-	633.73
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-	-
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Total Receivable	633.73	-	-	-	-	-	633.73

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

Trade Receivables as on 31.03.2023	Unbilled Receivable	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables							
- considered good	383.13	-	-	-	-	-	383.13
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Total Receivable	383.13	-	-	-	-	-	383.13

24. Financial Ratios

Ratio (numerator/denominator)	For the period ended 31st March 2024	For the period ended 31st March 2023	% Variance	Reason for variance
Current Ratio (Current Assets/Current Liabilities)	9.45	11.96	-21%	-
Debt-Equity Ratio (Debt/Equity)	NA	NA	NA	-
Debt Service Coverage Ratio (Earnings for Debt Service*/Debt Service#)	NA	1.18	NA	-
Return on Equity (PAT/Closing Net Worth)	13%	14%	-11%	-
Inventory Turnover Ratio (Sales/Closing Inventory)	15.6	12.0	30%	Lower inventory at the year end
Trade Receivables turnover ratio (Sale/Closing Trade Receivables)	22.3	38.8	-43%	Higher trade receivables at the year end
Trade Payables turnover ratio (Sale/Closing Trade Payables)	30.1	48.3	-38%	Higher trade payables at the year end
Net Capital turnover Ratio (Sale /Working Capital**)	2.8	3.4	-19%	-
Net Profit Ratio (Net Profit/Sales)	10.5%	10.7%	-2%	-
Return on Capital employed (PBIT/Capital Employed)	12.6%	14.0%	-10%	-
Return on Investment (Income from Treasury Surplus/Average Treasury Surplus)	7.27%	5.96%	22%	-

*Earnings for Debt Service: Profit for the year + Depreciation + Finance Cost

Debt service includes redemption of preference shares and dividend paid thereupon

**Working Capital: Current Assets - Current Liabilities

25. Tax Expense

		Amount (in Lakhs)	
(a)	Income Tax recognised in statement of Profit & Loss Particulars	For the year ended 31st Mar, 2024	For the year ended 31st Mar, 2023
	Current tax		
	In respect of the current year		
	Provision for MAT	233.57	262.19
	Add: Tax as per normal Income tax provisions	35.34	25.77
	Total	268.91	287.96
	Less : MAT credit	(233.57)	(262.19)
		35.34	25.77
	Deferred Tax		
	In respect of the current year	14.85	(1.92)
		50.19	23.85
(b)	Income Tax recognised in other comprehensive income Particulars	For the year ended 31st Mar, 2024	For the year ended 31st Mar, 2023
	Deferred Tax		
	Reimbursement of defined benefit obligation	-	-
	Total Income Tax recognised in other comprehensive income	-	-
(c)	Reconciliation of Tax expense and accounting profit Particulars	For the year ended 31st Mar, 2024	For the year ended 31st Mar, 2023
	Profit before tax	1,540.22	1,622.28
	Applicable Tax Rate (Current Tax)	27.82%	26.00%
	Income Tax calculated at applicable rate	428.49	421.79
	Adjustment on account of :		
	Incentive U/s 80IE timing difference	(382.47)	(412.32)
	Adjustments related to previous year	(4.08)	6.10
	Permanent differences	8.25	8.28
		(378.30)	(397.94)
	Income tax expense recognised in statement of profit and loss(A+B)	50.19	23.85

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

26. Related Party Disclosures

1 The company has the following related parties

Holding Company

ITC Limited

Key Management Personnel

Paritosh Wali

Non- Executive Chairman (till 14.02.2024)

Ali Harris Shere

Non- Executive Chairman (w.e.f. 15.02.2024)

Neel Kingston Jasper

Non- Executive Director

Dharmarajan Ashok

Non- Executive Director

Samrat Deka

Non- Executive Director

Members- Management Committee:

Srikanth Yanduru

Chief Financial Officer (till 30.04.2023)

Mehul Patni

Chief Financial Officer (w.e.f. 12.07.2023)

Savitha Bai S.

Manager & Company Secretary

2 Related Parties with whom the Company had transactions

ITC Limited

Holding Company

ITC Infotech India Limited

Fellow Subsidiary

M/s Sunandaram Deka

Partnership firm in which one of the directors is a partner

M/s Repose

Partnership firm in which one of the directors is a partner

M/s Repose Highway Private Limited

Partnership firm in which one of the directors is a partner

Key Management Personnel

Savitha Bai

Manager & Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

26. Related Party Disclosures (contd.)

(All Figure in Lakhs)

3. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31ST MARCH, 2024

RELATED PARTY TRANSACTIONS SUMMARY	Holding Company ITC Limited	Fellow Subsidiaries ITC Infotech India Limited		M/s Sunandaram Deka				Firm in which Director is interested				M/s Repose Highway Private Limited		KMP		Total	
		2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
1 Sale of goods (incl GST)	16,816.24	17,619.15	-	-	-	-	-	-	-	-	-	-	-	-	-	16,816.24	17,619.15
2 Sale of capital goods (incl GST)	46.86	118.51	-	-	-	-	-	-	-	-	-	-	-	-	-	46.86	118.51
3 Purchase of goods / services (incl GST)	34.74	131.91	-	-	-	0.29	0.39	8.90	3.57	0.29	1.12	-	-	-	-	38.89	142.32
4 Leasing or rental services (incl GST)	41.22	41.50	-	-	-	-	-	-	-	-	-	-	-	-	-	41.22	41.50
5 Management services (incl GST)	-	-	8.78	8.78	218.06	218.06	218.06	-	-	-	-	-	-	-	-	226.84	226.84
6 Labour contract services (incl GST)	-	-	-	-	1,008.33	1,061.86	1,061.86	-	-	-	-	-	-	-	-	1,008.33	1,061.86
7 Internal Audit fees (incl GST)	2.53	2.54	-	-	-	-	-	-	-	-	-	-	-	-	-	2.53	2.54
8 Preference dividend / Interest	-	9.86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.86
9 Repayment of Preference Share Capital	-	1,800.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,800.00
10 Dividend Paid	726.79	166.44	-	-	-	-	-	-	-	-	-	-	-	57.38	13.14	784.17	179.58
11 Reimbursement to Directors & other KMPs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Savitha Bai	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05	-	0.05
12 Remuneration of managers on deputation reimbursed	115.71	109.00	-	-	-	-	-	-	-	-	-	-	-	-	-	115.71	109.00

RELATED PARTY BALANCES	Holding Company ITC Limited	Fellow Subsidiaries ITC Infotech India Limited		M/s Sunandaram Deka				Firm in which Director is interested				M/s Repose Highway Private Limited		KMP		Total	
		2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Balances as at 31st March, 2024 (unsecured unless otherwise stated)																	
1 Receivables*	633.73	383.13	-	-	-	-	-	-	-	-	-	-	-	-	-	633.73	383.13

* The amount of receivable from ITC Limited will be settled in cash. ₹ 633.73 lakhs (PY ₹ 383.13 lakhs)

27. The Board of Directors at their meeting held on 3rd May, 2024 recommended a dividend of Rs. 2.00 per equity share for the financial year ended 31st March, 2024 aggregating to Rs. 1,460.00 Lakhs, for the approval of shareholders at the ensuing Annual General Meeting.

28. The financial statements were approved for issue by the Board of Directors on 3rd May, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

For and on behalf of the Board of Directors

A. H. SHERE
Chairman
(DIN 10331133)
MEHUL PATNI
Chief Financial Officer

N. K. JASPER
Director
(DIN 07462201)
SAVITHA BAI S.
Manager & Company Secretary

Bengaluru, 3rd May, 2024

REPORT OF THE BOARD OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their 30th Report for the financial year ended 31st March, 2024.

2. ECONOMIC ENVIRONMENT

The year under review witnessed financial market volatility in both domestic and global markets due to uncertainty regarding when Central Banks would begin to unwind the restrictive Monetary Policy conditions imposed in previous years in response to high inflation. In the current financial year, emerging market economies have seen a sustained decline in inflation accompanied by lower economic growth. In contrast, the US economy experienced robust economic growth and persistent inflation. This divergence delayed any coordinated efforts to ease the tight Policy conditions.

India continued to remain a bright spot in the global economy with Real GDP estimated to have grown by 7.6% in FY 2023-24 (vs. 7% in FY 2022-23) led by Government's thrust on infrastructure spending. Domestic inflation also moderated in the current year to 5.4% from 6.7% in FY 2022-23. India's external sector balance position also improved in the current year on the back of lower goods deficit, higher services export and strong remittance flows. Current Account deficit for FY 2023-24 is estimated to be around 0.8%, as against 2% in FY 2022-23.

In the above backdrop, the Reserve Bank of India maintained status-quo on Policy interest rates but took steps to tighten liquidity conditions in the Banking system towards end of September 2023. As a result, market interest rates for short tenure securities, which had been declining, reversed their trajectory and closed the year higher than their opening levels. In contrast, interest rates at the longer end inched lower due to positive macro-economic developments such as inclusion of Indian G-secs in JP Morgan's Emerging Market Bond Index, robust foreign portfolio inflows into Indian financial markets and progress on fiscal consolidation.

3. FINANCIAL PERFORMANCE

Your Company delivered another year of good performance across all financial parameters. Revenue from operations for the year was ₹ 5,667.70 lakhs (previous year: ₹ 4,456.26 lakhs) and Net Profit for the year was ₹ 3,939.16 lakhs (previous year: ₹ 3,829.80 lakhs), mainly due to higher yields on deployment of funds by the Company on account of increase in market interest rates during the year. Total Comprehensive Income for the year stood at ₹ 44,267.45 lakhs (previous year: ₹ 5,523.75 lakhs), reflecting higher mark-to-market gains from the long-term strategic investments vis-à-vis the previous year. Your Company continues to closely monitor its investments in line with market interest rate movements and explore opportunities to make strategic investments for the ITC Group. Temporary surplus liquidity of your Company is primarily deployed in debt mutual funds, bonds, government securities, bank fixed deposits and certificates of deposits.

The financial results of your Company, summarised, are as under:

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
Profits		
a. Profit Before Tax	4,877.72	4,367.70
b. Less : Tax Expense	938.56	537.90
c. Profit After Tax	3,939.16	3,829.80
d. Add : Other Comprehensive Income	40,328.29	1,693.95
e. Total Comprehensive Income	44,267.45	5,523.75
Retained Earnings		
a. At the beginning of the year	9,950.22	7,274.84
b. Add : Profit for the year	3,939.16	3,829.80
c. Add : Other Comprehensive Income	(0.29)	(0.57)
d. Less : Transfer from Retained Earnings to Special Reserve	787.83	765.96
e. Less : Dividend paid	1,874.79	387.89
f. Add : Transfer from Equity Instruments through Other Comprehensive Income on sale of equity shares	86.78	-
g. At the end of the year	11,313.25	9,950.22

4. DIVIDEND

The Directors of your Company are pleased to recommend a Final Dividend of ₹ 0.30 per Equity Share (previous year ₹ 0.29 per Equity Share) of ₹ 10/- each (to be paid in proportion to the amount paid-up on each Equity Share), aggregating ₹ 1,939.44 lakhs, for the financial year ended 31st March, 2024.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Changes in Directors

Mr. Jagdish Singh (DIN: 00042258) and Mr. Subramani Suresh Kumar (DIN: 09746199) were appointed, with your approval, as Non-Executive

Directors of the Company. There were no other changes in the Board of Directors of the Company ('the Board').

(b) Changes in Key Managerial Personnel

Ms. Nidhi Bajaj ceased to be the Manager of the Company with effect from close of work on 30th September, 2023 on completion of her term approved by the Shareholders. She however continues to be the Company Secretary of the Company.

Mr. Aditya Marodia stepped down as the Chief Financial Officer ('CFO') of the Company with effect from close of work on 31st December, 2023. The Board, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Marodia as the Manager of the Company for a period of one year with effect from 1st January, 2024, in terms of the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 ('the Act'), subject to the approval of the Members of the Company. Appropriate resolution seeking your approval to Mr. Marodia's appointment as Manager is appearing in the Notice convening the ensuing Annual General Meeting ('AGM') of the Company.

Further, the Board on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Vishal Luharuka as the CFO of the Company with effect from 1st January, 2024, in terms of the provisions of Section 203 of the Act.

(c) Attributes, qualifications and appointment of Directors

In terms of the Corporate Governance Policy of your Company, the Board will comprise such number of Directors as it may deem fit within the limits prescribed by the statute. In terms of the Articles of Association of your Company, the strength of the Board shall not be fewer than three nor more than twelve.

As reported in earlier years, the attributes and qualifications of the Directors provided in Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 were adopted by the Nomination and Remuneration Committee. In terms of the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the Company has a Policy for ascertaining 'fit and proper criteria' of Directors, approved by the Board. All the Directors of the Company fulfil the said fit and proper criteria for appointment as Directors. Due diligence for this purpose is undertaken by the Nomination and Remuneration Committee at the time of appointment of Directors.

(d) Retirement by Rotation

All the Directors of the Company are liable to retire by rotation and one-third of them retire every year and are eligible for re-election. In accordance with the provisions of Section 152 of the Act read with the Articles of Association of the Company, Ms. Priti Balaji (DIN: 08900013) and Mr. Supratim Dutta (DIN: 01804345), Directors, will retire by rotation at the ensuing AGM of the Company, and being eligible, offer themselves for re-election. Your Board has recommended their re-election.

(e) Board evaluation

The Board carried out annual performance evaluation of its own performance and that of the individual Directors as also functioning of the Board Committees, in terms of Section 134 of the Act. The performance evaluation of the Board and the Directors, as in the previous year, was based on criteria approved by the Nomination and Remuneration Committee. Reports on functioning of the Board Committees were placed before the Board.

(f) Remuneration Policy

The Remuneration Policy of the Company for the Key Managerial Personnel, Senior Management and other employees, as approved by the Board, is enclosed as **Annexure 1** to this Report.

6. BOARD AND BOARD COMMITTEES

During the financial year 2023-24, nine Board meetings were held. The Company presently has six Board Committees, details of which are given in the Report and Accounts under the section 'Report on Corporate Governance'.

7. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts for the financial year ended 31st March, 2024, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at

the end of the financial year and of the profit of the Company for that period;

- iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) prepared the Annual Accounts on a going concern basis; and
- v) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

8. DISCLOSURES UNDER RBI REGULATIONS

The disclosures as required under the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and other applicable RBI Directions are provided in the Notes to the Financial Statements of the Company, and the Schedule required in terms of the aforesaid Directions is appended to the Balance Sheet.

9. SUBSIDIARY AND ASSOCIATES

The statement in Form AOC-1 containing the salient features of the financial statements of the Company's subsidiary and associates is attached to the Financial Statements of the Company.

During the financial year 2023-24, the Company sold its entire shareholding in International Travel House Limited ('ITHL') and Maharaja Heritage Resorts Limited ('MHRL') to ITC Limited, consequent to which ITHL and MHRL ceased to be associates of the Company.

The Company, being an intermediate wholly owned subsidiary, is not required to prepare Consolidated Financial Statements. However, brief details of the performance and financial position of the Company's subsidiary and associates are given below:

Name of Subsidiary / Associates	Total Income / Revenue		Net Profit / (Loss)	
	FY 2023-24 (₹ in lakhs)	FY 2022-23 (₹ in lakhs)	FY 2023-24 (₹ in lakhs)	FY 2022-23 (₹ in lakhs)
Subsidiary company				
Greenacre Holdings Limited	1,160.90	829.95	281.56	199.35
Associate companies				
Divya Management Limited	104.16	74.16	55.48	42.14
Antrang Finance Limited	77.20	53.55	46.09	31.85
Russell Investments Limited	507.13	354.77	380.35	251.99

10. HUMAN RESOURCES

Human Resource Development practices in your Company are aligned with those of the Holding Company, ITC Limited, and are guided by the principles of relevance, consistency and fairness. A productive workplace has been and remains a key requirement for successful business performance of your Company. The Company had 10 (ten) employees as on 31st March, 2024, including four employees on deputation from ITC Limited.

The details of employees of the Company as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including details of employees who had drawn remuneration more than the limit specified in the said Rule, are provided in **Annexure 2** to this Report.

The Company seeks to create equal opportunities for men and women and is committed to a gender-friendly workplace. Your Company has an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint for sexual harassment was received.

11. WHISTLEBLOWER MECHANISM

The Company has formulated a Whistleblower Policy in compliance with the RBI Regulations. The said Policy encourages Directors and employees to bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, or actions that affect the financial integrity of the Company, that could adversely impact the Company's operations, business performance and / or reputation. Such incidents, when reported, are investigated in an impartial manner and appropriate action is taken to ensure that the requisite standards of professional and ethical conduct are always upheld. During the year under review, no complaint under the Whistleblower Policy was received.

12. RISK MANAGEMENT

The Company's risk management framework addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company. Management of risks vests with the executive management

which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. The Internal Auditor of the Company periodically carries out risk focused audits with the objective of identifying areas where risk management processes could be strengthened.

The Risk Management Committee periodically reviews the risk management framework of the Company, with the objective of addressing the existing and emerging challenges in a dynamic business environment. The Company has a Liquidity Risk Management Policy in terms of which the overall responsibility for management of liquidity risk vests with the Board. The Asset Liability Management Committee monitors the liquidity risks, if any, of the Company at periodic intervals. The IT Strategy Committee reviews and monitors the cyber security risks in the Company. In addition, the Audit Committee and the Board annually review the effectiveness of the Company's risk management systems and policies.

A combination of policies and processes as outlined above, in our view, adequately addresses the various risks associated with the Company's business.

13. INTERNAL CONTROL SYSTEMS

Your Company has in place adequate internal control systems in connection with its operations, compliances as also internal financial controls with respect to the financial statements, commensurate with its size and scale of operations. The Internal Auditor periodically evaluates the adequacy and effectiveness of internal control systems in the Company. The Audit Committee which provides guidance on internal controls, also reviews internal audit findings and implementation of internal audit recommendations.

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

14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Annual Report on CSR Activities of the Company in terms of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure 3** to this Report.

15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The requirements of Section 186 of the Act relating to loans, guarantees and investments are not applicable to the Company.

16. RELATED PARTY TRANSACTIONS

The Policy on dealing with Related Party Transactions of the Company, as approved by the Board, is enclosed as **Annexure 4** to this Report.

The prescribed details of related party transactions of the Company in Form AOC-2, pursuant to Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, are enclosed under **Annexure 5** to this Report.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING GOING CONCERN STATUS

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

18. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

19. AUDITORS

(a) Statutory Auditors

Messrs. Maheshwari & Associates, Chartered Accountants, were appointed as the Auditors of your Company at the 28th AGM held on 20th June, 2022 to hold such office till the conclusion of the 33rd AGM. However, Messrs. Maheshwari & Associates have expressed their inability to conduct audit of the Company's Financial Statements from the financial year 2024-25 due to completion of maximum term of three years as Statutory Auditors of the Company, pursuant to the RBI's Guidelines for Appointment of Statutory Auditors ('RBI Guidelines').

Accordingly, the Board, on the recommendation of the Audit Committee, and pursuant to Section 139 of the Act and the RBI Guidelines, has recommended for the approval of the Members, appointment of Messrs. L. B. Jha & Co., Chartered Accountants (Registration No. 301088E), as the Statutory Auditors of the Company for a period of three years to hold office from the conclusion of the ensuing AGM till the conclusion of the 33rd AGM. The Board on the recommendation of the Audit Committee and pursuant to Section 142 of the Act, has also recommended for the approval of the Members, remuneration of Messrs. L. B. Jha & Co., for the financial year 2024-25. Appropriate resolution in respect of the above is appearing in the Notice convening the ensuing AGM of the Company.

(b) **Secretarial Auditors**

Your Board appointed Messrs. S. M. Gupta & Co., Company Secretaries, to conduct secretarial audit of the Company for the financial year ended 31st March, 2024. The Secretarial Auditors have confirmed that your Company has complied with the applicable laws and that there are adequate systems and processes in your Company commensurate with its size and scale of operations to monitor and ensure compliance with the applicable laws. The Report of Messrs. S. M. Gupta & Co., in terms of Section 204 of the Act, is enclosed as **Annexure 6** to this Report.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption.

During the year under review, there has been no foreign exchange earnings or outflow.

On behalf of the Board

20. COMPLIANCE WITH SECRETARIAL STANDARDS

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

Dated: 3rd May, 2024

S. DUTTA

(DIN : 01804345)

Chairman

T.S.M. SHENOY

(DIN : 09476476)

Director

**Annexure 1 to the Report of the Board of Directors &
Management Discussion and Analysis for the financial year ended 31st March, 2024**

Remuneration Policy

This Remuneration Policy has been framed in terms of the Companies Act, 2013 and the 'Scale Based Regulatory Framework for NBFCs' prescribed by the Reserve Bank of India, as amended from time to time.

The Company's Remuneration Strategy is designed to attract and retain quality talent that gives its business a competitive advantage and enables the Company to achieve its objectives.

The Company's Remuneration Strategy, whilst focusing on remuneration and related aspects of performance management, reinforces the employee value proposition of an enabling work environment, an empowering and engaging work culture, and opportunities to learn and grow.

The Compensation approach endeavours to align each employee with the Company's goals.

Policy

It is the Company's Policy:

1. To ensure that its Remuneration practices support and encourage meritocracy.
2. To ensure that Remuneration is reasonable and takes into account the competitive context of the Company's business.
3. To leverage Remuneration as an effective instrument to enhance performance.
4. To adopt a comprehensive approach to Remuneration in order to support a superior quality of personal and work life, in a manner so as to judiciously balance short term with long term priorities.
5. To design Remuneration practices such that they reinforce the Company's values and culture and to implement them in a manner that complies with all relevant regulatory requirements.

Constitution and Role of Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board (the Committee) will have the constitution, powers, functions and duties as laid down under the Companies Act, 2013 and the RBI Regulations. The Committee, in particular, will:

- formulate the Remuneration Policy of the Company and recommend the same for the approval of the Board;
- work in close coordination with the Risk Management Committee of the Company, as necessary, to achieve effective alignment between compensation and risks; and
- ensure that the compensation levels are, inter alia, supported by the need to retain earnings of the Company.

Remuneration of Key Managerial Personnel (KMP) and Senior Management

1. Remuneration of the KMP and Senior Management of the Company is determined and recommended by the Committee and approved by the Board. Remuneration of the Managing Director / Wholtime Director / Manager, if any, is also subject to the approval of the shareholders of the Company.
2. Remuneration of the KMP and Senior Management who are on deputation from the Holding Company or other group company may also be aligned to the Remuneration Policy of that company.
3. Remuneration is reviewed and revised periodically, as and when such revision is warranted by the market. The quantum of revision is linked to market trends, the competitive context of the Company's business, as well as the performance and potential of the individual employee.
4. The KMP and Senior Management of the Company are eligible for Fixed Pay and Variable Pay in order to facilitate alignment of their priorities with the long-term interests of stakeholders.
 - Fixed Pay comprises all fixed elements of remuneration, perquisites (including both monetary and non-monetary perquisites) and contribution towards retirement benefits, as applicable.
 - Variable Pay is in the form of cash, and linked to the individual performance of the KMP and Senior Management and the overall performance of the Company.
5. Deferred compensation of the KMP and Senior Management, if any, may be subject to malus / claw back arrangements, inter alia, in the event of any fraud, malfeasance, breach of trust, wilful misrepresentation / misreporting of financial performance of the Company or wilful, reckless or grossly negligent conduct, as may be determined by the Committee and the Board.

Remuneration of employees other than KMP

1. Remuneration of employees other than KMP is approved by the Board.
2. Remuneration is reviewed and revised periodically, as and when such revision is warranted by the market. The quantum of revision is linked to market trends, the competitive context of the Company's business, as well as the performance and potential of the individual employee.
3. Variable Pay is based on the performance rating of the individual employee.

This Policy will be effective from 1st April, 2023 and will be reviewed as and when deemed necessary.

Notes:

1. The terms 'Key Managerial Personnel' and 'Senior Management' shall have the meaning assigned to them under Sections 2(51) and 178 of the Companies Act, 2013, respectively.
2. 'Malus' arrangement will permit the Company to prevent payment of all or part of the amount of unpaid deferred compensation. Under 'clawback' arrangement, the Company can recover all or part of the previously paid deferred compensation, as may be determined by the Committee and the Board.

Annexure 2 to the Report of the Board of Directors & Management Discussion and Analysis for the financial year ended 31st March, 2024
[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Name	Age (Years)	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of employment / deputation	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
A. Marodia *	41	Manager	1,45,65,506/-	74,94,676/-	B.Com.(Hons.), A.C.A.	19	01.01.2022	ITC Limited - Manager (Domestic Treasury)
N. Bajaj *	40	Company Secretary	1,44,70,145/-	86,82,300/-	B.Com.(Hons.), A.C.S., M.B.L.	16	01.10.2019	ITC Limited - Deputy Company Secretary
J. Banerjee *	56	Internal Auditor	1,44,44,549/-	67,08,613/-	B.Com.(Hons.), F.C.A., C.M.A.	31	01.10.2022	ITC Limited - General Manager (Corporate Audit)
V. Luharuka *	39	Chief Financial Officer	32,55,146/-	17,45,122/-	B.Com.(Hons.), A.C.A.	16	01.01.2024	ITC Limited - Manager (Finance)
S. Bose #	58	Office Associate	15,73,301/-	12,12,622/-	B.Sc., Post Graduate Diploma in Computers	29	01.02.1999	Sage Investments Limited - Secretarial Assistant
U. Choudhury	31	Assistant Manager	11,81,540/-	9,89,763/-	B.Com. (Hons.), C.M.A.	9	01.03.2021	Hindustan Unilever Limited - Finance Executive
D. K. Das	52	Accounts Supervisor	8,56,261/-	7,34,908/-	B.Com.	29	01.04.2015	Russell Investments Limited - Junior Assistant
J. V. Rao	47	Accounts Supervisor	7,77,112/-	6,91,948/-	B.Com.	19	01.04.2015	Divya Management Limited - Junior Assistant
R. Anand	28	Assistant Manager	6,85,998/-	6,48,720/-	B.Com.(Hons.), C.M.A.	3	14.08.2023	Kalpataru Power Transmission Limited - Deputy Manager, Group Corporate Strategy
A. Bose	34	Accounts Supervisor	6,58,653/-	5,70,918/-	B.Com.(Hons.)	11	01.04.2015	Russell Investments Limited - Junior Assistant

* On deputation from ITC Limited, the Holding Company ('ITC').

Retired with effect from close of work on 17th March, 2024.

Notes:

- Gross remuneration includes salary, performance bonus / variable pay, long-term incentives, allowances, contribution to provident fund and other benefits / applicable perquisites borne by the Company, except provisions for gratuity fund and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less tax deducted at source and employee's own contribution to provident fund.
- Employees who are on deputation have been granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since these Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Options and accordingly, the said grant has not been considered as remuneration.
- All appointments (except deputed employees) are / were contractual in accordance with terms and conditions as per the Company's rules.
- The aforesaid employees are / were neither relative of any Director / Manager of the Company nor hold any equity share in the Company in their individual capacity.

Dated: 3rd May, 2024

S. DUTTA
 (DIN : 01804345)
Chairman

On behalf of the Board
 T.S.M. SHENOY
 (DIN : 09476476)
Director

Annexure 3 to the Report of the Board of Directors & Management Discussion and Analysis

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. A brief outline on CSR Policy of the Company:

The Company, a wholly owned subsidiary of ITC Limited ('ITC'), discharges its corporate social responsibilities ('CSR') by aligning itself with the CSR Policy of ITC, and also by undertaking CSR activities in areas or subjects which are independent of the normal conduct of the Company's business and are covered under the activities listed in Schedule VII read with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company undertakes CSR activities (a) directly, or (b) through a registered public trust or a registered society or a company incorporated under Section 8 of the Companies Act, 2013, established by ITC or otherwise, having track record of at least three years in undertaking CSR activities, or (c) through other eligible implementing agencies.

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

2. Composition of the CSR Committee as on 31st March, 2024:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. S. Dutta (Chairman of the Committee)	Chairman & Non-Executive Director	3	3
2.	Mr. T.S.M. Shenoy	Non-Executive Director		2
3.	Mr. R. K. Singhi	Non-Executive Director		3

3. The web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: **Not Applicable**

4. The executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable**

5.

(a)	Average net profits of the Company as per Section 135(5)	₹ 3,758.57 lakhs
(b)	Two percent of average net profits of the Company as per Section 135(5)	₹ 75.17 lakhs
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years	Nil
(d)	Amount required to be set off for the Financial Year, if any	Nil
(e)	Total CSR obligation for the Financial Year [(b)+(c)-(d)]	₹ 75.17 lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 76 lakhs

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 76 lakhs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 76.00 lakhs	Not Applicable				

(f) Excess amount for set off, if any: **None**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profits of the Company as per Section 135(5)	None
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. 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 ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
None								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No

If Yes, enter the number of Capital assets created / acquired Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): **Not Applicable.**

On behalf of the Board

S. DUTTA

T.S.M. SHENOY

(DIN : 01804345)

(DIN : 09476476)

Dated: 3rd May, 2024

Chairman – CSR Committee

Director

**Annexure 4 to the Report of the Board of Directors &
Management Discussion and Analysis for the financial year ended 31st March, 2024
Policy on dealing with Related Party Transactions**

- The Company shall not enter into any contract or arrangement with its related party (other than the Holding Company or the Company's wholly owned subsidiary) without the approval of the Audit Committee.
Further, the Company shall not enter into any contract or arrangement with its related party, or that of the Holding Company, or any of the Company's subsidiary or fellow subsidiary companies (other than transactions with the Holding Company, Company's wholly owned subsidiary or with any wholly owned fellow subsidiary), exceeding the threshold prescribed under the applicable laws / regulations, without the prior approval of its Audit Committee and the Holding Company's Audit Committee; this requirement shall not apply to such transactions as may be specified under the applicable laws / regulations.
- The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for related party transactions that are repetitive in nature, provided that the aggregate value of transactions which can be approved by the Committee in a financial year under the omnibus route shall not exceed 5% of the revenue of operations of the Company as per its last audited financial statements, with the value of each such transaction not exceeding 1% of the revenue of operations.
- While assessing a proposal for approval under the omnibus route, the Audit Committee shall satisfy itself on the need for such approval and that the same is in the interest of the Company. For this purpose, the following shall be placed before the Audit Committee while seeking omnibus approval:
 - Name and nature of relationship of the related party with the Company, including type of its concern or interest (financial or otherwise);
 - Nature, duration and material terms of the proposed transaction;
 - Maximum amount that can be transacted;
 - Indicative base price / current contracted price and the formula for variation of the price, if any; For this purpose, (i) price will mean the estimated money consideration under a contract for sale or purchase of goods or services, net of applicable taxes, and (ii) the formula for variation of the price to be based on one of the globally accepted methods of establishing arm's length pricing such as Comparable Uncontrolled Price, Cost Plus, Transactional Net Margin and Profit Split method.
 - The percentage of the Company's standalone turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction;
 - A copy of the valuation or other external party report, if any such report has been relied upon;
 - Any other information relevant or considered important by the Audit Committee for taking a decision on the proposed transaction.
- The details of the related party transactions of the Company pursuant to each omnibus approval shall be placed for review by the Audit Committee (and the Audit Committee of the Holding Company, where applicable) at least on a quarterly basis; such omnibus approval shall be valid for the financial year.
- Where the need for related party transactions cannot be foreseen and the details mentioned in (3) above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 50 lakhs per transaction.
- Transactions of the following nature shall be outside the purview of the omnibus approval mechanism:
 - Transactions which are not in the ordinary course of business or not at arm's length;
 - Transactions which are not repetitive or unforeseen in nature;
 - Transactions exceeding the threshold limits specified in (2) and (5) above;
 - Inter-corporate loans given / taken to / from related parties and purchase / sale of investments from / to related parties;
 - Transactions in respect of sale or disposal of any undertaking.
 - Any other transaction which the Audit Committee may deem not fit for omnibus approval.
- As the term 'transaction' has not been defined in the Companies Act, 2013 and the Rules framed thereunder, it will mean a single transaction or a group of transactions under a single contract or arrangement in line with the definition prescribed for listed companies under the SEBI Regulations.
- In the event any contract or arrangement with a related party is not in the ordinary course of business or not at arm's length, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of the Board and / or shareholders, as applicable, for such contract or arrangement.

9. (a) All subsequent modifications to the transactions entered into by the Company with its related party, shall require approval of the Company's Audit Committee.
- (b) All 'material modifications' to the related party transactions entered into by the Company on one hand and related party of the Holding Company, or the Company's subsidiary or fellow subsidiary companies on the other hand, shall require approval of the Company's Audit Committee.
- (c) Where any related party transaction entered into by the Company has been approved by the Audit Committee of the Holding Company, any 'material modification' of such transactions shall also require approval of the Audit Committee of the Holding Company.
- Material modification(s), for this purpose, are those modifications that result in an increase of more than ten percent of the amount approved by the Audit Committee.
10. With effect from 1st April, 2023, the approval requirements mentioned hereinabove shall also apply to those transactions undertaken by the Company on the one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or related party of the Holding Company, or the Company's subsidiary or fellow subsidiary companies.
11. The requisite details of (a) material related party transactions and (b) related party transactions which are not at arm's length, shall be disclosed in the Annual Report in terms of the Companies Act, 2013 & the Rules framed thereunder and the RBI Regulations.
- For this purpose, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the revenue of operations of the Company as per its last audited financial statements.
- In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.

**Annexure 5 to the Report of the Board of Directors &
Management Discussion and Analysis for the financial year ended 31st March, 2024**

FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	ITC Limited, Holding Company ('ITC')	
b)	Nature of contracts / arrangements / transactions	Inter-se transfer of Equity Shares of International Travel House Limited ('ITHL'), an associate company	Inter-se transfer of Equity Shares of Maharaja Heritage Resorts Limited ('MHRL'), an associate company
c)	Duration of the contracts / arrangements / transactions	Not Applicable	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of 36,26,633 Equity Shares of ITHL of ₹ 10/- each to ITC at book value of ₹ 21.22 crores.	Sale of 90,000 Equity Shares of MHRL of ₹ 100/- each to ITC at book value of ₹ 0.90 crore.
e)	Justification for entering into such contracts or arrangements or transactions	The aforesaid shares have been sold to ITC to streamline the investments. As the transactions are between the Holding Company and its wholly owned subsidiary, there is no potential conflict with the interests of the Company and its shareholders arising from the said transactions.	
f)	Date of approval by the Board	11th March, 2024	
g)	Amount paid as advances, if any	Nil	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	Not Applicable	

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

a)	Name(s) of the related party and nature of relationship	NONE
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date(s) of approval by the Board, if any	
f)	Amount paid as advances, if any	

Dated: 3rd May, 2024

S. DUTTA
(DIN : 01804345)
Chairman – CSR Committee

On behalf of the Board
T.S.M. SHENOY
(DIN : 09476476)
Director

Annexure 6 to the Report of the Board of Directors & Management Discussion and Analysis

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2024

[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,
RUSSELL CREDIT LIMITED
CIN: U65993WB1994PLC061684
Virginia House
37, J. L. Nehru Road
Kolkata - 700 071

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Russell Credit Limited** (hereinafter called the 'Company') for the financial year ended 31st March, 2024. Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (A statutory body constituted under the Company Secretaries Act, 1980) read with the Company Secretaries Auditing Standards (CSAS) and in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.
2. On the basis of verification of the secretarial compliance and on the basis of secretarial audit of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, as shown to us during the said audit and also based on the information provided by the Company, its officers, agents and authorised representatives during the conduct of our audit, we hereby report that in our opinion and to the best of our understanding, the Company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has adequate Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. a. We have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 and as shown to us during our audit, according to the provisions of the following laws:
 - (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - (ii) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 viz.:
 - a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- b. We have also examined the secretarial compliance based on the books, papers, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of the following laws specifically applicable to the Company and as shown to us during our audit:
 - (i) Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (effective from 19th October, 2023) [Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (repealed on 19th October, 2023)] and other Directions issued by RBI as applicable to Middle Layer NBFCs.
 - (ii) Information Technology Framework for the NBFC Sector.
 - (iii) Reserve Bank of India and Securities and Exchange Board of India Guidelines relating to Mutual Fund Advisors.
 - The Company is registered with the Reserve Bank of India as a NBFC under the relevant provisions of the Reserve Bank of India Act, 1934 under Registration Certificate No. B.05.05246.
 - The Company is registered with the Association of Mutual Funds in India (AMFI) as an Intermediary of Mutual Funds and the Registration Certificate is valid upto 21st October, 2024.
4. We have also examined compliance with the applicable clauses of the following:
 - (a) Secretarial Standards issued by the Institute of Company Secretaries of India under Section 118 of the Act.
5. On the basis of the audit as referred above and to the best of our knowledge, understanding and belief, we are of the view that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above in paragraphs 3(a), 3(b) and paragraph 4 of this Report.
6. We further report that:
 - (a) The Board of Directors of the Company is duly constituted in compliance with the applicable provisions of law.
 - (b) Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - (c) The total amount required to be spent by the Company on CSR was Rs. 75.17 Lakhs and the amount actually spent during the year under report was Rs. 76 Lakhs which was disbursed to ITC Rural Development Trust, an implementation agency, towards implementation of a project on rural development, as approved by the Board, on the recommendation of the CSR Committee.
7. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.
8. This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this Report.

Place: Kolkata
Date: 26.04.2024
Enclo.: Annexure A

(S. M. Gupta)
Proprietor
S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: S1993WB816800
Membership No: FCS – 896
CP No.: 2053
Peer Review No: 2464/2022
UDIN: F000896F000247076

ANNEXURE A

(To the Secretarial Audit Report of Russell Credit Limited for the Financial Year ended 31/03/2024)

The Members,
RUSSELL CREDIT LIMITED
CIN: U65993WB1994PLC061684
Virginia House
37, J. L. Nehru Road
Kolkata - 700 071

Our Secretarial Audit Report for the Financial Year ended 31/03/2024 of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on such secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and occurrence of events etc.
5. The compliance with the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. In this report, we have not taken into consideration the events which have not come to our knowledge while conducting this audit.

Place: Kolkata
Date: 26.04.2024

(S. M. Gupta)
Proprietor
S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: S1993WB816800
Membership No: FCS – 896
CP No.: 2053
Peer Review No: 2464/2022
UDIN: F000896F000247076

**REPORT ON CORPORATE GOVERNANCE
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

The Directors present the Company's Report on Corporate Governance pursuant to the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a systemic process by which a company is directed and controlled to enhance its wealth generating capacity. The Company being a wholly owned subsidiary of ITC Limited draws its Governance philosophy from that company.

GOVERNANCE STRUCTURE

The Governance structure of the Company presently comprises the Board of Directors, the Board Committees, and the Non-Executive Chairman, aided by the Manager, Chief Financial Officer, Chief Compliance Officer & Company Secretary and the Internal Auditor who are responsible for management of the affairs of the Company, operating under the superintendence, control and direction of the Board of Directors.

COMPOSITION OF THE BOARD (AS ON 31ST MARCH, 2024)

The Board of Directors of the Company ('the Board') presently comprises six Non-Executive Directors. Details of the Directors, including their other directorships, and the number of Board Meetings held and attended by the Directors during the year are provided below.

During the year ended 31st March, 2024, nine meetings of the Board were held on 25th April, 2023, 21st June, 2023, 29th July, 2023, 30th September, 2023, 14th October, 2023, 22nd December, 2023, 16th January, 2024, 11th March, 2024 and 28th March, 2024.

Sl. No.	Name of the Director	Director since	Designation	Number of Board Meetings		No. of other Directorships*
				Held	Attended	
1.	Supratim Dutta (DIN: 01804345)	29.03.2013	Chairman & Non-Executive Director	9	9	9
2.	Priti Balaji (DIN: 08900013)	22.10.2020	Non-Executive Director	9	9	1
3.	Trasi Sadashiva Madhava Shenoy (DIN: 09476476)	22.01.2022	Non-Executive Director	9	8	2
4.	Jagdish Singh (DIN: 00042258)	22.07.2022	Non-Executive Director	9	9	5
5.	Rajendra Kumar Singhi (DIN: 00009931)	27.03.2018	Non-Executive Director	9	8	5
6.	Subramani Suresh Kumar (DIN: 09746199)	01.10.2022	Non-Executive Director	9	9	Nil

* Represents directorships in Indian and foreign companies

Note: None of the Directors hold any share in the Company in their individual capacity.

Details of changes in the composition of the Board during the year under review and previous year i.e., from 1st April, 2022 to 31st March, 2024 are given below:

Sl. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Rajiv Tandon	Chairman & Non-Executive Director	Resignation	22.07.2022
2.	Jagdish Singh	Non-Executive Director	Appointment	22.07.2022
3.	Subramani Suresh Kumar	Non-Executive Director	Appointment	01.10.2022

COMMITTEES OF THE BOARD

Presently, there are six Board Committees in the Company – the Audit Committee, the Nomination and Remuneration Committee, the CSR Committee, the Asset Liability Management Committee, the Risk Management Committee and the IT Strategy Committee. The terms of reference of the Board Committees are determined by the Board from time to time. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

I. AUDIT COMMITTEE:

The role of the Audit Committee includes the following:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To recommend the appointment, remuneration and removal of the Statutory Auditors;
- To approve transactions of the Company with related parties, including modifications thereto;
- To evaluate the Company's internal financial controls and risk management systems;
- To scrutinise inter-corporate loans and investments;
- To review with the management the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval;
- To review the following:
 - 'Fit for Consolidation' Financial Results / Financial Statements of the Company;
 - Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management and the Statutory Auditors;
 - Reports of internal audit and discussion with the Internal Auditor on any significant findings and follow-up thereon;
 - System for maintenance, storage, retrieval, security etc. of books of accounts in the electronic form;
 - Functioning of Whistleblower mechanism in the Company.

Composition, Meetings and Attendance

The Audit Committee presently comprises the Chairman of the Company and three other Non-Executive Directors. The Chief Financial Officer and the Internal Auditor are invited to attend the meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

The names of the members of the Audit Committee, including its Chairman, and the details of meetings held during the year are provided below.

During the year ended 31st March, 2024, six meetings of the Audit Committee were held on 25th April, 2023, 29th July, 2023, 14th October, 2023, 16th January, 2024, 11th March, 2024 and 28th March, 2024.

Sl. No.	Name of the Director	Member of the Committee since	Designation	Number of Meetings of the Committee	
				Held	Attended
1.	S. Dutta (Chairman of the Committee)	22.07.2022	Chairman & Non-Executive Director	6	6
2.	T.S.M. Shenoy	22.01.2022	Non-Executive Director	6	5
3.	R. K. Singhi	27.08.2020	Non-Executive Director	6	5
4.	S. Suresh Kumar	12.10.2022	Non-Executive Director	6	6

II. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board, inter alia, identifies persons qualified to become Directors, and recommends to the Board the appointment and removal of the Directors and Key Managerial Personnel of the Company. The Committee's role also includes formulation of criteria for evaluation of performance of the Directors & the Board as a whole, and review of the 'fit and proper status' of the Directors of the Company.

Composition, Meetings and Attendance

The Nomination and Remuneration Committee presently comprises two Non-Executive Directors and the Chairman of the Company. The Company Secretary is the Secretary to the Committee.

The names of the members of the Nomination and Remuneration Committee, including its Chairman, and the details of meetings held during the year are provided below.

During the year ended 31st March, 2024, four meetings of the Nomination and Remuneration Committee were held on 25th April, 2023, 30th September, 2023, 22nd December, 2023 and 16th January, 2024.

Sl. No.	Name of the Director	Member of the Committee since	Designation	Number of Meetings of the Committee	
				Held	Attended
1.	R. K. Singhi (Chairman of the Committee)	27.03.2018	Non-Executive Director	4	4
2.	S. Dutta	27.03.2018	Chairman & Non-Executive Director	4	4
3.	J. Singh	22.07.2022	Non-Executive Director	4	4

III. CSR COMMITTEE

The role of the CSR Committee is, inter alia, to review and provide strategic direction to the Company's CSR activities, in line with the CSR initiatives of ITC Limited. Formulation and monitoring of the CSR Policy and recommendation to the Board of the annual CSR Action Plan delineating the CSR activities to be carried out by the Company during a financial year form part of the role of the Committee.

Composition, Meetings and Attendance

The CSR Committee presently comprises the Chairman of the Company and two other Non-Executive Directors. The Company Secretary is the Secretary to the Committee.

The names of the members of the CSR Committee, including its Chairman, and the details of meetings held during the year are provided below.

During the year ended 31st March, 2024, three meetings of the CSR Committee were held on 25th April, 2023, 29th July, 2023 and 16th January, 2024.

Sl. No.	Name of the Director	Member of the Committee since	Designation	Number of Meetings of the Committee	
				Held	Attended
1.	S. Dutta (Chairman of the Committee)	22.07.2022	Chairman & Non-Executive Director	3	3
2.	T.S.M. Shenoy	22.01.2022	Non-Executive Director	3	2
3.	R. K. Singhi	27.03.2018	Non-Executive Director	3	3

IV. ASSET LIABILITY MANAGEMENT ('ALM') COMMITTEE

The role of the ALM Committee is, inter alia, to address concerns relating to asset liability mismatches, if any, and strategise action(s) to mitigate the associated risks. The Committee also reviews the ALM Returns filed by the Company with the RBI, and adherence to the policies & procedures adopted by the Company for managing liquidity risk.

Composition, Meetings and Attendance

The ALM Committee presently comprises three Non-Executive Directors. The Company Secretary is the Secretary to the Committee.

The names of the members of the ALM Committee, including its Chairman, and the details of meetings held during the year are provided below.

During the year ended 31st March, 2024, two meetings of the ALM Committee were held on 21st April, 2023 and 14th October, 2023.

Sl. No.	Name of the Director	Member of the Committee since	Designation	Number of Meetings of the Committee	
				Held	Attended
1.	J. Singh (Chairman of the Committee)	22.07.2022	Non-Executive Director	2	2
2.	T.S.M. Shenoy	22.01.2022	Non-Executive Director	2	2
3.	S. Suresh Kumar	12.10.2022	Non-Executive Director	2	2

V. RISK MANAGEMENT COMMITTEE

The role of the Risk Management Committee is, inter alia, to manage the integrated risk of the Company, including liquidity risk and capital adequacy, and to recommend for the approval of the Board, the Risk Management Policy of the Company. The Committee also reviews the risk management framework of the Company.

Composition, Meetings and Attendance

The Risk Management Committee presently comprises the Chairman of the Company and two other Non-Executive Directors. The Company Secretary is the Secretary to the Committee.

The names of the members of the Risk Management Committee, including its Chairman, and the details of meetings held during the year are provided below.

During the year ended 31st March, 2024, two meetings of the Risk Management Committee were held on 21st April, 2023 and 14th October, 2023.

Sl. No.	Name of the Director	Member of the Committee since	Designation	Number of Meetings of the Committee	
				Held	Attended
1.	S. Dutta (Chairman of the Committee)	22.07.2022	Chairman & Non-Executive Director	2	2
2.	P. Balaji	22.10.2020	Non-Executive Director	2	2
3.	T.S.M. Shenoy	22.01.2022	Non-Executive Director	2	2

VI. IT STRATEGY COMMITTEE

The IT Strategy Committee serves as an apex committee across the Company for key matters relating to Information Management Governance, Risk Management and Compliance. The role of the Committee is, inter alia, to review and monitor implementation of the Information Management Policy and other IT Strategies of the Company.

Composition, Meetings and Attendance

The IT Strategy Committee was reconstituted with effect from 1st April, 2024 and presently comprises three Non-Executive Directors. The Company Secretary is the Secretary to the Committee.

The names of the members of the IT Strategy Committee, including its Chairman, and the details of meetings held during the year are provided below.

During the year ended 31st March, 2024, four meetings of the IT Strategy Committee were held on 10th April, 2023, 9th October, 2023, 16th January, 2024 and 28th March, 2024.

Sl. No.	Name of the Director	Member of the Committee since	Designation	Number of Meetings of the Committee	
				Held	Attended
1.	T.S.M. Shenoy (Chairman of the Committee)	22.01.2022	Non-Executive Director	4	4
2.	J. Singh	01.04.2024	Non-Executive Director	N.A.	N.A.
3.	S. Suresh Kumar	01.04.2024	Non-Executive Director	N.A.	N.A.
4.	N. Bajaj ¹	01.10.2019	Company Secretary	4	3
5.	A. Marodia ²	01.01.2022	Manager	2	2
6.	V. Luharuka ¹	01.01.2024	Chief Financial Officer	2	2

1. Ceased to be Member of the Committee w.e.f. 01.04.2024

2. Ceased to be Member of the Committee w.e.f. 01.01.2024

PARTICULARS OF PAST THREE GENERAL MEETINGS

Sl. No.	Type of Meeting	Date	Venue	Special Resolution passed
1.	29th Annual General Meeting (FY 2022-23)	29.06.2023	Registered Office	–
2.	28th Annual General Meeting (FY 2021-22)	20.06.2022	Virginia House	–
3.	Extraordinary General Meeting	13.12.2021	37 J. L. Nehru Road Kolkata 700 071	–

OTHER DISCLOSURES

- The Company is in compliance with all the applicable requirements of the Companies Act, 2013, including requirements prescribed under the Accounting Standards and the Secretarial Standards.
- No penalty / stricture has been imposed on the Company by the RBI or any other Statutory Authority.
- None of the Directors receive any remuneration from the Company.
- There are no inter-se relationships between the Directors of the Company.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RUSSELL CREDIT LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Russell Credit Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, 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 notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the 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 conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21(ii) to the financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.(a) The Management has represented that, to the best of its knowledge and belief, no funds 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 a foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including a foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of

the Companies (Audit and Auditors) Rules, 2014, as amended, as provided under (a) and (b) above, contain any material misstatement.

- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act, as applicable.
 - vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
3. No remuneration was paid by the Company to its directors during the year and accordingly the provisions of Section 197(16) of the Act are not applicable.

For Maheshwari & Associates
Chartered Accountants
Firm Registration No. 311008E

Bijay Murmuria
Partner

Membership No. 055788

UDIN: 24055788BKFLG5666

Kolkata, 3rd May, 2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date, to the Members of Russell Credit Limited on the financial statements for the year ended March 31, 2024]

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have intangible assets. Hence, reporting under clause 3(i)(a)(B) of the Order is not applicable.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements and included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year and it does not have any Right of Use assets and intangible assets. Hence, reporting under clause 3(i)(d) of the Order is not applicable.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company's business does not involve inventories and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. (a) The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loan, during the year, prima facie, are not prejudicial to the Company's interest. The Company has not provided guarantees or given security and has not granted advances in the nature of loans during the year to companies, firms, Limited Liability Partnerships or any other parties and hence not commented upon.
- (c) In respect of loan granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. As at the balance sheet date, principal has not fallen due for repayment but receipt of interest has been regular during the financial year ended March 31, 2024.
- (d) In respect of loan granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or

period of repayment during the year. Hence, reporting under clause 3(iii)(f) of the Order is not applicable.

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted and investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- vii. (a) In our opinion, the Company has been regular in depositing with the appropriate authorities 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, as applicable to it.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited with the appropriate authorities as on March 31, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount (₹ in lakhs)
Uttar Pradesh Value Added Tax, erstwhile namely "UP Trade Tax Act, 1948"	Lease Tax	Joint Commissioner (A), Trade Tax, Kanpur	1996-97 to 1999-2000	37.01
Tamil Nadu General Sales Tax Act & Central Sales Tax Act	Sales Tax	Commercial Tax Officer	2004-05	11.55
Tamil Nadu General Sales Tax Act & Central Sales Tax Act	Sales Tax	Commercial Tax Officer	2005-06	14.55
The Central Sales Tax Act	Sales Tax	Directorate of Commercial Taxes	2005-06	10.53
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2017-18	1,001.54

Out of the total disputed dues aggregating ₹ 1075.18 lakhs as above, ₹ 63.11 lakhs has been stayed for recovery by the relevant authorities.

- 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
- ix. (a) The Company has not taken any loans and it has no other borrowings from any lender. Hence, reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

- (d) The Company has not raised any funds on short term basis and hence reporting under clause 3(ix)(d) of the Order is not applicable.
- (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 or associates.
- (f) The Company has not raised any loans during the year and hence reporting under 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, partially or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no 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, 2013 has been filed by the auditors 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) There were no whistle-blower complaints received by the Company during the year. Hence, reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details of related party transactions have been disclosed in notes to the financial statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit 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. Hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is registered, as required, under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Further, the Company has not conducted any Housing Finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) As represented by the management, there is no CIC within the Group [as defined in the Core Investment Companies (Reserve Bank) Directions, 2016].
- xvii. The Company has not incurred cash losses in the financial year covered by our audit and 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, 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 the 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 duly discharged by the Company as and when they fall due.
- xx. (a) There is no unspent amount towards Corporate Social Responsibility ('CSR') in respect of 'other than ongoing projects', requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) There is no unspent amount towards CSR in respect of 'ongoing project', requiring a transfer to a special account in compliance with the provisions of sub-section (6) of Section 135 of the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.

For Maheshwari & Associates

Chartered Accountants

Firm Registration No. 311008E

Bijay Murmuria

Partner

Membership No. 055788

UDIN: 24055788BKFLG5666

Kolkata, 3rd May, 2024

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date, to the Members of Russell Credit Limited on the financial statements for the year ended March 31, 2024]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of Russell Credit Limited (the "Company") as of March 31, 2024 in conjunction with our audit of the 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 with reference to financial statements 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 (the "Guidance Note") 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For Maheshwari & Associates

Chartered Accountants

Firm Registration No. 311008E

Bijay Murmuria

Partner

Membership No. 055788

UDIN: 24055788BKFLG5666

Kolkata, 3rd May, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

	Note		As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
ASSETS				
1. Financial Assets				
a) Cash and cash equivalents	3	103.78		27.53
b) Bank Balance other than (a) above	4	5,369.32		5,005.78
c) Receivables	5			
(I) Trade Receivables		–		–
(II) Other Receivables		709.59		810.22
d) Loans	6	3,750.00		1,250.00
e) Investments	7	1,40,198.62		96,174.97
f) Other financial assets	8	20.78	1,50,152.09	19.42
				1,03,287.92
2. Non-financial Assets				
a) Property, Plant and Equipment	9	91.01		92.96
b) Other non-financial assets	10	2.20	93.21	2.25
				95.21
TOTAL ASSETS			1,50,245.30	1,03,383.13
LIABILITIES AND EQUITY				
LIABILITIES				
1. Financial Liabilities				
a) Other financial liabilities	11		160.84	78.74
2. Non-Financial Liabilities				
a) Current tax liabilities (Net)	12	180.65		173.89
b) Provisions	13	81.60		83.67
c) Deferred tax liabilities (Net)	14	4,828.63		444.36
d) Other non-financial liabilities	15	12.80	5,103.68	14.35
				716.27
EQUITY				
a) Equity Share Capital	16	64,647.88		64,647.88
b) Other Equity		80,332.90	1,44,980.78	37,904.24
				1,02,588.12
TOTAL LIABILITIES AND EQUITY			1,50,245.30	1,03,383.13

The accompanying notes 1 to 22 are an integral part of the Financial Statements.

In terms of our report attached

For Maheshwari & Associates
Chartered Accountants
Firm Registration Number: 311008E

Bijay Murmura
Partner

Membership No. 055788
Kolkata, 3rd May, 2024

S. DUTTA
(DIN : 01804345)

V. LUHARUKA
Chief Financial Officer

On behalf of the Board

T. S. M. SHENOY
(DIN : 09476476)

N. BAJAJ
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Note	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
Revenue from operations			
(i) Interest Income	17 (A)	2,745.88	2,759.35
(ii) Dividend Income		324.41	21.38
(iii) Rental Income		65.28	60.84
(iv) Fees and commission Income		819.93	851.07
(v) Net gain on fair value changes	17 (B)	1,712.20	763.62
I Total Revenue from operations		5,667.70	4,456.26
II Other Income	17 (C)	423.58	404.93
III Total Income (I+II)		6,091.28	4,861.19
Expenses			
(i) Employee Benefits Expenses	18	596.06	357.47
(ii) Depreciation and amortization expenses		1.93	1.90
(iii) Other expenses	19	615.57	134.12
IV Total Expenses		1,213.56	493.49
V Profit before tax (III -IV)		4,877.72	4,367.70
VI Tax Expense:			
Current Tax	20	480.00	567.00
Deferred Tax	20	458.56	(29.10)
VII Profit for the year(V-VI)		3,939.16	3,829.80
VIII Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss:			
- Remeasurements of defined benefit plans	21(iv)	(0.39)	(0.76)
- Equity instruments through other comprehensive income		44,245.06	1,675.53
(ii) Income tax relating to items that will not be reclassified to profit or loss	20	(3,923.36)	0.19
B. (i) Items that will be reclassified to profit or loss:			
- Debt instruments through other comprehensive income		9.33	25.38
(ii) Income tax relating to items that will be reclassified to profit or loss	20	(2.35)	(6.39)
Other Comprehensive Income [(A)+(B)]		40,328.29	1,693.95
IX Total Comprehensive Income for the year (VII+VIII)		44,267.45	5,523.75
Earnings per equity share (Face Value ₹ 10.00 each)	21(i)		
- Basic and Diluted (in ₹)		0.61	0.59

The accompanying notes 1 to 22 are an integral part of the Financial Statements.

In terms of our report attached

For Maheshwari & Associates
Chartered Accountants
Firm Registration Number: 311008E

Bijay Murmura
Partner

Membership No. 055788
Kolkata, 3rd May, 2024

S. DUTTA
(DIN : 01804345)

V. LUHARUKA
Chief Financial Officer

On behalf of the Board

T. S. M. SHENOY
(DIN : 09476476)

N. BAJAJ
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity Share Capital

(₹ in lakhs)

	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2024	64,647.88	—	64,647.88
For the year ended 31st March, 2023	64,647.88	—	64,647.88

B. Other Equity

(₹ in lakhs)

FY 2023-24	Reserves and Surplus				Items of other comprehensive income		Total
	Special Reserve under Section 45-IC of the RBI Act, 1934	Capital Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Debt Instruments through Other Comprehensive Income	
Balance as at 1st April, 2023	16,785.72	287.67	235.95	9,950.22	10,661.69	18.99	37,940.24
Profit for the year	—	—	—	3,939.16	—	—	3,939.16
Other Comprehensive Income for the year (net of tax)	—	—	—	(0.29)	40,321.60	6.98	40,328.29
Total Comprehensive Income for the year	—	—	—	3,938.87	40,321.60	6.98	44,267.45
Transfer from Retained earnings to Special Reserve	787.83	—	—	(787.83)	—	—	—
Transfer from Equity Instruments through Other Comprehensive Income on sale of equity shares	—	—	—	86.78	(86.78)	—	—
Final Dividend Paid (2022-23 : ₹ 0.29 per share)	—	—	—	(1,874.79)	—	—	(1,874.79)
Balance as at 31st March, 2024	17,573.55	287.67	235.95	11,313.25	50,896.51	25.97	80,332.90

FY 2022-23	Reserves and Surplus				Items of other comprehensive income		Total
	Special Reserve under Section 45-IC of the RBI Act, 1934	Capital Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Debt Instruments through Other Comprehensive Income	
Balance as at 1st April, 2022	16,019.76	287.67	235.95	7,274.84	8,986.16	—	32,804.38
Profit for the year	—	—	—	3,829.80	—	—	3,829.80
Other Comprehensive Income for the year (net of tax)	—	—	—	(0.57)	1,675.53	18.99	1,693.95
Total Comprehensive Income for the year	—	—	—	3,829.23	1,675.53	18.99	5,523.75
Transfer from Retained earnings to Special Reserve	765.96	—	—	(765.96)	—	—	—
Final Dividend Paid (2021-22 : ₹ 0.06 per share)	—	—	—	(387.89)	—	—	(387.89)
Balance as at 31st March, 2023	16,785.72	287.67	235.95	9,950.22	10,661.69	18.99	37,940.24

The Board of Directors of the Company have recommended Final Dividend of ₹ 0.30 per share for the financial year ended 31st March, 2024 in proportion to the paid-up value of Equity Shares amounting to ₹ 1,939.44 lakhs. The Final Dividend is subject to the approval of shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Special Reserve under Section 45-IC of the RBI Act, 1934: This Reserve represents profits transferred before declaration of dividend by the Company as per the requirement of the Reserve Bank of India (RBI). The same can be utilised in accordance with the RBI Act, 1934.

Capital Reserve: This Reserve represents the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

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

Debt Instruments through Other Comprehensive Income: This Reserve represents the cumulative gains (net of losses) arising on revaluation of Debt Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to profit or loss when those instruments are disposed of.

Equity Instruments through Other Comprehensive Income: This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

The accompanying notes 1 to 22 are an integral part of the Financial Statements.

In terms of our report attached

For Maheshwari & Associates

Chartered Accountants

Firm Registration Number: 311008E

On behalf of the Board

Bijay Murmura
Partner

S. DUTTA
(DIN : 01804345) Chairman

T. S. M. SHENOY
(DIN : 09476476) Director

Membership No. 055788
Kolkata, 3rd May, 2024

V. LUHARUKA Chief Financial Officer

N. BAJAJ Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

	For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
A. Cash Flow from Operating Activities				
PROFIT BEFORE TAX		4,877.72		4,367.70
ADJUSTMENTS FOR :				
Depreciation and amortization expenses	1.93		1.90	
Interest on deposits with Banks	(405.63)		(19.66)	
Interest on Income Tax refund	(17.95)		(5.71)	
Net Loss / (Gain) arising on investments mandatorily measured at fair value through profit and loss	(1,424.19)	(1,845.84)	(811.99)	(835.46)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		3,031.88		3,532.24
ADJUSTMENTS FOR :				
(Increase)/Decrease in Trade and Other Receivables	100.63		539.27	
(Increase)/Decrease in Investments	1,652.60		3,056.56	
(Increase)/Decrease in Other Non-Financial Assets	0.05		(0.03)	
(Increase)/Decrease in Loans and Advances	(2,500.00)		(1,250.00)	
Increase/(Decrease) in Other Financial Liabilities and Provisions	78.10	(668.62)	(202.16)	2,143.64
CASH GENERATED FROM OPERATIONS		2,363.26		5,675.88
Income-tax paid		(412.56)		(280.20)
NET CASH GENERATED FROM OPERATING ACTIVITIES		1,950.70		5,395.68
B. Cash Flow from Investing Activities				
Interest on deposits with Banks	363.88		0.30	
Investment in bank deposits (original maturity more than 3 months)	(363.54)		(5,000.00)	
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES		0.34		(4,999.70)
C. Cash Flow from Financing Activities				
Dividend paid	(1,874.79)		(387.89)	
NET CASH USED IN FINANCING ACTIVITIES		(1,874.79)		(387.89)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		76.25		8.09
OPENING CASH AND CASH EQUIVALENTS		27.53		19.44
CLOSING CASH AND CASH EQUIVALENTS (Note 3)		103.78		27.53

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".

The accompanying notes 1 to 22 are an integral part of the Financial Statements.

In terms of our report attached

For Maheshwari & Associates

Chartered Accountants

Firm Registration Number: 311008E

On behalf of the Board

Bijay Murmuria
Partner

S. DUTTA
(DIN : 01804345) Chairman

T. S. M. SHENOY
(DIN : 09476476) Director

Membership No. 055788
Kolkata, 3rd May, 2024

V. LUHARUKA Chief Financial Officer

N. BAJAJ Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

Company Information

Russell Credit Limited (the "Company") [CIN : U65993WB1994PLC061684], a wholly owned subsidiary of ITC Limited, is an investment company and is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company with its registered office in Kolkata, West Bengal at Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700 071, West Bengal, India. Its activities are primarily confined to making long-term investments in strategic thrust areas for ITC, namely FMCG, Hotels & Tourism, Paper, Paperboards and Packaging, Agri Business and Information Technology.

1. Material Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2018.

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair values, as explained in the accounting policies.

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

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

Operating Cycle

All assets and liabilities have been classified as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Property, Plant and Equipment

Property, plant and equipment (PP&E) are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PP&E recognised as at 1st April, 2017 measured as per the Previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. All upgradation/enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of PP&E is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of PP&E are depreciated in a manner that amortises the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of PP&E of the Company are as follows:

Buildings	60 Years
Plant and Equipment	8-15 Years

PP&E's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Impairment of Assets

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

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

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

Investment in Subsidiary, Associates and Joint Ventures

Investment in subsidiary, associates and joint ventures are carried at cost less accumulated impairment, if any.

Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include Investments, Trade Receivables, Loans, Security Deposits, Cash and Cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

Financial assets are classified as those measured at:

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

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

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Appropriate loss provision is created / maintained in terms of the requirements of applicable accounting standards and prudential norms of RBI, along with additional provisions, if any, required for specific loss in accordance with management estimates.

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

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

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

Amortised cost portfolio can be sold / redeemed in accordance with the business model for making such investments with the approval of the Chief Financial Officer or the delegated authority as may be determined by the Board in accordance with the Company's policies.

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method in case of Financial Assets at Amortised Cost. Interest income in case of Financial Assets at Fair Value through Profit and Loss (FVTPL) are recognized on period basis. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established except in case of dividend from Mutual Funds, which are recognised on cash basis.

Financial Liabilities

Borrowings and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

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

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

Revenue

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for services rendered, net of allowances to customers, if any. Revenue from sale of services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of services is in the period in which such services are rendered.

Dividend Distribution

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

Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

The Company makes contributions to defined contribution schemes which are mainly administered through duly constituted and approved trusts. Provident Fund contributions are in the nature of defined contribution scheme. Provident Funds are deposited with the Government and recognised as expense. The Company also makes contribution to a Gratuity Fund maintained with approved trust. The employees of the Company are entitled to compensated leave and gratuity for which the Company records the liability based on actuarial valuation.

The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur.

Employee Share Based Compensation

The cost of stock options and stock appreciation units granted by ITC Limited, the Holding Company, to its eligible employees deputed to the Company is recognised at fair value. These Schemes are in the nature of equity settled / cash settled share based compensation and are assessed, managed / administered by the Holding Company.

In case of stock options, the fair value of stock options at the grant date is amortised on a straight line basis over the vesting period and cost recognised as an employee benefits expense in the Statement of Profit and Loss with a corresponding credit in equity, net of reimbursements, if any. In case of stock appreciation units, the fair value of stock appreciation units at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognised as an employee benefits expense in the Statement of Profit and Loss with a corresponding increase in other financial liabilities.

Leases

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

Company as a Lessee

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

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

Company as a Lessor

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

Taxes on Income

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

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

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

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

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Claims

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

Provisions

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

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

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

2. Use of estimates and judgement

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to

perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

ii. Claims, Provisions and Contingent Liabilities:

The Company has ongoing litigations with various third parties / regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
3. Cash and cash equivalents[®]		
Cash on hand	0.05	0.05
Balances with banks		
Current accounts	103.73	27.48
TOTAL	103.78	27.53

[®] Cash and cash equivalents include cash on hand, cheques on hand, cash at bank and deposits with bank with original maturity of 3 months or less, etc. as applicable. The Company does not have any significant cash and cash equivalents that are not available for use.

4. Bank Balance other than Cash and cash equivalents

Other bank balances		
In Deposit accounts		
With original maturity of more than 3 months and remaining maturity of less than 12 months from the balance sheet date *	5,369.32	5.78
With remaining maturity of more than 12 months from the balance sheet date	–	5,000.00
TOTAL	5,369.32	5,005.78

*Includes earmarked balances of ₹ 5.78 lakhs (2023 : ₹ 5.78 lakhs)

	As at 31st March, 2024 (₹ In lakhs)	As at 31st March, 2023 (₹ in lakhs)
5. Receivables		
I. Trade Receivables		
Credit impaired	9.68	9.68
Less: Impairment loss allowance	(9.68)	(9.68)
TOTAL	–	–
II. Other Receivables (Unsecured, considered good)		
Income accrued but not due		
Interest Income [#]	688.59	790.22
Fees and commission income	21.00	20.00
TOTAL	709.59	810.22

[#] Includes an amount of ₹ 40.72 lakhs (2023: ₹ 290.75 lakhs) on instruments which are measured at fair value through profit or loss.

Trade Receivables ageing schedule

(₹ in lakhs)

2023-24	Not due	Outstanding for following periods from due date / transaction date of payment					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	–	–	–	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables – credit impaired	–	–	–	–	–	9.68	9.68
Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Sub-Total	–	–	–	–	–	9.68	9.68
Less: Impairment loss allowance	–	–	–	–	–	(9.68)	(9.68)
TOTAL	–	–	–	–	–	–	–

(₹ in lakhs)

2022-23	Not due	Outstanding for following periods from due date / transaction date of payment					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	–	–	–	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables – credit impaired	–	–	–	–	–	9.68	9.68
Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Sub-Total	–	–	–	–	–	9.68	9.68
Less: Impairment loss allowance	–	–	–	–	–	(9.68)	(9.68)
TOTAL	–	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
	Amortised cost	Amortised cost
6. Loans		
Unsecured		
Current:		
(a) Term Loan to Related Party	3,750.00	–
Non-Current:		
(a) Term Loan to Related Party	–	1,250.00
Total-Gross	3,750.00	1,250.00
Less: Impairment loss allowance	–	–
Total-Net	3,750.00	1,250.00
(I) Loans in India		
(I) Public Sector	–	–
(ii) Others (Term Loan to related party)	3,750.00	1,250.00
Total - Gross	3,750.00	1,250.00
Less: Impairment loss allowance	–	–
Total - Net	3,750.00	1,250.00

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

	As at 31st March, 2024					As at 31st March, 2023				
	Amortised cost	At Fair Value			Total	Amortised cost	At Fair Value			Total
		Through Other Comprehensive Income	Through profit or loss	Sub-Total			Through Other Comprehensive Income	Through profit or loss	Sub-Total	
	(1)	(2)	(3)	(4)=(2)+(3)	(5)	(7)	(8)	(9)	(10)=(8)+(9)	(11)
	(12)=(7)+(10)+(11)									
7. Investments										
Current Investments										
Mutual funds - Unquoted										
Axis Liquid Fund 16,596 (2023 - 30,727) units of ₹ 1000.00 each	-	-	441.91	441.91	-	-	-	763.32	763.32	-
Aditya Birla Sun Life Savings Fund 15,43,944 units of ₹ 100.00 each	-	-	7,810.46	7,810.46	-	-	-	7,260.54	7,260.54	-
DSP Liquidity Fund NIL (2023 - 81,780) units of ₹ 1000.00 each	-	-	-	-	-	-	-	2,606.94	2,606.94	-
ICICI Prudential Savings Fund 2,15,192 units of ₹ 100.00 each	-	-	1,074.36	1,074.36	-	-	-	995.46	995.46	-
SBI Savings Fund 31,88,615 units of ₹ 10.00 each	-	-	1,288.79	1,288.79	-	-	-	1,198.00	1,198.00	-
SBI Liquid Fund NIL (2023 - 4,440) units of ₹ 1000.00 each	-	-	-	-	-	-	-	155.23	155.23	-
Kotak Savings Fund 2,50,11,498 units of ₹ 10.00 each	-	-	10,225.78	10,225.78	-	-	-	9,521.40	9,521.40	-
Certificates of Deposit - Unquoted										
Kotak Mahindra Bank Limited 500 (2023 - NIL) Certificate of Deposit, (7 June 2024) of ₹ 5000000.00 each, fully paid	-	-	2,465.38	2,465.38	-	-	-	-	-	-
Small Industries Development Bank Of India 1000 (2023 - NIL) Certificate of Deposit, (27 February 2025) of ₹ 5000000.00 each, fully paid	-	-	4,671.94	4,671.94	-	-	-	-	-	-
Bonds / Debentures - Quoted										
A. Taxable										
ICICI Bank Limited NIL (2023 - 330) 9.15% Unsecured Subordinated Non-Convertible Basel III Compliant Perpetual Bonds in the nature of Debentures Series DMR 18AT (with first call option on 20 June 2023) of ₹ 1000000.00 each, fully paid	-	-	-	-	-	-	-	3,495.69	3,495.69	-
Power Finance Corporation Limited NIL (2023-850) 6.75% Non-Cumulative Non-Convertible Redeemable Taxable Bonds in the nature of Debentures Series 2024 (22 May 2023) of ₹ 1000000.00 each, fully paid	-	-	-	-	-	8,516.67	-	-	-	-
Small Industries Development Bank Of India NIL (2023-250) 5.40% Non-Cumulative Non-Convertible Redeemable Taxable Bonds in the nature of Debentures Series IV (17 March 2025) of ₹ 1000000.00 each, fully paid (with Put and Call option on 18 March 2024)	-	-	-	-	-	2,446.03	-	-	-	-
B. Tax Free										
National Highways Authority of India 1,04,000 8.50% (For Category I, II & III) Secured Non-Convertible Tranche I Series IIA Bonds (05 February 2029) of ₹ 1000.00 each, fully paid	-	-	1,095.49	1,095.49	-	-	-	1,104.90	1,104.90	-
REC Limited 60,000 8.12% For Category I & II Tax Free Secured Redeemable Non-Convertible Bonds Series-2 (27 March 2027) of ₹ 1000.00 each, fully paid	-	-	615.16	615.16	-	-	-	619.58	619.58	-
Carried over	-	-	29,689.27	29,689.27	-	10,962.70	-	27,721.06	27,721.06	-
										36,683.76

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

	As at 31st March, 2024					As at 31st March, 2023				
	Amortised cost	At Fair Value		Others *	Total	Amortised cost	At Fair Value		Others *	Total
		Through Other Comprehensive Income	Through profit or loss				Through Other Comprehensive Income	Through profit or loss		
	(1)	(2)	(3)	(4)=(2)+(3)	(5)	(6)=(1)+(4)+(5)	(7)	(8)=(6)+(9)	(10)=(8)+(9)	(11)
7. Investments (contd.)										
Equity Shares										
Others - Quoted										
Ultratech Cement Limited 3 Equity Shares of ₹ 10.00 each, fully paid	-	-	0.29	0.29	-	29,689.27	10,962.70	27,721.06	27,721.06	-
Others - Unquoted										
SKM Metals Limited 40,000 Equity Shares of ₹ 10.00 each, fully paid	-	-	...	...	-	...	-	...	...	-
Patheja Brothers Forgings and Stampings Limited 50,000 Equity Shares of ₹ 10.00 each, fully paid	-	-	...	...	-	...	-	...	...	-
Jind Textiles Limited 5,00,000 Equity Shares of ₹ 10.00 each, fully paid	-	-	...	...	-	...	-	...	...	-
Taib Capital Corporation Limited 2,45,000 Equity Shares of ₹ 10.00 each, fully paid	-	-	...	...	-	...	-	...	...	-
Non-Current Investment										
Mutual Fund Quoted										
Axis AAA Bond Plus SDL - 2026 Maturity 5,75,000 units of ₹ 10.00 each	-	6,682.94	-	6,682.94	-	6,682.94	-	6,231.10	6,231.10	-
Nippon India ETF Nifty SDL - 2026 Maturity 10,00,000 units of ₹ 10.00 each	-	1,197.51	-	1,197.51	-	1,197.51	-	1,117.11	1,117.11	-
Mutual Fund Unquoted										
Axis Csisl BXL SDI 2027 Maturity 1,11,58,207 units of ₹ 10.00 each	-	1,236.22	-	1,236.22	-	1,236.22	-	1,154.06	1,154.06	-
Aditya Birla Sun Life Csisl BXL 6040 SDL AAA PSU 2027 Maturity 1,45,78,250 units of ₹ 10.00 each	-	1,613.17	-	1,613.17	-	1,613.17	-	1,505.35	1,505.35	-
Bonds / Debentures - Quoted										
Taxable										
LIC Housing Finance Limited 1,250 Zero Coupon Secured Redeemable Non-Convertible Debentures, Tranche 416 (25 April 2025) of ₹ 10,00,000.00 each, fully paid	14,339.41	-	-	-	-	14,339.41	13,571.99	-	-	13,571.99
HDFC Bank Limited 10,000 (2023 - Nil) 7.80% Unsecured Redeemable, Non-Convertible Debentures Series US005 (2 June 2025) ₹ 10,00,000.00 each, fully paid	9,988.11	-	-	-	-	9,988.11	-	-	-	-
Equity Instruments										
Subsidiary - Unquoted										
Greentree Holdings Limited 4,20,60,166 Equity Shares of ₹ 10.00 each, fully paid	-	-	-	-	4,210.34	4,210.34	-	-	-	4,210.34
Associates - Quoted										
International Travel House Limited Nil (2023 - 36,26,633 Equity Shares of ₹ 10.00 each, fully paid [Refer note 21 (vii) (b) (8)])	-	-	-	-	-	-	-	-	-	2,121.58
Associates - Unquoted										
Russell Investments Limited 42,75,435 Equity Shares of ₹ 10.00 each, fully paid	-	-	-	-	427.57	427.57	-	-	-	427.57
Divya Management Limited 41,82,915 Equity Shares of ₹ 10.00 each, fully paid	-	-	-	-	693.08	693.08	-	-	-	693.08
Antrang Finance Limited 43,24,634 Equity Shares of ₹ 10.00 each, fully paid	-	-	-	-	439.56	439.56	-	-	-	439.56
Maharaja Heritage Resorts Limited (a joint venture of the Holding Company) Nil (2023 - 90,000) Equity Shares of ₹ 100.00 each, fully paid [Refer note 21 (vii) (b) (8)]	-	-	-	-	-	-	-	-	-	90.00
Carried over	24,327.52	10,729.84	29,689.56	40,419.40	5,770.55	70,517.47	24,534.69	10,007.62	37,728.91	7,982.13
										70,245.73

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

	As at 31st March, 2024					As at 31st March, 2023							
	Amortised cost (1)	At Fair Value			Others * (5)	Total (6)=(1)+(4)+(5)	Amortised cost (7)	At Fair Value			Others * (11)	Total (12)=(7)+(10)+(11)	
		Through Other Comprehensive Income (2)	Through profit or loss (3)	Sub-Total (4)=(2)+(3)				Through Other Comprehensive Income (8)	Through profit or loss (9)	Sub-Total (10)=(8)+(9)			
7. Investments (contd..)													
	Brought forward	24,327.52	10,729.84	29,689.56	40,419.40	5,770.55	70,517.47	24,534.69	10,007.62	27,721.29	37,728.91	7,982.13	70,245.73
Others - Quoted													
HIV Limited 37,44,829 (2023 - 50,27,565) Equity Shares of ₹ 2.00 each, fully paid		-	975.53	-	975.53	-	975.53	-	460.02	-	460.02	-	460.02
EHI Limited 1,52,32,129 Equity Shares of ₹ 2.00 each, fully paid		-	68,468.42	-	68,468.42	-	68,468.42	-	25,232.02	-	25,232.02	-	25,232.02
Others - Unquoted													
Lotus Court Limited 2 Class G Shares of ₹ 48,000.00 each, fully paid		-	234.00	-	234.00	-	234.00	-	234.00	-	234.00	-	234.00
Adyar Property Holding Company Private Limited 311 Equity Shares of ₹ 100.00 each, ₹ 65.00 per share paid-up		-	3.20	-	3.20	-	3.20	-	3.20	-	3.20	-	3.20
Total - Gross (A)		24,327.52	80,410.99	29,689.56	1,10,100.55	5,770.55	1,40,198.62	24,534.69	35,936.86	27,721.29	63,658.15	7,982.13	96,174.97
(i) Investments outside India		-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India		24,327.52	80,410.99	29,689.56	1,10,100.55	5,770.55	1,40,198.62	24,534.69	35,936.86	27,721.29	63,658.15	7,982.13	96,174.97
Total - Gross (B)		24,327.52	80,410.99	29,689.56	1,10,100.55	5,770.55	1,40,198.62	24,534.69	35,936.86	27,721.29	63,658.15	7,982.13	96,174.97
(i) Quoted investments		24,327.52	77,324.40	1,710.94	79,035.34	-	1,03,362.86	24,534.69	33,040.25	5,220.40	38,260.65	2,121.58	64,916.92
(ii) Unquoted investments		-	3,086.59	27,978.62	31,065.21	5,770.55	36,835.76	-	2,896.61	22,500.89	25,397.50	5,860.55	31,258.05
Total - Gross (C)		24,327.52	80,410.99	29,689.56	1,10,100.55	5,770.55	1,40,198.62	24,534.69	35,936.86	27,721.29	63,658.15	7,982.13	96,174.97
Less: Allowance for Impairment loss (D)		-	-	-	-	-	-	-	-	-	-	-	-
Total - Net [E = (A) - (D)]		24,327.52	80,410.99	29,689.56	1,10,100.55	5,770.55	1,40,198.62	24,534.69	35,936.86	27,721.29	63,658.15	7,982.13	96,174.97

* Investment in subsidiary, associates and joint ventures are carried at cost less accumulated impairment, if any.

8. Other financial assets

Current

Interest accrued on bank deposits

TOTAL

As at
31st March, 2024
(₹ in lakhs)

20.78
20.78

As at
31st March, 2023
(₹ in lakhs)

19.42
19.42

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

9 . Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross Block					Depreciation					Net Book Value		
	As at 31st March, 2022	Additions	Withdrawals and adjustments	As at 31st March, 2023	Additions	Withdrawals and adjustments	As at 31st March, 2024	Upto 31st March, 2022	For the year	On Withdrawals and adjustments	Upto 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Building – Freehold	101.47	-	-	101.47	-	-	101.47	6.69	1.88	-	8.57	91.01	92.90
Plant and Equipment	0.16	-	-	0.16	-	-	-	0.08	0.02	-	0.10	-	0.06
TOTAL	101.63	-	-	101.63	-	-	101.47	6.77	1.90	-	8.67	91.01	92.96

(₹ in lakhs)

The above includes following assets given on operating leases, which are not non-cancellable :

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Building – Freehold *	39.25	6.28	32.97	39.25	5.38	33.87
TOTAL	39.25	6.28	32.97	39.25	5.38	33.87

* Note: The lease rental from these leased assets of ₹ 17.28 lakhs (2023: ₹ 17.28 lakhs) is included in "Rental Income" under "Revenue from operations" in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

As at
31st March, 2024
(₹ in lakhs)

As at
31st March, 2023
(₹ in lakhs)

10. Other non-financial assets

Unsecured, considered good

Current

Others (security deposits, prepaid expenses, etc.)

0.61

0.66

Non-Current

Deposits with statutory authorities

1.59

1.59

TOTAL

2.20

2.25

11. Other financial liabilities

Current

Other payables to Related Party [Refer Note 21 (vii (b))]

33.07

42.28

Other payables - Liabilities for expenses

64.46

18.06

Non-Current

Other payables to Related Party [Refer Note 21 (vii (b))]

12.88

18.40

Other payables - Liabilities for expenses

50.43

-

TOTAL

160.84

78.74

12. Current tax liabilities

Current tax provision (net of advance tax)

180.65

173.89

TOTAL

180.65

173.89

13. Provisions

Current

Provision for employee benefits [Refer Note 21 (iv)]

Other benefits

0.08

0.13

Retirement benefits

8.21

7.84

Others

Provision for litigation/disputes

40.45

40.45

Non-Current

Provision for employee benefits [Refer Note 21 (iv)]

Other benefits

3.81

6.20

Contingent provision against standard assets

29.05

29.05

TOTAL

81.60

83.67

14. Deferred tax liabilities (Net)

Deferred tax liabilities

4,928.21

577.17

Less: Deferred tax assets

(99.58)

(132.81)

TOTAL

4,828.63

444.36

Movement in Deferred tax liabilities / (assets) balances:

(₹ in lakhs)

2023-24	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax liabilities / (assets) in relation to:				
On fiscal allowances on property, plant and equipment, etc.	73.86	(67.52)	-	6.34
On employees separation and retirement, etc.	3.46	(0.62)	0.10	2.94
Other timing differences	55.49	34.81	-	90.30
Total deferred tax assets	132.81	(33.33)	0.10	99.58
On current investments - FVTPL	570.78	425.23	-	996.01
On debt instruments - FVTOCI	6.39	-	2.35	8.74
On equity instruments - FVTOCI	-	-	3,923.46	3,923.46
Total deferred tax liabilities	577.17	425.23	3,925.81	4,928.21
Deferred tax liabilities / (assets) (Net)	444.36	458.56	3,925.71	4,828.63

2022-23	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax liabilities / (assets) in relation to:				
On fiscal allowances on property, plant and equipment, etc.	86.66	(12.80)	-	73.86
On employees separation and retirement, etc.	3.03	0.24	0.19	3.46
Other timing differences	16.93	38.56	-	55.49
Total deferred tax assets	106.62	26.00	0.19	132.81
On current investments - FVTPL	573.89	(3.11)	-	570.78
On debt instruments - FVTOCI	-	-	6.39	6.39
Total deferred tax liabilities	573.89	(3.11)	6.39	577.17
Deferred tax liabilities / (assets) (Net)	467.27	(29.11)	6.20	444.36

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

		As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)				
15. Other non-financial liabilities							
Current							
Statutory liabilities		12.80	14.35				
TOTAL		12.80	14.35				
	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 (₹ in lakhs)			
16. Equity Share Capital							
Authorised							
Equity Shares of ₹ 10.00 each	70,00,00,000	70,000.00	70,00,00,000	70,000.00			
Issued and Subscribed							
Equity Shares of ₹ 10.00 each, fully paid	59,74,54,177	59,745.42	59,74,54,177	59,745.42			
Equity Shares of ₹ 10.00 each, ₹ 6.50 per share paid up	7,54,22,400	4,902.46	7,54,22,400	4,902.46			
TOTAL		64,647.88		64,647.88			
A) Reconciliation of number of Equity Shares outstanding							
As at the beginning and at the end of the year (fully paid up)	59,74,54,177	59,745.42	59,74,54,177	59,745.42			
As at the beginning and at the end of the year (partly paid up)	7,54,22,400	4,902.46	7,54,22,400	4,902.46			
TOTAL		64,647.88		64,647.88			
B) Shareholders holding more than 5% of the Equity Shares in the Company							
	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 %	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 %			
Issued, Subscribed and Fully Paid-up							
ITC Limited - Holding Company	59,74,54,177	100.00	59,74,54,177	100.00			
Issued, Subscribed and Partly Paid-up							
ITC Limited - Holding Company	7,54,22,400	100.00	7,54,22,400	100.00			
C) Rights, preferences and restrictions attached to the equity shares							
In respect of the Equity Shares of the Company having par value of ₹ 10.00 per share, the voting rights and entitlement to dividend are in the same proportion as the capital paid-up on such Equity Shares.							
D) Shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts							
Nil							
E) Details of equity shares for the period of immediately preceding five years from 31st March, 2024							
	As at 31st March, 2024 (Aggregate no. of Shares)	As at 31st March, 2023 (Aggregate no. of Shares)					
Allotted as fully paid up pursuant to contract without payment being received in cash	Nil	Nil		Nil			
Allotted as fully paid up by way of bonus shares	Nil	Nil		Nil			
Bought back	Nil	Nil		Nil			
F) Company's objectives, policies and processes for managing capital							
The Company funds its operations mainly through internal accruals and does not have borrowings. The Company aims at maintaining a strong capital base so as to ensure adequate supply of funds towards future growth of its businesses as a going concern.							
G) Shares held by promoter							
	Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
		No. of shares	% of Total Shares	% change during the year	No. of shares	% of Total Shares	% change during the year
Equity shares of ₹ 10.00 each, fully paid	ITC Limited	59,74,54,177	100.00	–	59,74,54,177	100.00	–
Equity shares of ₹ 10.00 each, ₹ 6.50 per share paid up	ITC Limited	7,54,22,400	100.00	–	7,54,22,400	100.00	–

	For the year ended 31st March, 2024 (₹ in lakhs)			For the year ended 31st March, 2023 (₹ in lakhs)		
	Interest Income on Financial Assets classified at fair value through other comprehensive income	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Interest Income on Financial Assets classified at fair value through other comprehensive income	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
17(A). Interest Income						
Interest on Loans	-	214.03	-	-	7.40	-
Interest income from investments	712.89	1,611.60	207.36	26.97	1,190.50	1,534.48
TOTAL	712.89	1,825.63	207.36	26.97	1,197.90	1,534.48

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
17(B). Net gain / (loss) on fair value changes		
On Financial Instruments measured at fair value through profit or loss	1,712.20	763.62
Total Net gain / (loss) on fair value changes	1,712.20	763.62
Fair Value changes:		
- Realised (on sale of investments)	288.01	(48.37)
- Unrealised	1,424.19	811.99
Total Net gain / (loss) on fair value changes	1,712.20	763.62
17(C). Other Income		
Interest on deposits with Banks	405.63	19.66
Interest Income		
- Others (from statutory authorities)	17.95	5.71
Recovery of Debts	-	303.00
Provision no longer required written back	-	76.56
TOTAL	423.58	404.93
18. Employee Benefits Expenses		
Salaries and wages	53.91	43.75
Contribution to provident and other funds	3.54	3.05
Staff welfare expenses	5.62	22.47
Remuneration of managers' salary on deputation *	532.99	288.20
TOTAL	596.06	357.47
* Includes reimbursement on account of share based payments as under :		
ITC - Employee Stock Option Schemes (ESOS) : ₹ 24.83 lakhs (2023 : ₹ 11.32 lakhs)		
ITC - Employee Stock Appreciation Linked Reward (ESAR) Plan: ₹ 8.20 lakhs (2023 : ₹ 24.85 lakhs) [Refer Note 21 (ix)]		
19. Other expenses		
Rent, taxes and energy costs	18.19	18.99
Communication costs	0.24	0.32
Printing and stationery	1.64	1.26
Auditor's fees and expenses *	6.81	6.81
Legal and Professional charges	6.68	21.64
Insurance	0.76	0.83
Bank, custodial and depository charges	0.15	0.09
Travelling and conveyance	2.65	1.54
Expenditure on Corporate Social Responsibility (CSR) activities [Refer Note 21 (xiii)]	76.00	80.00
Loss/ (profit) on Disposal of property, plant and equipment	0.01	-
Contribution under Section 181 of the Companies Act, 2013	200.00	-
Contributions under Section 182 of the Companies Act, 2013 [Refer Note 21 (xv)]	300.00	-
Other expenditure	2.44	2.64
TOTAL	615.57	134.12
*Auditor's fees and expenses (excluding taxes):		
Audit fees	3.00	3.00
Tax audit fees	1.00	1.00
Fees for other services	2.80	2.80
Reimbursement of expenses	0.01	0.01

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

For the year ended
31st March, 2024
(₹ in lakhs)

For the year ended
31st March, 2023
(₹ in lakhs)

20. Income Tax Expenses

A. Amount recognised in profit and loss

Current tax

Income tax for the year	480.00	567.00

Total current Tax

480.00	567.00

Deferred tax

Deferred tax for the year	458.56	(29.10)

Total deferred tax

458.56	(29.10)

TOTAL

938.56	537.90

B. Amount recognised in other comprehensive income

The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:

Deferred tax

On items that will not be reclassified to profit or loss

Remeasurement of defined benefit plans	0.10	0.19

Equity instruments through other comprehensive income	(3,923.46)	-

On items that will be reclassified to profit or loss

Debt instruments through other comprehensive income	(2.35)	(6.39)

TOTAL

(3,925.71)	(6.20)

C. Reconciliation of effective tax rate

The Income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	4,877.72	4,367.70

Income tax expense calculated @ 25.168%	1,227.63	1,099.26

Effect of tax relating to uncertain tax positions	13.01	51.71

Effect of income taxable at different tax rate	(334.56)	(317.88)

Effect of income not taxable	(34.54)	(305.60)

Other differences	67.02	10.41

Total	938.56	537.90

Income tax recognised in profit or loss	938.56	537.90

The tax rate used for the above reconciliations is the corporate tax rate of 25.168% (22% + surcharge @ 10% and cess @ 4%) payable on taxable profits under the Income-tax Act, 1961.

21. Additional Notes to the Financial Statements

(i) Earnings per share :

		2024	2023
Earnings per share has been computed as under:			
(a)	Profit for the year (₹ in lakhs)	3,939.16	3,829.80
(b)	Weighted average number of equity shares outstanding for the purpose of basic earnings per share	64,64,78,737	64,64,78,737
(c)	Earnings per share on profit for the year (Face Value ₹ 10.00 per share) (in ₹) - Basic and Diluted [(a)/(b)]	0.61	0.59

(ii) Contingent liabilities and commitments :

(a) Claims against the Company not acknowledged as debts ₹ 1,070.50 lakhs (2023 : ₹ 68.96 lakhs). This comprises the following:

- Sales tax claims disputed by the Company relating to issues of applicability ₹ 36.63 lakhs (2023 : ₹ 36.63 lakhs);
- Lease tax on account of non-accrual of lease rental ₹ 32.33 lakhs (2023 : ₹ 32.33 lakhs).
- Income Tax claims disputed by the Company relating to nature of income ₹ 1,001.54 lakhs (2023 : Nil)

It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

(b) Commitments

- Uncalled liability on partly paid-up shares ₹ 0.11 lakh (2023 : ₹ 0.11 lakh).

(iii) Leases:

As a Lessee

The Company's leasing arrangements are in respect of operating leases for buildings (office premises). The arrangement is for a period upto 5 years with either parties having option to cancel the lease. The lease is recognised as short-term lease. The total cash outflow for such leases for the year is ₹ 11.00 lakhs (2023 : ₹ 11.34 lakhs).

As a Lessor

The Company has leased out certain buildings under operating lease for lease terms ranging from 1 year to 5 years. Lease payments are structured with periodic escalations consistent with the prevailing market conditions. There are no variable lease payments that do not depend on an index or rate. Rental income recognised from the leases during the year is ₹ 65.28 lakhs (2023 : ₹ 60.84 lakhs). The Company does not have any risk relating to recovery of residual value of these assets at the end of leases considering the business requirements and other alternatives.

The undiscounted minimum lease payments to be received over the remaining non-cancellable term on an annual basis are as follows:

(₹ in lakhs)

Term	2024	2023
Within 1 year	8.00	25.28
Between 1-5 years	-	-
Later than 5 years	-	-

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(iv) Defined Benefit Plans / Long Term Compensated Absences:

Description of Plans

The Company makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees, one of which is a constituted and approved trust, which operates in accordance with the Trust Deed, Rules and applicable Statutes. The Trust is governed by Trustees, who provide strategic guidance for management of investments and liabilities of such Trust and periodically review the performance of the Trust.

Provident Fund and Gratuity Benefits are funded and Leave Encashment Benefits are unfunded in nature.

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end. The Company makes a monthly contribution as a percentage of eligible salary to significant Employee Benefit Contribution Plans.

Risk Management

The Defined Benefit Plan expose the Company to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

Investment Risk: This may arise from volatility in asset values due

to market fluctuations and impairment of assets due to credit losses. The Plan primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

Interest Rate Risk: The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

The Plan have a relatively balanced mix of investments in order to manage the above risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under various statutes.

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

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
I	Components of Employer Expense				
	– Recognised in Profit or Loss				
1	Current Service Cost	0.64	0.34	0.62	0.45
2	Past Service Cost	–	–	–	–
3	Net Interest Cost	0.55	0.47	0.37	0.44
4	Total expense recognised in the Statement of Profit and Loss	1.19	0.81	0.99	0.89
	– Remeasurements recognised in Other Comprehensive Income (OCI)				
5	Return on plan assets (excluding amounts included in Net interest cost)	–	–	(0.04)	–
6	Effect of changes in demographic assumptions	–	–	–	–
7	Effect of changes in financial assumptions	0.30	0.19	(0.36)	(0.21)
8	Changes in asset ceiling (excluding interest income)	–	–	–	–
9	Effect of experience adjustments	(0.06)	(0.04)	2.32	(0.95)
10	Total remeasurements included in Other Comprehensive Income	0.24	0.15	1.92	(1.16)
11	Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (4+10)	1.43	0.96	2.91	(0.27)
The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in “Contribution to provident and other funds” and Leave Encashment in “Salaries and wages” under Note 18. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.					

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
II	Actual Returns	0.33	–	0.35	–
III	Net Asset/(Liability) recognised in Balance Sheet				
1	Present Value of Defined Benefit Obligation	13.44	3.89	11.69	6.33
2	Fair Value of Plan Assets	5.23	–	3.84	–
3	Status [Surplus/(Deficit)]	(8.21)	(3.89)	(7.84)	(6.33)
4	Restrictions on Asset Recognised	–	–	–	–
5	Net Asset/(Liability) recognised in Balance Sheet	As at 31st March, 2024 (₹ in lakhs)		As at 31st March, 2023 (₹ in lakhs)	
		Current	Non-current	Current	Non-current
	- Gratuity	(8.21)	–	(7.84)	–
	- Leave Encashment	(0.08)	(3.81)	(0.13)	(6.20)

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
IV	Change in Defined Benefit Obligation (DBO)				
1	Present Value of DBO at the beginning of the year	11.69	6.33	11.65	6.60
2	Current Service Cost	0.64	0.34	0.62	0.45
3	Past Service Cost	–	–	–	–
4	Interest Cost	0.87	0.47	0.68	0.44
5	Remeasurement gains / (losses):				
	a. Effect of changes in demographic assumptions	–	–	–	–
	b. Effect of changes in financial assumptions	0.30	0.19	(0.36)	(0.21)
	c. Changes in asset ceiling (excluding interest income)	–	–	–	–
	d. Effect of experience adjustments	(0.06)	(0.04)	2.32	(0.95)
6	Curtailment Cost / (Credit)	–	–	–	–
7	Settlement Cost / (Credit)	–	–	–	–
8	Liabilities assumed in business combination	–	–	–	–
9	Exchange difference on foreign plans	–	–	–	–
10	Benefits Paid	–	(3.40)	(3.22)	–
11	Present Value of DBO at the end of the year	13.44	3.89	11.69	6.33

V	Best Estimate of Employers' Expected Contribution for the next year	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
	- Gratuity	0.85	1.22
	- Leave Encashment	–	–

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
VI	Change in Fair Value of Assets				
1	Plan Assets at the beginning of the year	3.84	–	5.80	–
2	Asset acquired in Business Combination	–	–	–	–
3	Interest Income	0.32	–	0.31	–
4	Remeasurement Gains/(Losses) on plan assets	–	–	0.04	–
5	Actual Company Contributions	1.07	–	0.91	–
6	Benefits Paid	–	–	(3.22)	–
7	Plan Assets at the end of the year	5.23	–	3.84	–

VII	Actuarial Assumptions	As at 31st March, 2024	As at 31st March, 2023
		Discount Rate (%)	Discount Rate (%)
1	Gratuity	7.00	7.50
2	Leave Encashment	7.00	7.50
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.			

VIII	Major Category of Plan Assets as a % of the Total Plan Assets	As at 31st March, 2024	As at 31st March, 2023
1	Government Securities/Special Deposit with RBI	5.36%	4.69%
2	High Quality Corporate Bonds	3.97%	3.04%
3	Insurer Managed Funds*	80.47%	82.00%
4	Mutual Funds	4.21%	3.30%
5	Cash and Cash Equivalents	5.99%	6.97%
6	Term Deposits	–	–
7	Equity	–	–

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

The employee benefit plan do not hold any securities issued by the Company.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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

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

			For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Unfunded	Funded	Unfunded
X	Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)					
	1	Present Value of Defined Benefit Obligation	13.44	3.89	11.69	6.33
	2	Fair Value of Plan Assets	5.23	–	3.84	–
	3	Status [Surplus / (Deficit)]	(8.21)	(3.89)	(7.84)	(6.33)
	4	Experience Adjustment of Plan Assets [Gain / (Loss)]	–	–	0.04	–
	5	Experience Adjustment of obligation [(Gain) / Loss]	(0.06)	(0.04)	2.32	(0.95)

XI. Sensitivity Analysis

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

(₹ in lakhs)

		DBO as at 31st March, 2024		DBO as at 31st March, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
1	Discount Rate + 100 basis points	12.87	3.54	11.17	6.01
2	Discount Rate - 100 basis points	14.03	4.28	12.28	6.69
3	Salary Increase Rate + 1%	14.10	4.33	12.29	6.70
4	Salary Increase Rate – 1%	12.85	3.53	11.15	6.00

Maturity Analysis of the Benefit Payments

(₹ in lakhs)

		DBO as at 31st March, 2024		DBO as at 31st March, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
1	Year 1	6.95	0.08	0.23	0.13
2	Year 2	0.13	0.09	7.01	3.49
3	Year 3	0.16	0.10	0.12	0.08
4	Year 4	0.18	0.11	0.14	0.09
5	Year 5	0.21	0.12	0.17	0.10
6	Next 5 Years	5.88	2.85	6.13	2.73

Amount towards Defined Contribution Plans have been recognised under 'Contribution to provident and other funds' in Note 18: ₹ 2.35 lakhs (2023 : ₹ 2.07 lakhs).

(v) Micro, Small and Medium scale business entities:

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(vi) Segment Reporting:

The Company is primarily engaged in the business of financial services in India. Consequently, there are no separate reportable segments as per 'Ind AS 108'. The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The entity-wide disclosure is as under:

(₹ in lakhs)

	2024	2023
Non-current assets (in India)	92.60	94.55

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(vii) Related Party Disclosures

(a) RELATIONSHIP:

(i) Holding Company:

- ITC Limited

(ii) Subsidiary Company:

- Greenacre Holdings Limited

(iii) Fellow Subsidiary Company with whom the Company had transactions:

- ITC IndiVision Limited

(iv) Associate Company (including associate of the Holding Company) with whom the Company had transactions:

- Russell Investments Limited
- International Travel House Limited

(v) Key Management Personnel (KMP):

- Mr. S. Dutta Chairman & Non-Executive Director
- Ms. P. Balaji Non-Executive Director
- Mr. T.S.M. Shenoy Non-Executive Director
- Mr. J. Singh Non-Executive Director
- Mr. R. K. Singhi Non-Executive Director
- Mr. S. Suresh Kumar Non-Executive Director
- Mr. A. Marodia Chief Financial Officer (upto 31.12.2023) & Manager (w.e.f. 01.01.2024)
- V. Luharuka Chief Financial Officer (w.e.f. 01.01.2024)
- Ms. N. Bajaj Manager (upto 30.09.2023) & Company Secretary

(b) DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES DURING THE YEAR AND THE STATUS OF OUTSTANDING BALANCES AS AT THE YEAR END

(₹ in lakhs)

RELATED PARTY TRANSACTION SUMMARY		Holding Company		Subsidiary Company		Fellow Subsidiaries		Associate Company (including associate of the Holding Company)		Total	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
1.	Rent Received	65.28	60.84	–	–	–	–	–	–	65.28	60.84
2.	Purchase of Services										
	– ITC Limited	–	0.09	–	–	–	–	–	–	–	0.09
	– International Travel House Limited	–	–	–	–	–	–	2.62	1.52	2.62	1.52
3.	Rent Paid	12.99	13.38	–	–	–	–	–	–	12.99	13.38
4.	Expenses Reimbursed	5.44	4.96	–	–	–	–	–	–	5.44	4.96
5.	Loans Disbursed										
	– ITC IndiVision Limited	–	–	–	–	2,500.00	1,250.00	–	–	2,500.00	1,250.00
6.	Interest Income										
	– ITC IndiVision Limited	–	–	–	–	214.03	7.40	–	–	214.03	7.40
7.	Dividend Paid	1,874.79	387.89	–	–	–	–	–	–	1,874.79	387.89
8.	Sale of Investments at Cost										
	– Maharaja Heritage Resorts Limited	90.00	–	–	–	–	–	–	–	90.00	–
	– International Travel House Limited	2,121.58	–	–	–	–	–	–	–	2,121.58	–
9.	Remuneration of manager on deputation reimbursed										
	– for Chief Financial Officer										
	– Mr. V. Luharuka (w.e.f. 01.01.2024)	24.58	–	–	–	–	–	–	–	24.58	–
	– Mr. A. Marodia (upto 31.12.2023)	102.80	102.84	–	–	–	–	–	–	102.80	102.84
10.	Remuneration of managers on deputation reimbursed										
	– Ms. N. Bajaj for Manager (upto 30.09.2023) & Company Secretary	134.74	112.42	–	–	–	–	–	–	134.74	112.42
	– Mr. A. Marodia for Manager (w.e.f. 01.01.2024)	22.64	–	–	–	–	–	–	–	22.64	–
11.	Remuneration of managers on deputation reimbursed										
	– for Internal Auditor										
	– Mr. J. Banerjee	108.77	36.77	–	–	–	–	–	–	108.77	36.77
12.	Remuneration on account of share based payment for managers on deputation	33.03	36.17	–	–	–	–	–	–	33.03	36.17
13.	Dividend Income										
	– Russell Investments Limited	–	–	–	–	–	–	29.93	21.38	29.93	21.38
	– International Travel House Limited	–	–	–	–	–	–	126.93	–	126.93	–
14.	Outstanding Balances										
	i) Security Deposit										
	– ITC Limited	36.00	36.00	–	–	–	–	–	–	36.00	36.00
	ii) Loans given										
	– ITC IndiVision Limited	–	–	–	–	3,750.00	1,250.00	–	–	3,750.00	1,250.00
	iii) Payables										
	– ITC Limited	9.68	24.29	–	–	–	–	–	–	9.68	24.29
	– International Travel House Limited	–	–	–	–	–	–	0.28	0.39	0.28	0.39

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(viii) Provision for litigation/disputes:

(₹ in lakhs)

	2024	2023
Balance as at the beginning of the year	40.45	117.01
Add: Additions during the year	–	–
(Less): Payments/provision reversal during the year	–	(76.56)
Balance as at the end of the year	40.45	40.45
Classified as Provisions (Current) (Refer Note 13)	40.45	40.45

- (ix) The Chief Financial Officer, the Manager, Company Secretary and the Internal Auditor of the Company who are on deputation from ITC Limited (ITC), have been granted Stock Options by ITC under the ITC Employee Stock Option Schemes (ITC ESOS). ITC has also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) in the previous year(s) to the eligible managers deputed to the Company under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan).

The cost of equity settled options granted under ITC ESOS / cash settled units granted under ITC ESAR Plan have been recognised as equity settled / cash settled share based payments, respectively, in accordance with Ind AS 102 – Share Based Payment. In terms of the deputation arrangement, the Company has accounted for the cost of the fair value of Stock Options / ESAR Units granted to the deputed employees on-charge by ITC. Accordingly, an amount of ₹ 24.83 lakhs (2023 : ₹ 11.32 lakhs) towards Stock Options and ₹ 8.20 lakhs (2023 : ₹ 24.85 lakhs) towards ESAR Units have been recognised as employee benefits expense (Refer Note 18). The net liability of ₹ 9.68 lakhs (2023 : ₹ 24.29 lakhs) on account of ESAR Units is included under Note 11 of the financial statements.

The summary of movement of the aforesaid Stock Options granted by ITC and status of the outstanding Options is as under:

Particulars	As at 31st March, 2024	As at 31st March, 2023
	No. of Options	No. of Options
Outstanding at the beginning of the year	23,455	14,553
Add: Granted during the year	2,800	3,550
Add / (Less): Movement due to transfer of employees within the group	5,126	12,041
(Less): Lapsed during the year	–	–
(Less): Exercised during the year	(9,628)	(6,689)
Outstanding at the end of the year	21,753	23,455
Options exercisable at the end of the year	14,488	18,365

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

Since the above-mentioned Stock Options and ESAR Units are not tradeable, no perquisite or benefit is conferred upon the employee by grant of such Options / Units.

- (x) Figures for the previous year have been re-arranged, wherever necessary, to conform to the figures of the current year. The same does not have any material impact on the financial statements
- (xi) Disclosures for comparison between provisions required under prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109:

(₹ in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowance (Provision) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	3,803.97	29.05*	3,774.92	15.22	13.83
	Stage 2	–	–	–	–	–
Subtotal		3,803.97	29.05*	3,774.92	15.22	13.83
Non-Performing Assets (NPA)						
Substandard	Stage 3	–	–	–	–	–
Doubtful - up to 1 year	Stage 3	–	–	–	–	–
1 to 3 years	Stage 3	–	–	–	–	–
More than 3 years	Stage 3	–	–	–	–	–
Subtotal for doubtful		–	–	–	–	–
Loss	Stage 3	–	–	–	–	–
Subtotal for NPA		–	–	–	–	–
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	–	–	–	–	–
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
Subtotal		–	–	–	–	–
Total	Stage 1	3,803.97	29.05*	3,774.92	15.22	13.83
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
	Total	3,803.97	29.05*	3,774.92	15.22	13.83

* The Company creates / maintains appropriate loss provision in terms of the requirements of applicable Indian Accounting Standards and Prudential Norms of Reserve Bank of India, whichever is higher. Also, refer to Note 13 relating to 'Contingent provision against standard assets'.

Note: Details of accounts that are past due beyond 90 days but not treated as impaired:

- Number of such accounts: Nil
- Total amount outstanding: Nil
- Overdue amounts: Nil

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(xii) Disclosures under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 prescribed for NBFCs :

a) Capital

Particulars	2024	2023
i) CRAR (%)	103.93	104.73
ii) CRAR - Tier I Capital (%)	103.90	104.70
iii) CRAR - Tier II Capital (%)	0.03	0.03
iv) Amount of subordinated debt raised as Tier II Capital (₹ in lakhs)	–	–
v) Amount raised by issue of Perpetual Debt Instruments (₹ in lakhs)	–	–

b) Investments

(₹ in lakhs)

Particulars	2024	2023
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,40,198.62	96,174.97
(b) Outside India	–	–
(ii) Provisions for Depreciation		
(a) In India	–	–
(b) Outside India	–	–
(iii) Net Value of Investments		
(a) In India	1,40,198.62	96,174.97
(b) Outside India	–	–
(2) Movement of provisions held towards Depreciation on Investments		
(i) Opening balance	–	–
(ii) Add : Provisions made during the year	–	–
(iii) Less : Write-off / (write-back) of excess provisions during the year	–	–
(iv) Closing balance	–	–

c) Derivatives

- i. Forward Rate Agreement / Interest Rate Swap : Nil
- ii. Exchange Traded Interest Rate Derivatives : Nil
- iii. Disclosures on Risk Exposure in Derivatives :
 - a. Qualitative Disclosure : The Company does not use Derivatives to hedge its risks.
 - b. Quantitative Disclosure : Nil

d) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in lakhs)

	0 to 7 Days	8 to 14 Days	15 Days & upto 1 month	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits - Fixed Deposits with Banks	–	–	–	–	–	–	5,369.32	–	–	–	5,369.32
Advances / Loans	–	–	–	–	–	–	3,750.00	–	–	–	3,750.00
Investments	20,841.30	–	–	–	2,465.38	–	4,671.94	32,823.13	3,944.88	75,451.99	1,40,198.62
Borrowings	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency assets	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency liabilities	–	–	–	–	–	–	–	–	–	–	–

e) Liquidity Risk Management:

- i. Institutional set-up for liquidity risk management:

The Company has a well-defined Liquidity Risk Management Policy in place which is reviewed on a periodic basis. The Board of Directors of the Company has the overall responsibility for management of liquidity risk. The Board decides the strategies, policies and procedures of the Company to manage liquidity risk. The Risk Management Committee is responsible for evaluating the overall risks faced by the Company. The Asset Liability Management Committee is responsible for adherence to the policies and procedures adopted by the Board for managing liquidity risk.

- ii. Funding concentration (borrowings) based on significant counterparty: Nil
- iii. Funding concentration based on significant instrument / product: Nil
- iv. Top 10 borrowings (amount in ₹ crore and % of total borrowings): Nil
- v. Stock Ratios:
 - a. Short-Term Liabilities as a % of Total Assets: 0.11%
 - b. Short-Term Liabilities as a % of Total Liabilities: 3.02%

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
f) Exposure to Capital Market:

(₹ in lakhs)

Particulars	2024	2023
(i) Direct investment in equity shares (*), convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	69,444.24	27,813.85
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;		
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	–	–
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	–	–
(vii) Bridge loans to companies against expected equity flows / issues;	–	–
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	–	–
(ix) Financing to stockbrokers for margin trading	–	–
(x) All exposures to Alternative Investments Funds: (i) Category I (ii) Category II (iii) Category III	–	–
Total Exposure to Capital Market	69,444.24	27,813.85

* Only quoted equity investments considered.

g) Sectoral Exposure

(₹ in lakhs)

Sectors	As on 31st March, 2024			As on 31st March, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture & Allied activities	–	–	–	–	–	–
2. Industry						
i. Manufacturing	3,750.00	–	–	1,250.00	–	–
3. Services	–	–	–	–	–	–
4. Personal Loans	–	–	–	–	–	–
5. Others	–	–	–	–	–	–
Total	3,750.00	–	–	1,250.00	–	–

h) Exposure to real estate sector

(₹ in lakhs)

Category	As on 31st March, 2024	As on 31st March, 2023
i) Direct Exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.		
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	–	–
c) Investments in Mortgage-Backed Securities (MBS) and other securitized Exposures – i. Residential ii. Commercial Real Estate		
ii) Indirect exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	14,339.41	13,571.99
Total Exposure to Real Estate Sector	14,339.41	13,571.99

i) Details of financing of parent company products: Nil

j) Details of Single Borrower Limit / Group Borrower Limit exceeded by the Company: Nil

k) Unsecured Advances / Loans as on 31st March, 2024: 3,750.00 lakhs

l) Registration obtained from other financial sector regulators: None

m) Penalties imposed by RBI and other regulators: Nil

n) Area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries: None

o) Related Party Transactions: Details of material transactions with related parties and Company's Policy on dealing with Related Party Transactions are disclosed in the Report of the Board of Directors & Management Discussion and Analysis.

p) Ratings assigned by credit rating agencies and migration of ratings during the year: None

q) Pecuniary relationship or transaction with Non-Executive Directors: None

r) Provisions and Contingencies :

(₹ in lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in the Statement of Profit and Loss		2024	2023
Provisions for Depreciation on Investment		–	–
Provision towards NPA		–	–
Provision made towards Income tax (including deferred tax)		938.56	537.90
Other Provision and Contingencies (with details)			
A	Provision for compensated absences	0.81	0.89
B	Provision for gratuity	1.18	0.99
C	Impairment loss allowance on trade receivables	–	–
Provision for Standard Assets		–	–

s) Draw Down from Reserves: Nil

t) Concentration of Deposits: Not Applicable

u) Concentration of Advances :

(₹ in lakhs)

Particulars	2024	2023
Total Advances to twenty largest borrowers*	3,750.00	1,250.00
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	100.00%	100.00%

* Only Loan provided to Fellow Subsidiary has been considered.

v) Concentration of Exposures :

(₹ in lakhs)

Particulars	2024	2023
Total Exposure to twenty largest borrowers/customers#	3,750.00	1,250.00
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	100.00%	100.00%

Only Loan provided to Fellow Subsidiary has been considered.

w) Concentration of NPAs : Nil

x) Sector-wise NPAs : Nil

y) Movement of NPAs : Nil

z) Overseas Assets : Nil

aa) Off-Balance Sheet SPVs sponsored : Nil

bb) Customer Complaints:

Sr. No.	Particulars	2024	2023
I	No. of complaints pending at the beginning of the year	Nil	Nil
II	No. of complaints received during the year	Nil	Nil
III	No. of complaints disposed during the year	Nil	Nil
	III.1. Of which, number of complaints rejected by the Company	Nil	Nil
IV	No. of complaints pending at the end of the year	Nil	Nil
	Maintainable complaints received by the Company from the office of Ombudsman	Nil	Nil
V	Number of maintainable complaints received by the Company from the office of Ombudsman	Nil	Nil
	V.1. of V, number of complaints resolved in favour of the Company by Office of Ombudsman	Nil	Nil
	V.2 of V, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	Nil	Nil
	V.3 of V, number of complaints resolved after passing of awards by Office of Ombudsman against the company	Nil	Nil
VI	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

cc) Top five grounds of complaints received by the NBFCs from customers : N.A.

dd) Unhedged foreign currency exposure : Nil

ee) Intra-Group Exposures:

(₹ in lakhs)

Particulars	2024	2023
Total amount of intra-group exposures	3,750.00	1,250.00
Total amount of top 20 intra-group exposures	3,750.00	1,250.00
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	100.00%	100.00%

ff) Related Party disclosures :

(₹ in lakhs)

Related Party/ Items	Parent Company		Subsidiaries		Associates /Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others*		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments - Outstanding	-	-	4,210.34	4,210.34	1,560.21	3,771.79	-	-	-	-	-	-	5,770.55	7,982.13
- Maximum	-	-	4,210.34	4,210.34	3,771.79	3,771.79	-	-	-	-	-	-	7,982.13	7,982.13
Loans Disbursed	-	-	-	-	-	-	-	-	-	-	2,500.00	1,250.00	2,500.00	1,250.00
Purchase of Fixed Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Fixed/ Other Asset (Investments Associate / Joint Venture)	2,211.58	-	-	-	-	-	-	-	-	-	-	-	2,211.58	-
Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	214.03	7.40	214.03	7.40
Others														
a) Rent Received	65.28	60.84	-	-	-	-	-	-	-	-	-	-	65.28	60.84
b) Purchase of Services	-	0.09	-	-	2.62	1.52	-	-	-	-	-	-	2.62	1.61
c) Rent Paid	12.99	13.38	-	-	-	-	-	-	-	-	-	-	12.99	13.38
d) Expenses Reimbursed	5.44	4.96	-	-	-	-	-	-	-	-	-	-	5.44	4.96
e) Dividend paid	1,874.79	387.89	-	-	-	-	-	-	-	-	-	-	1,874.79	387.89
f) Remuneration of manager on deputation reimbursed - for Chief Financial Officer	127.38	102.84	-	-	-	-	-	-	-	-	-	-	127.38	102.84
g) Remuneration of managers on deputation reimbursed - for Manager & Company Secretary	157.38	112.42	-	-	-	-	-	-	-	-	-	-	157.38	112.42
h) Remuneration of managers on deputation reimbursed - for Internal Auditor	108.77	36.77	-	-	-	-	-	-	-	-	-	-	108.77	36.77
i) Remuneration on account of share- based payment for managers on deputation	33.03	36.17	-	-	-	-	-	-	-	-	-	-	33.03	36.17
j) Security Deposit	36.00	36.00	-	-	-	-	-	-	-	-	-	-	36.00	36.00
k) Payables	9.68	24.29	-	-	0.28	0.39	-	-	-	-	-	-	9.96	24.68
l) Dividend Income	-	-	-	-	156.86	21.38	-	-	-	-	-	-	156.86	21.38
Total	4,642.32	815.65	8,420.68	8,420.68	5,491.76	7,566.87	-	-	-	-	2,714.03	1,257.40	21,268.87	18,060.60

* Others includes transactions with Fellow Subsidiaries.

a) Breach of covenant of loan availed or debt securities issued by the Company : Nil

b) Divergence in Asset Classification and Provisioning : Nil

(xiii) Corporate Social Responsibility (CSR)

- i. Amount required to be spent by the company during the year : ₹ 75.17 lakhs (2023: 79.87 lakhs)
 - ii. Amount of expenditure incurred : ₹ 76.00 lakhs (2023 : ₹ 80.00 lakhs)
 - iii. Shortfall at the end of the year : -
 - iv. Total of previous years shortfall : -
 - v. Reason for shortfall : Not Applicable
 - vi. Nature of CSR activities : CSR activities undertaken during the year pertains to rural development project; including promoting education and health & sanitation practices, implemented through ITC Rural Development Trust, and implementation agencies.
 - vii. Details of related party transactions : Not Applicable
 - viii. Movement of provision during the year w.r.t. liability towards contractual obligation : Not Applicable
- CSR expenditure does not include any spends on construction/ acquisition of assets.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(xiv) Financial Ratios:

Refer Note 21(xii)(a) for Capital to risk-weighted assets ratio (CRAR), Tier I CRAR and Tier II CRAR.

RBI's Guidelines on maintenance of Liquidity Coverage Ratio [Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 prescribed for NBFCs] are not applicable to the Company. Accordingly, the same has not been provided.

(xv) During the year, the following donations were made by the Company in compliance with the provisions of Section 182 of the Companies Act, 2013 : Bharatiya Janata Party : ₹ 250.00 lakhs (2023: Nil), Indian National Congress : ₹ 50 lakhs (2023: Nil). [Refer Note 19]

(xvi) The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after 1 April 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the financial statements of the Company.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases. Since the Company does not have any deferred tax assets/liabilities relating to leases. There is no impact on the financial statements of the Company.

(xvii) The financial statements were approved for issue by the Board of Directors on 3rd May, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

Schedule to the Balance Sheet as at 31st March, 2024

As required in terms of Paragraph 31 of Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023

(₹ in lakhs)

	Particulars	31st March, 2024	
		Amount Outstanding	Amount Overdue
	Liabilities Side :		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
	a) Debentures		
	Secured	–	–
	Unsecured	–	–
	(Other than falling within the meaning of public deposits)		
	b) Deferred Credits	–	–
	c) Term Loans	–	–
	d) Inter-Corporate loans and borrowings	–	–
	e) Commercial papers	–	–
	f) Public Deposits	–	–
	g) Other Loans (specify nature)	–	–
(2)	Break-up off (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	a) In the form of Unsecured debentures	–	–
	b) In the form of partly Secured debentures i.e., debentures where share is a shortfall in the value of security	–	–
	c) Other public deposit	–	–
	Assets Side:		Amount Outstanding
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]		
	a) Secured		–
	b) Unsecured		3,750.00
(4)	Break-up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
	(i) Lease assets including lease rentals under sundry debtors		32.97
	(a) Financial lease		–
	(b) Operating lease		32.97
	(ii) Stock on hire including hire charges under sundry debtors		–
	(a) Assets on hire		–
	(b) Repossessed Assets		–
	(iii) Other Loans counting towards asset financing activities		–
	(a) Loans where assets have been repossessed		–
	(b) Loans other than (a) above		–
(5)	Break-up of Investments : Current Investments		
	1. Quoted:		1,710.95
	(i) Shares : (a) Equity		0.29
	(b) Preference		–
	(ii) Debentures and Bonds		1,710.66
	(iii) Units of mutual funds		–
	(iv) Government Securities		–
	(v) Others (please specify)		–

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Assets Side:		Amount Outstanding		
	2. Unquoted:	27,978.61		
	(i) Shares : (a) Equity	-		
	(b) Preference	-		
	(ii) Debentures and Bonds	-		
	(iii) Units of mutual funds	20,841.30		
	(iv) Government Securities	-		
	(v) Others (certificates of deposit)	7,137.32		
	Long Term Investments			
	1. Quoted:	1,01,651.92		
	(i) Shares : (a) Equity	69,443.95		
	(b) Preference	-		
	(ii) Debentures and Bonds	24,327.52		
	(iii) Units of mutual funds	7,880.45		
	(iv) Government Securities	-		
	(v) Others	-		
	2. Unquoted :	8,857.14		
	(i) Shares : (a) Equity	6,007.75		
	(b) Preference	-		
(ii) Debentures and Bonds	-			
(iii) Units of mutual funds	2,849.39			
(iv) Government Securities	-			
(v) Others	-			
(6)	Borrower group-wise classification of assets financed as in (3) and (4) above:			
Category	Amount Net of Provisions*			
	Secured	Unsecured	Total	
1. Related Parties				
(a) Subsidiaries	-	-	-	
(b) Companies in the same group	-	3,782.97	3,782.97	
(c) Other related parties	-	-	-	
2. Other than related parties	-	-	-	
Total * The Company maintains a loss provision of ₹ 29.05 lakhs which is considered adequate to meet the RBI Prudential Norms & Expected Credit Loss Policy of the Company. Hence, no further provision is considered necessary. [Refer Note 13 & 21 (xi)].	-	3,782.97	3,782.97	
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)		
1. Related Parties				
(a) Subsidiaries	5,748.61	4,210.34		
(b) Companies in the same group	6,033.19	1,560.21		
(c) Other related parties	-	-		
2. Other than related parties	1,34,092.08	1,34,428.07		
Total	1,45,873.88	1,40,198.62		
(8)	Other information			
Particulars	Amount			
(i) Gross Non-Performing Assets	-			
(a) Related Parties	-			
(b) Other than related parties	-			
(ii) Net Non-Performing Assets	-			
(a) Related Parties	-			
(b) Other than related parties	-			
(iii) Assets acquired in satisfaction of debt	-			

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

22. Financial Instruments and Related Disclosures

i. Categories of Financial Instruments

(₹ in lakhs)

Particulars		Note	As at 31st March, 2024		As at 31st March, 2023	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets						
a)	Measured at amortised cost					
	i) Cash and cash equivalents	3	103.78	103.78	27.53	27.53
	ii) Bank Balance other than (i) above	4	5,369.32	5,369.32	5005.78	5005.78
	iii) Trade Receivables	5(I)	–	–	–	–
	iv) Loans	6	3,750.00	3,750.00	1,250.00	1,250.00
	v) Investment in Bonds	7	24,327.52	23,991.53	24,534.69	21,578.19
	vi) Other financial assets	5(II) & 8	730.37	730.37	829.64	829.64
	Sub - total		34,280.99	33,945.00	31,647.64	28,691.14
b)	Measured at Fair value through OCI					
	i) Investment in Equity shares	7	69,681.15	69,681.15	25,929.24	25,929.24
	ii) Investment in Mutual Funds	7	10,729.84	10,729.84	10,007.62	10,007.62
	Sub - total		80,410.99	80,410.99	35,936.86	35,936.86
c)	Measured at Fair value through Profit or Loss					
	i) Investment in Mutual Funds	7	20,841.30	20,841.30	22,500.89	22,500.89
	ii) Investment in Certificates of Deposit	7	7,137.32	7,137.32	–	–
	iii) Investment in Bonds	7	1,710.65	1,710.65	5,220.17	5,220.17
	iv) Investment in Equity Shares	7	0.29	0.29	0.23	0.23
	Sub - total		29,689.56	29,689.56	27,721.29	27,721.29
	Total financial assets		1,44,381.54	1,44,045.55	95,305.79	92,349.29
B. Financial liabilities						
a)	Measured at amortised cost					
	i) Other financial liabilities	11	160.84	160.84	78.74	78.74
	Total financial liabilities		160.84	160.84	78.74	78.74

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

ii. Financial risk management objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Market Risk

1. Interest Rate Risk

As the Company is debt-free, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible.

The Company's investments are predominantly held in bonds, fixed deposits and debt mutual funds etc. Mark to market movements in respect of the Company's investments in bonds that are held at amortised cost are temporary and get recouped through fixed coupon accruals. Other investments in bonds are fair valued through the Statement of Profit and Loss to recognise market volatility, which is not considered to be significant. Fixed deposits are held with highly rated banks and companies and have a short tenure and are not subject to interest rate volatility.

The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

2. Other Price Risk

The Company is not an active investor in equity markets; it holds certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2024 is ₹ 69,681.15 lakhs (2023 - ₹ 25,929.24 lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's financial liabilities are ₹ 160.84 lakhs (2023: ₹ 78.74 lakhs) as against cash and cash equivalents of ₹ 103.78 lakhs (2023: ₹ 27.53 lakhs) and investments as reflected in Note 7 of the financial statements. Further, the Company's total equity stands at ₹ 1,44,980.78 lakhs (2023: ₹ 1,02,588.12 lakhs). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

Credit risk

As the Company is debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Investments are made in debt instruments, within approved policies and procedures guided by the tenets of liquidity, safety and return. This ensures that investments are only made within acceptable risk parameters.

The Company's investments are predominantly held in debt mutual funds, fixed deposits etc. The Company invests in mutual fund schemes of leading fund houses. Portfolios of the schemes are reviewed for compliance to the risk management practices on an ongoing basis. Such investments are susceptible to market price risk that arises mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

Fixed deposits are held with highly rated banks and companies and have a short tenure and are not subject to interest rate volatility.

Credit risk is the risk of financial loss if a counterparty to a financial

instrument fails to meet its contractual obligations, and arises principally from loans and investment securities held to maturity. Company's deployment in debt instruments are primarily in fixed deposits with highly rated banks and corporates, bonds issued by government institutions, public sector undertakings and certificates of deposit issued by highly rated bank. With respect to the Company's investing activities, counter parties are shortlisted and exposure limits determined on the basis of their credit evaluation, financial statements and other relevant information. As these counter parties are Government institutions, public sector undertakings with investment grade credit ratings and taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low; consequently, trade receivables are considered to be a single class of financial assets. Loss allowances and impairment is recognised, where considered appropriate by responsible management.

The Company monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition.

The Company uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of Expected Credit Loss (ECL). The external information used includes economic data and forecasts published by governmental bodies and monetary authorities. Appropriate loss provision is created / maintained in terms of the requirements of applicable Indian Accounting Standards and Prudential Norms of Reserve Bank of India, along with additional provisions, if any, required for specific loss in accordance with management estimates.

For position of past due receivables refer to Notes 5, 21 (xii)(d) and for movement of provisions thereof, refer to Notes 13, 21 (xi), 21 (xii) (r). There is no movement in the contingent provision against standard assets during the year (Refer Note 13).

iii. Fair value measurement

Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active market or Net Asset Value (NAV) for identical assets or liabilities.

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

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The fair value of investment in Bonds/debentures, Certificate of deposits etc. and Financial liabilities, where applicable, is determined using market observable inputs such as quotes from market participants, value published by the issuer etc.

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

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted methodologies such as discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities, where applicable, is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. The sensitivity of change in the unobservable inputs used in fair valuation of Level 3 financial assets and liabilities does not have a significant impact on their value. There were no transfers between Level 1, Level 2 and Level 3 during the year.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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

(₹ in lakhs)

Particulars		Fair Value Hierarchy (Level)	Fair Value	
			As at 31st March, 2024	As at 31st March, 2023
A. Financial assets				
a)	Measured at amortised cost			
	i) Investment in Bonds	2	23,991.53	21,578.19
b)	Measured at Fair value through Other Comprehensive Income			
	i) Investment in Equity Shares - Quoted	1	69,443.95	25,692.04
	ii) Investment in Equity Shares - Unquoted	3	237.20	237.20
	iii) Investment in Mutual Funds	1	10,729.84	10,007.62
c)	Measured at Fair value through Profit or Loss			
	i) Investment in Mutual Funds	1	20,841.30	22,500.89
	ii) Investment in Bonds	2	1,710.65	5,220.17
	iii) Investment in Equity Shares	1	0.29	0.23
	iv) Investment in Certificates of Deposit	2	7,137.32	

Reconciliation of fair value movement of financial assets measured at fair value on a recurring basis and categorised within Level 3 of the fair value hierarchy is as under:

(₹ in lakhs)

	31st March, 2024	31st March, 2023
	Financial Assets at FVTOCI	Financial Assets at FVTOCI
Opening Balance	237.20	237.20
Additions during the year	–	–
Sale/Transfer/Settlement during the year	–	–
Gain / (Loss) during the year recognised in Other Income	–	–
Gain / (Loss) during the year recognised in Other Comprehensive Income	–	–
Closing Balance	237.20	237.20

In terms of our report attached

For Maheshwari & Associates
Chartered Accountants

Firm Registration Number: 311008E

Bijay Murmura
Partner

S. DUTTA *Chairman*
(DIN : 01804345)

On behalf of the Board

T. S. M. SHENOY *Director*
(DIN : 09476476)

Membership No. 055788
Kolkata, 3rd May, 2024

V. LUHARUKA *Chief Financial Officer*

N. BAJAJ *Company Secretary*

Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries / Associate companies / Joint Ventures**Part A : Subsidiaries**

1. Sl. No.	: 1
2. Name of the Subsidiary	: Greenacre Holdings Limited
3. The date since when Subsidiary was acquired	: 14-Jun-1999
4. Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period	: Year ended 31st March (same as the Holding Company)
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiaries	: Not applicable (₹ in lakhs)
6. Share capital	: 4,206.02
7. Reserves & Surplus (including Other Comprehensive Income)	: 1,542.58
8. Total Assets	: 7,502.41
9. Total Liabilities (excluding Total Equity)	: 1,753.81
10. Investments (excluding Investments made in subsidiaries)	: 3,873.12
11. Turnover *	: 1,160.90
12. Profit before taxation	: 363.66
13. Provision for taxation	: 82.10
14. Profit after taxation	: 281.56
15. Proposed Dividend	: –
16. % of shareholding	: 100.00

* Turnover includes Other Income and Other Operating Revenue.

Profit figures do not include Other Comprehensive Income.

Notes: 1. Names of Subsidiaries which are yet to commence operations : None

2. Names of Subsidiaries which have been liquidated or sold during the year : None

Part B : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate companies and Joint Ventures

Name of Associates / Joint Ventures		Russell Investments Limited	Divya Management Limited	Antrang Finance Limited
1.	Latest audited Balance Sheet Date	31-Mar-2024	31-Mar-2024	31-Mar-2024
2.	Date on which the Associate or Joint Ventures was associated or acquired	14-Jun-1999	23-Nov-2007	21-Jan-2008
3.	Shares of Associate / Joint Venture held by the Company on the year end			
	Number	42,75,435	41,82,915	43,24,634
	Amount of Investment in Associates / Joint Venture (₹ in lakhs)	427.57	693.08	439.56
	Extent of Holding %	25.43	33.33	33.33
4.	Description of how there is significant influence	Associate	Associate	Associate
5.	Reason why the Associate/Joint Venture is not consolidated	Not Applicable*	Not Applicable*	Not Applicable*
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in lakhs)	4,841.44	681.63	510.84
7.	Profit / (Loss) for the year (₹ in lakhs)	467.77	55.48	46.09
i.	Considered in Consolidation (₹ in lakhs)*	–	–	–
ii.	Not Considered in Consolidation (₹ in lakhs)*	467.77	55.48	46.09

* The Company, being an intermediate wholly owned subsidiary, is not required to prepare Consolidated Financial Statements in terms of the Companies (Accounts) Rules, 2014. ITC Limited, the Holding Company, prepares Consolidated Financial Statements.

Notes: 1. Names of the Associates or Joint Ventures which are yet to commence operations : None
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year : The Company has sold its entire investment in International Travel House Limited and Maharaja Heritage Resorts Limited on 22nd March, 2024 to the Holding Company at cost.

On behalf of the Board

S. DUTTA
(DIN : 01804345) *Chairman*

T. S. M. SHENOY
(DIN : 09476476) *Director*

V. LUHARUKA *Chief Financial Officer*

N. BAJAJ *Company Secretary*

Kolkata, 3rd May, 2024

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

- Your Directors submit their 38th Report for the financial year ended 31st March, 2024.

2. PERFORMANCE OF THE COMPANY

During the year, your Company earned revenue of ₹ 752.48 lakhs (previous year: ₹ 595.02 lakhs) from its operations, with total income being ₹ 1,160.90 lakhs (previous year: ₹ 829.95 lakhs). The net profit of the Company for the year was ₹ 281.56 lakhs (previous year: ₹ 199.35 lakhs). The Company continues to provide maintenance services for commercial office buildings, Engineering, Procurement and Construction Management (EPCM) Services and Project Management Consultancy Services.

The financial results of your Company, summarised, are as under:

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
Profits		
a. Profit Before Tax	363.66	206.81
b. Less : Tax Expense	82.10	7.46
c. Profit After Tax	281.56	199.35
d. Add : Other Comprehensive Income	(1.80)	0.40
e. Total Comprehensive Income	279.76	199.75
Retained Earnings		
a. At the beginning of the year	1,262.82	1,063.07
b. Add : Profit for the year	281.56	199.35
c. Add : Other Comprehensive Income	(1.80)	0.40
d. At the end of the year	1,542.58	1,262.82

3. DIRECTORS AND KEY MANAGERIAL PERSONNEL
(a) Changes in Directors

Mr. Supratim Dutta (DIN: 01804345) was appointed, with your approval, as a Non-Executive Director of the Company. There were no other changes in the Board of Directors of the Company ('the Board').

(b) Changes in Key Managerial Personnel

During the year, Mr. Lakshmana Raja Basa completed his term of appointment as the Manager of the Company with effect from close of work on 21st January, 2024. The Board at the meeting held on 15th January, 2024 re-appointed Mr. Basa as the Manager of the Company for a period of two years with effect from 22nd January, 2024, subject to the approval of the Members of the Company.

Appropriate resolution seeking your approval to the aforesaid re-appointment is appearing in the Notice convening the ensuing Annual General Meeting ('AGM') of the Company.

(c) Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with the Articles of Association of the Company, Mr. Jagdish Singh (DIN: 00042258), Director, will retire by rotation at the ensuing AGM of the Company, and being eligible, offers himself for re-election. Your Board has recommended his re-election.

(d) Board evaluation

The Board carried out annual performance evaluation of its own performance and that of the individual Directors, as required under Section 134 of the Act, based on the criteria approved by the Board.

4. BOARD MEETINGS

Six meetings of the Board were held during the year ended 31st March, 2024.

5. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts for the financial year ended 31st March, 2024, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

7. PARTICULARS OF EMPLOYEES

The details of top ten employees of the Company in terms of remuneration drawn, as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure 1** to this Report.

The Company seeks to create equal opportunities for men and women and is committed to a gender-friendly workplace. Your Company has constituted an Internal Complaints Committee in compliance with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint for sexual harassment was received.

8. RISK MANAGEMENT

The Company's risk management framework addresses risk intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

Management of risks vests with the executive management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. The Internal Auditor of the Company periodically carries out risk focused audits with the objective of identifying areas where risk management processes could be further strengthened. The Board annually reviews the effectiveness of the Company's risk management systems and policies.

9. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations. The Internal Auditor of the Company periodically evaluates the adequacy and effectiveness of internal financial controls. The Board which provides guidance on internal controls, also reviews internal audit findings and implementation of internal audit recommendations, if any.

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

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

11. RELATED PARTY TRANSACTIONS

The details of material related party transactions entered into by the Company during the year ended 31st March, 2024 in the prescribed Form AOC-2 are enclosed under **Annexure 2** to this Report.

12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING GOING CONCERN STATUS

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

13. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

14. STATUTORY AUDITORS

Messrs. S R B C & CO LLP, Chartered Accountants (Registration No. 324982E/E300003), who were appointed as the Auditors of your Company at the 33rd AGM held on 20th June, 2019 will complete their present term on conclusion of the ensuing 38th AGM of the Company.

Pursuant to Section 139 of the Act, your Board has recommended for the approval of the Members, re-appointment of Messrs. S R B C & CO LLP as the Statutory Auditors of the Company for a further period of five years i.e., from the conclusion of the ensuing AGM till the conclusion of the 43rd AGM. The Board has also recommended for the approval of the Members, pursuant to Section 142 of the Act, remuneration of Messrs. S R B C & CO LLP for the financial year 2024-25. Appropriate resolution in respect of the above is appearing in the Notice convening the ensuing AGM of the Company.

15. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial

Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption.

During the year under review, there has been no foreign exchange earnings or outflow.

On behalf of the Board

S. DUTTA J. SINGH
(DIN : 01804345) (DIN : 00042258)
Chairman Director

Dated: 3rd May, 2024

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2024

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

Name	Age (Years)	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of employment / deputation	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
M. Seth *	43	Chief Financial Officer	81,18,136/-	48,71,141/-	B.Com.(Hons.), A.C.A., CISA, CISM	18	01.01.2015	ITC Limited - Manager (Finance)
L. R. Basa *	30	Manager and Company Secretary	17,54,192/-	14,22,830/-	B.Com.(Hons.), A.C.S.	5	01.01.2022	Aditya Birla Fashion and Retail Limited – Senior Executive
A. Bhattacharya	55	Finance Manager	15,65,241/-	12,18,603/-	B.Com., P.G.D.P. (Insurance & Risk Mngt.)	29	01.10.1997	--
A. Kanjilal	51	Senior Security & Fire Officer	14,27,890/-	11,76,500/-	B.A.	32	16.02.2015	IBM India Private Limited - Site Security Leader
S. K. Singh	57	Assistant Manager – Admin	9,33,632/-	7,41,822/-	Madhyamik	27	01.10.1997	--
G. B. Das	56	Maintenance Superintendent	7,35,742/-	6,37,032/-	Madhyamik	33	01.11.1991	--
S. Chatterjee	43	Maintenance Superintendent	7,30,301/-	6,62,229/-	Madhyamik	20	16.07.2021	Welcome Dealer Private Limited – Executive, TSP Office
B. Barash	43	Project Engineer	7,27,209/-	6,23,799/-	H.S., Diploma in Architecture	19	01.09.2017	Touch Point Consultancy Private Limited - Assistant Project Manager
S. Lama	50	Administrative Assistant	7,19,632/-	6,21,328/-	H.S.	27	01.10.1997	--
A. Chakraborty	40	Maintenance Superintendent – Technical	6,89,806/-	5,94,148/-	B. Tech.	14	16.01.2018	IBM India Private Limited – Technical Analyst

* On deputation from ITC Limited, the ultimate Holding Company ('ITC').

Notes:

- Gross remuneration includes salary, variable pay / performance bonus, long-term incentives, allowances, contribution to provident fund and other benefits / applicable perquisites borne by the Company, except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less tax deducted at source and employee's own contribution to provident fund.
- The Chief Financial Officer was granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since these Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Options and accordingly, the said grant has not been considered as remuneration.
- All appointments (except deputed employees) are / were contractual in accordance with terms and conditions as per the Company's rules.
- The aforesaid employees are / were neither relative of any Director / Manager of the Company nor hold any equity share in the Company.

On behalf of the Board

S. DUTTA J. SINGH
(DIN : 01804345) (DIN : 00042258)
Chairman Director

Dated: 3rd May, 2024

Annexure 2 to the Report of the Board of Directors for the financial year ended 31st March, 2024**FORM NO. AOC-2***[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]***Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto****1. Details of contracts or arrangements or transactions not at arm's length basis**

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the resolution was passed in general meeting as required under first proviso to Section 188	

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

a)	Name(s) of the related party and nature of relationship	ITC Limited, the ultimate Holding Company (ITC)	
b)	Nature of the contracts / arrangements / transactions	Maintenance of ITC Centre, Kolkata and certain other properties owned by ITC.	Purchase of services related to Engineering, Procurement and Construction Management (EPCM).
c)	Duration of the contracts / arrangements / transactions	<u>Maintenance of ITC Centre</u> – 1st August, 2022 to 31st July, 2023 and 1st August, 2023 to 31st March, 2024 <u>Maintenance of other Properties</u> – 1st April, 2023 to 31st March, 2024	EPCM Master Service Agreement dated 19th August, 2020
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transaction during the year - ₹ 392.04 lakhs	Value of transaction during the year - ₹ 450.16 lakhs
e)	Date(s) of approval by the Board, if any	14th January, 2023 and 25th July, 2023	15th January, 2020
f)	Amount paid as advances, if any	Nil	Nil

On behalf of the Board

S. DUTTA (DIN : 01804345) Chairman	J. SINGH (DIN : 00042258) Director

Dated: 3rd May, 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENACRE HOLDINGS LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Greenacre Holdings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 financial statements under the provisions of the Act 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 audit opinion on the Ind AS financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the [Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - 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;
 - 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;
 - The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;
 - On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - In our opinion, the Company has not paid/provided any managerial remuneration to its directors during the year and hence the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company for the year ended March 31, 2024;
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - The Company does not have any pending litigations which would impact its financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - The management has represented that, to the best of its knowledge and belief, 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; and
 - The management has represented that, to the best of its knowledge and belief, 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
 - Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - No dividend has been declared or paid during the year by the Company.
 - Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per Anant Acharya
Partner

Place of Signature: Mumbai
Date: May 03, 2024

Membership Number: 124790
UDIN: 24124790BKFGA1760

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Greenacre Holdings Limited ("the Company")

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i) (a)(B) of the Order is not applicable to the Company.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii) (a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii) (b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (c), (d), (e) and (f) of the Order are not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, and other statutory dues applicable to it. Customs duty and excise duty are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income-tax, customs duty, cess, and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the

requirement to report on clause (ix) (d) of the Order is not applicable to the Company.

- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix) (e) and (f) of the Order are not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x) (a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) (a), (b) and (c) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to Section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and the nature of its business though it is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. The requirement to report under clause 3(xiv) (a) of the Order is not applicable to the Company.
- (b) The internal audit reports of the Company issued till the date of audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 19(viii) to the Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, 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 that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the requirement to report on clause (xx) (a) and (b) of the Order are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per Anant Acharya
Partner
Place of Signature: Mumbai
Date: May 03, 2024
Membership Number: 124790
UDIN: 24124790BKFGUA1760

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF GREENACRE HOLDINGS LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Ind AS financial statements of Greenacre Holdings Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 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 with reference to these Ind AS financial statements 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, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, 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 Ind AS 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 with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Ind AS financial statements 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per **Anant Acharya**
Partner

Place of Signature: Mumbai
Date: May 03, 2024

Membership Number: 124790
UDIN: 24124790BKFUGA1760

BALANCE SHEET AS AT 31ST MARCH, 2024

	Note	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,724.16	1,728.52
(b) Deferred tax assets (Net)	4	–	5.33
(c) Financial assets			
(i) Others	5	–	1,380.00
(d) Other non-current assets	6	286.52	277.42
Current assets			
(a) Financial assets			
(i) Investments	7	3,873.12	3,534.44
(ii) Trade receivables	8	204.39	45.50
(iii) Cash and cash equivalents	9	4.12	7.54
(iv) Other Bank Balances	10	1,380.00	–
(v) Others	5	18.06	–
(b) Other current assets	6	12.04	19.24
TOTAL ASSETS		7,502.41	7,015.83
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	4,206.02	4,206.02
(b) Other equity		1,542.58	1,262.82
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Other financial liabilities	12	80.11	25.46
(b) Provisions	13	19.12	20.94
(c) Deferred tax liabilities (Net)	4	62.29	–
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises		184.25	43.62
(ii) Other financial liabilities	12	1,386.33	1,442.82
(b) Provisions	13	6.71	1.46
(c) Other current liabilities	14	15.00	12.69
TOTAL EQUITY AND LIABILITIES		7,502.41	7,015.83

The accompanying notes 1 to 22 are an integral part of the Financial Statements.
In terms of our report attached

On behalf of the Board

For S R B C & CO LLP

Chartered Accountants

Firm Registration Number : 324982E/E300003

Anant Acharya

Partner

(Membership No. 124790)

Mumbai, May 03, 2024

S. DUTTA Chairman
(DIN : 01804345)

J. SINGH Director
(DIN : 00042258)

M. SETH Chief Financial Officer L. R. BASA Manager & Company Secretary
Kolkata, May 03, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Note	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
I Revenue from operations	15	752.48	595.02
II Other income	16	408.42	234.93
III Total income (I+II)		1,160.90	829.95
IV EXPENSES			
Maintenance and service expense		469.72	332.37
Employee benefits expense	17	273.32	249.77
Depreciation expense		4.36	4.35
Other expenses	18	49.84	36.65
Total expenses (IV)		797.24	623.14
V Profit before tax (III - IV)		363.66	206.81
VI Tax expense:			
Current tax	19A	13.87	7.00
Deferred tax	19A	68.23	0.46
VII Profit for the year (V - VI)		281.56	199.35
VIII Other Comprehensive (Loss) / Income			
A (i) Items that will not be reclassified to profit or loss:			
- Remeasurements of defined benefit plans		(2.41)	0.54
(ii) Income tax relating to items that will not be reclassified to profit or loss	19B	0.61	(0.14)
Other Comprehensive (Loss) / Income [A (i)+(ii)]		(1.80)	0.40
IX Total Comprehensive Income for the year (VII+VIII)		279.76	199.75
X Earnings per equity share (Face Value ₹ 10.00 each) :			
- Basic and Diluted (in ₹)		0.67	0.47

The accompanying notes 1 to 22 are an integral part of the Financial Statements.
In terms of our report attached

On behalf of the Board

For S R B C & CO LLP

Chartered Accountants

Firm Registration Number : 324982E/E300003

Anant Acharya

Partner

(Membership No. 124790)

Mumbai, May 03, 2024

S. DUTTA Chairman
(DIN : 01804345)

J. SINGH Director
(DIN : 00042258)

M. SETH Chief Financial Officer L. R. BASA Manager & Company Secretary
Kolkata, May 03, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity Share capital

(₹ in lakhs)

	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2024	4,206.02	–	4,206.02
For the year ended 31st March, 2023	4,206.02	–	4,206.02

B. Other Equity

(₹ in lakhs)

FY 2023-24	Reserves & Surplus	Total
	Retained Earnings	
Balance as at 1st April, 2023	1,262.82	1,262.82
Profit for the year	281.56	281.56
Other Comprehensive Income (net of tax)	(1.80)	(1.80)
Total Comprehensive Income for the year	279.76	279.76
Balance as at 31st March, 2024	1,542.58	1,542.58

FY 2022-23	Reserves & Surplus	Total
	Retained Earnings	
Balance as at 1st April, 2022	1,063.07	1,063.07
Profit for the year	199.35	199.35
Other Comprehensive Income (net of tax)	0.40	0.40
Total Comprehensive Income for the year	199.75	199.75
Balance as at 31st March, 2023	1,262.82	1,262.82

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

The accompanying notes 1 to 22 are an integral part of the Financial Statements.

In terms of our report attached

For S R B C & CO LLP
Chartered Accountants
Firm Registration Number : 324982E/E300003
Anant Acharya
Partner
(Membership No. 124790)
Mumbai, May 03, 2024

On behalf of the Board

S. DUTTA Chairman
(DIN : 01804345)

J. SINGH Director
(DIN : 00042258)

M. SETH Chief Financial Officer

L. R. BASA Manager & Company Secretary
Kolkata, May 03, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	363.66	206.81
ADJUSTMENTS FOR :		
Depreciation expense	4.36	4.35
Interest Income on Deposits with Bank	(98.87)	(17.84)
Net gain arising on investments mandatorily measured at Fair value through profit and loss (FVTPL)	(277.22)	(185.39)
OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES	(8.07)	7.93
ADJUSTMENTS FOR :		
Other assets	7.19	3.94
Other financial liabilities	(1.84)	1,381.66
Trade Payables	140.64	(74.74)
Trade Receivables	(158.89)	64.43
Other current liabilities	2.30	(9.67)
Provisions	1.02	0.77
CASH (USED IN) / GENERATED FROM OPERATIONS	(17.65)	1,374.32
Income tax paid	(22.96)	(12.74)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(40.61)	1,361.58
B. Cash Flow from Investing Activities		
Interest Received on Deposits with Bank	98.65	—
Purchase of current investments	(222.00)	(3,591.82)
Sale / redemption of current investments	160.54	3,603.95
Investment in bank deposits (Maturity more than 12 months)	—	(1,380.00)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	37.19	(1,367.87)
C. Cash Flow from Financing Activities		
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	—	—
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(3.42)	(6.29)
OPENING CASH AND CASH EQUIVALENTS	7.54	13.83
CLOSING CASH AND CASH EQUIVALENTS (Note 9)	4.12	7.54

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".

The accompanying notes 1 to 22 are an integral part of the Financial Statements.

In terms of our report attached

For S R B C & CO LLP
Chartered Accountants
Firm Registration Number : 324982E/E300003
Anant Acharya
Partner
(Membership No. 124790)
Mumbai, May 03, 2024

On behalf of the Board

S. DUTTA
(DIN : 01804345) Chairman

J. SINGH
(DIN : 00042258) Director

M. SETH Chief Financial Officer

L. R. BASA
Manager & Company Secretary
Kolkata, May 03, 2024

NOTES TO THE FINANCIAL STATEMENTS

Company Information:

Greenacre Holdings Limited [CIN:U55202WB1986PLC049467], a wholly owned subsidiary of Russell Credit Limited, is a company domiciled in India with its registered office located at ITC Centre, 37, Jawaharlal Nehru Road, Kolkata 700071. The Company is engaged in infrastructure support services which includes property maintenance, providing engineering, procurement & construction management services and project management consultancy services.

1. Material Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2016.

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products or services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Property, Plant and Equipment

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

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of PP&E are depreciated in a manner that amortises the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis. Land is not depreciated.

The estimated useful lives of PP&E of the Company are as follows:

Buildings	5-60 years
Plant and Equipment	15 years

PP&E's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Impairment of Assets

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

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

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts

of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

Financial Instruments, Financial Assets, Financial Liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

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

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

Financial assets are classified as those measured at:

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

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

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

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

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

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

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Financial Liabilities

Trade payables and other financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are de-recognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

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

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

Revenue from sale of services

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for services rendered, net of returns and discounts to customers. Revenue from the sale of services is recognised, net of allowances, if any, when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of services is in the period in which such services are rendered.

Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognized for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

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

Provident Fund contributions are in the nature of defined contribution scheme. In respect of employees who are members of constituted and approved trusts, the Company recognises contribution payable to such trusts as an expense including any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India.

The Company also makes contribution to defined benefit gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur.

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

Employee Share Based Compensation

The cost of stock options and stock appreciation units granted by ITC Limited, the ultimate Holding Company, to its eligible employees deputed to the Company is recognised at fair value. These Schemes are in the nature of equity settled / cash settled share based compensation and are assessed, managed / administered by the ultimate Holding Company.

In case of stock options, the fair value of stock options at the grant date is amortised on a straight-line basis over the vesting period and cost recognised as an employee benefits expense in the Statement of Profit and Loss with a corresponding credit in equity, net of reimbursements, if any.

In case of stock appreciation units, the fair value of stock appreciation units at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognised as an employee benefits expense in the Statement of Profit and Loss with a corresponding increase in other financial liabilities.

Leases

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

Company as a Lessor

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

Taxes on Income

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

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

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

The 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Income tax, insofar as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Dividend Distribution

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

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

Provisions

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

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

2. Use of Estimates and Judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

I. Useful lives of property, plant and equipment:

As described in the material accounting policies, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

II. Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

Particulars	Gross Block							Depreciation and Amortization							Net Book Value	
	As at 31st March, 2022	Additions	Withdrawals and adjustments	As at 31st March, 2023	Additions	Withdrawals and adjustments	As at 31st March, 2024	Upto 31st March, 2022	For the year	On Withdrawals and adjustments	Upto 31st March, 2023	For the year	On Withdrawals and adjustments	Upto 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
3. Property, plant and equipment																
Land	1,659.17	–	–	1,659.17	–	–	1,659.17	–	–	–	–	–	–	–	1,659.17	1,659.17
Buildings	91.08	–	–	91.08	–	–	91.08	17.38	4.35	–	21.73	4.36	–	26.09	64.99	69.35
Plant and Equipment	0.05	–	–	0.05	–	–	0.05	0.05	–	–	0.05	–	–	0.05	...	...
TOTAL	1,750.30	–	–	1,750.30	–	–	1,750.30	17.43	4.35	–	21.78	4.36	–	26.14	1,724.16	1,728.52

The above includes following assets given on operating lease :

Particulars	As at 31st March, 2024				As at 31st March, 2023			
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Buildings (#)	77.24	15.49	61.75	1.72	77.24	13.76	63.48	1.72
TOTAL	77.24	15.49	61.75	1.72	77.24	13.76	63.48	1.72

(#) The above assets are given on operating lease, which are not non-cancellable, on short term basis and are usually renewable by mutual consent on mutually agreeable terms. The lease rental of ₹ 30.93 lakhs (March 2023: ₹ 30.48 lakhs) is included in Lease rental income under Other income (Note 16)

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
4. Deferred tax liabilities / (assets) (Net)		
Deferred tax liabilities	70.40	1.52
Less : Deferred tax assets	8.11	6.85
TOTAL	62.29	(5.33)

Movement in Deferred tax liabilities / assets balances

(₹ in lakhs)

2023-24	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax liabilities in relation to :				
Other timing differences:				
On current investments - FVTPL	1.52	68.88	–	70.40
Total deferred tax liabilities	1.52	68.88	–	70.40
On fiscal allowances on property, plant and equipment etc.	1.23	0.39	–	1.62
On employees separation and retirement etc.	5.62	0.26	0.61	6.49
Other timing differences	–	–	–	–
Total deferred tax assets	6.85	0.65	0.61	8.11
Deferred tax liabilities/ (assets) (Net)	(5.33)	68.23	(0.61)	62.29

2022-23	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax liabilities in relation to :				
Other timing differences:				
On current investments - FVTPL	0.69	0.83	–	1.52
Total deferred tax liabilities	0.69	0.83	–	1.52
On fiscal allowances on property, plant and equipment etc.	0.87	0.36	–	1.23
On employees separation and retirement etc.	5.57	0.19	(0.14)	5.62
Other timing differences	0.18	(0.18)	–	–
Total deferred tax assets	6.62	0.37	(0.14)	6.85
Deferred tax liabilities/ (assets) (Net)	(5.93)	0.46	0.14	(5.33)

There are no carry forward losses that are available for set-off against future taxable income.

	As at 31st March, 2024 (₹ in lakhs)		As at 31st March, 2023 (₹ in lakhs)	
	Current	Non-Current	Current	Non-Current
5. Other financial assets				
Bank Deposits with more than 12 months maturity * (Refer Note 22)	–	–	–	1,380.00
Interest accrued on deposits	18.06	–	17.84	–
TOTAL	18.06	–	17.84	1,380.00

* Represent earmarked deposit with original and remaining maturity of more than 12 months from the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024 (₹ in lakhs)		As at 31st March, 2023 (₹ in lakhs)	
	Current	Non-Current	Current	Non-Current
6. Other assets				
(A) Capital Advances	–	42.86	–	42.86
(B) Advances other than capital advances				
(i) Security Deposits - Others	–	0.30	–	0.30
(ii) Advance Tax (net of provisions)	–	43.36	–	34.26
(iii) Other Advances				
- Assignable claims [Refer Note 22]	–	200.00	–	200.00
- Other Advances (including advances with statutory authorities, prepaid expenses etc.)	12.04	–	19.24	–
TOTAL	12.04	286.52	19.24	277.42

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
7. Current Investments	Unquoted	Unquoted
INVESTMENT IN MUTUAL FUNDS (at fair value through profit or loss)		
Aditya Birla Sun Life Floating Rate Fund 1,97,316 units of ₹ 100.00 each	637.82	591.13
ICICI Prudential Savings Fund 2,16,162 units of ₹ 100.00 each	1,079.21	999.95
Nippon India Liquid Fund Nil (2023 : 237) units of ₹ 1000.00 each	–	12.91
Bandhan Liquid Fund Nil (2023 : 784) units of ₹ 1000.00 each	–	21.18
SBI Magnum Fund 32,624 units of ₹ 1000.00 each	1,075.15	999.95
Axis Liquid Fund 6,026 (2023 : 3,517) units of ₹ 1000.00 each	160.45	87.36
HDFC Money Market Fund 16,701 units of ₹ 1000.00 each	884.63	821.96
ICICI Prudential Liquid Fund 10,125 (2023 : Nil) units of ₹ 1000.00 each	35.86	–
Aggregate amount of unquoted investments	3,873.12	3,534.44
TOTAL	3,873.12	3,534.44

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
8. Trade receivables		
Unsecured, considered good	204.39	45.50
TOTAL	204.39	45.50

(₹ in lakhs)

As at 31 March, 2024	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	204.39	–	–	–	–	–	204.39
TOTAL	204.39	–	–	–	–	–	204.39

(₹ in lakhs)

As at 31 March, 2023	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	45.50	–	–	–	–	–	45.50
TOTAL	45.50	–	–	–	–	–	45.50

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
9. Cash and cash equivalents®		
Balances with Banks		
Current accounts	3.92	7.34
Cash on hand	0.20	0.20
TOTAL	4.12	7.54

® Cash and cash equivalents include cash on hand, cash at bank and deposits with bank with original maturity of 3 months or less, as applicable. The Company does not have any significant cash and cash equivalents that are not available for use.

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
10. Other bank balances®		
In deposit accounts (Refer Note 22)	1,380.00	–
TOTAL	1,380.00	–

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

	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 (₹ in lakhs)
11. Equity Share capital				
Authorised				
Equity Shares of ₹ 10.00 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
Issued and Subscribed				
Equity Shares of ₹ 10.00 each, fully paid	4,20,60,166	4,206.02	4,20,60,166	4,206.02
A) Reconciliation of number of Equity Shares outstanding				
As at beginning and at the end of the year	4,20,60,166	4,206.02	4,20,60,166	4,206.02
As at end of the year	4,20,60,166	4,206.02	4,20,60,166	4,206.02

B) Shareholders holding more than 5% of the Equity Shares in the Company

	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (%)	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 (%)
Russell Credit Limited - the Holding Company	4,20,60,166	100.00	4,20,60,166	100.00

C) Rights, preferences and restrictions attached to the Equity Shares

The Equity Shares of the Company, having par value of ₹ 10.00 per share, rank *pari passu* in all respects including voting rights and entitlement to dividend.

D) Shares held by promoters :

	Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
		No. of shares as at end of the year	% of Total Shares	% change during the year	No. of shares as at end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 10.00 each fully paid	Russell Credit Limited	4,20,60,166	100.00	–	4,20,60,166	100.00	–

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
12. Other financial liabilities		
Non-current		
Other liabilities (includes deposits from ITC Limited, the ultimate Holding Company)	80.11	24.00
Other payables [payable to ITC Limited, the ultimate Holding Company]	–	1.46
TOTAL	80.11	25.46
Current		
Other liabilities	–	56.11
Other payables (includes payable to ITC Limited, the ultimate Holding Company)	6.33	6.71
Others (Refer Note 22)	1,380.00	1,380.00
TOTAL	1,386.33	1,442.82

	As at 31st March, 2024 (₹ in lakhs)		As at 31st March, 2023 (₹ in lakhs)	
	Current	Non-Current	Current	Non-Current
13. Provisions				
Provision for employee benefits				
Retirement benefits	0.31	–	0.75	–
Other benefits	6.40	19.12	0.71	20.94
TOTAL	6.71	19.12	1.46	20.94

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
14. Other liabilities		
Current		
Statutory liabilities	1.35	1.30
Progress payments and advances received	13.65	11.39
TOTAL	15.00	12.69

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
15. Revenue from operations		
Sale of Services	752.48	595.02
TOTAL	752.48	595.02
Revenue from Sale of Services comprises revenue from:		
a) Property Maintenance	332.24	312.48
b) Engineering, Procurement and Construction Management Services & Project Management Consultancy Services	420.24	282.54
TOTAL	752.48	595.02

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
16. Other income		
Interest income	100.27	19.06
Other non-operating income	308.15	215.87
TOTAL	408.42	234.93
Interest income comprises interest from:		
a) Deposits with banks - carried at amortised cost	98.87	17.84
b) Others (from statutory authorities)	1.40	1.22
TOTAL	100.27	19.06
Other non-operating income:		
Net gain arising on financial assets (current investments) mandatorily measured at FVTPL*	277.22	185.39
Lease rental income	30.93	30.48
TOTAL	308.15	215.87

* Includes ₹ 2.70 lakhs (March 2023: ₹ 180.22 lakhs) being net gain on sale of investments.

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
17. Employee benefits expense		
Salaries and wages	155.37	143.49
Remuneration of manager's salary on deputation *	92.94	84.33
Contribution to Provident and other funds	14.37	13.96
Staff welfare expenses	10.64	7.99
TOTAL	273.32	249.77

* Includes reimbursement on account of share based payments as under :

- Employee Stock Appreciation Linked Reward (ESAR) Plan : ₹ 1.22 lakhs [2023 : ₹ 7.08 lakhs] [Refer Note 20 (vi)]

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
18. Other expenses		
Rates and taxes	1.42	2.01
Insurance	3.06	3.72
Advertisement	8.29	-
Bank charges	0.03	2.48
Travelling and conveyance	0.01	0.07
Consultancy / Professional fees	34.27	21.16
Telephone expenses	0.04	0.05
Miscellaneous expenses	2.72	7.16
TOTAL	49.84	36.65
Miscellaneous expenses include :		
Auditors' remuneration and expenses *		
Audit fees	1.65	1.65
Tax audit fees	0.50	0.50
Fees for other services	-	0.20
* Excluding taxes.		

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
19. Income tax expenses		
A. Amount recognised in profit or loss		
Current tax		
Income tax for the year	21.75	7.00
Adjustments / (credits) related to previous years - Net	(7.88)	–
Total current tax	13.87	7.00
Deferred tax		
Deferred tax for the year	68.23	0.46
Total deferred tax	68.23	0.46
TOTAL	82.10	7.46
B. Amount recognised in other comprehensive income		
The tax (charge) / credit arising on income and expenses recognised in other comprehensive income is as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit plans	0.61	(0.14)
TOTAL	0.61	(0.14)
C. Reconciliation of effective tax rate		
The Income tax expense for the year can be reconciled to the accounting profit as follows:		
	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
Profit before tax	363.66	206.81
Income tax expense calculated @ 25.168%	91.53	52.05
Effect of tax relating to uncertain tax positions	0.30	1.78
Effect of different tax rates on certain items	–	(44.59)
Other differences	(1.85)	(1.78)
Total	89.98	7.46
Adjustments recognised in the current year in relation to the current tax of prior years	(7.88)	–
Income tax recognised in profit or loss	82.10	7.46

The tax rate used for the above reconciliations is the corporate tax rate of 25.168% (22% + surcharge @ 10% + cess @ 4%) payable on taxable profits under the Income-tax Act, 1961.

20. Additional Notes to the Financial Statements**(i) Earnings per share:**

	2024	2023
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in lakhs)	281.56	199.35
(b) Weighted average number of Equity Shares outstanding for the purpose of basic earnings per share	4,20,60,166	4,20,60,166
(c) Earnings per share on profit for the year (Face Value ₹ 10.00 per share) (in ₹) - Basic and Diluted [(a)/(b)]	0.67	0.47

(ii) Defined Benefit Plans/Long Term Compensated Absences:**Description of Plans**

The Company makes contributions to both Defined Benefit (Gratuity) and Defined Contribution (Provident Fund) Plans for qualifying employees. The Defined Contribution Plan is administered through approved Trust, which operate in accordance with the Trust Deed, Rules and applicable Statutes. The Company contributes for gratuity to Life Insurance Corporation of India. The concerned Trust is managed by Trustees, who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance.

Provident Fund and Gratuity Benefits are funded and Leave Encashment Benefit is unfunded in nature. Under the Provident

Fund, Gratuity and Leave Encashment Schemes, employees are entitled to receive lump sum benefits.

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end. The Company makes regular contributions to Employee Benefit Contribution Plan.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

Investment Risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. The Company makes contribution to Life Insurance Corporation of India (LIC) and due to its diverse portfolio, the risk is expected to be diversified.

Interest Rate Risk: The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

The Trustees regularly monitor the funding and investments of these Plans. Risk mitigation systems are in place to ensure that the health of the portfolio is regularly reviewed and investments do not pose significant risk of impairment. Periodic audits are conducted to ensure adequacy of internal controls.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
I	Components of Employer Expense				
	- Recognised in the Statement of Profit and Loss				
1	Current Service Cost	2.47	1.20	2.43	1.19
2	Past Service Cost	–	–	–	–
3	Net Interest Cost	(0.10)	1.60	(0.04)	1.38
4	Total expense recognised in the Statement of Profit and Loss	2.37	2.80	2.39	2.57
	- Re-measurements recognised in Other Comprehensive Income				
5	Return on plan assets (excluding amounts included in Net interest cost)	–	–	(0.27)	–
6	Effect of changes in demographic assumptions	–	–	–	–
7	Effect of changes in financial assumptions	1.00	0.65	(1.29)	(0.87)
8	Changes in asset ceiling (excluding interest income)	–	–	–	–
9	Effect of experience adjustments	0.33	0.43	1.52	0.37
10	Total re-measurements included in Other Comprehensive Income [(Gain)/Loss]	1.33	1.08	(0.04)	(0.50)
11	Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income [(Gain)/Loss] (4+10)	3.70	3.88	2.35	2.07

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Salaries and wages" under Note 17. The re-measurements of the net defined benefit liability are included in Other Comprehensive Income.

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
II	Actual Returns	3.13	-	2.72	-
III	Net Asset / (Liability) recognised in Balance Sheet				
1	Present Value of Defined Benefit Obligation	45.07	25.52	38.38	21.65
2	Fair Value of Plan Assets	44.76	-	37.63	-
3	Status [Surplus/(Deficit)]	(0.31)	(25.52)	(0.75)	(21.65)
4	Restrictions on Asset Recognised	–	–	–	–
		As at 31st March, 2024 (₹ in lakhs)		As at 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
5	Net Asset/(Liability) recognised in Balance Sheet				
	- Current	(0.31)	(6.40)	(0.75)	(0.71)
	- Non-current	–	(19.12)	–	(20.94)

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
IV	Change in Defined Benefit Obligation (DBO)				
1	Present Value of DBO at the beginning of the year	38.38	21.65	37.99	21.67
2	Current Service Cost	2.48	1.20	2.43	1.18
3	Interest Cost	2.88	1.60	2.41	1.38
4	Re-measurement (Gains) / Losses:				
	a. Effect of changes in demographic assumptions	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

			For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Unfunded	Funded	Unfunded
		b. Effect of changes in financial assumptions	1.00	0.65	(1.29)	(0.87)
		c. Changes in asset ceiling (excluding interest income)	–	–	–	–
		d. Effect of experience adjustments	0.33	0.43	1.52	0.37
5		Curtailement Cost / (Credits)	–	–	–	–
6		Settlement Cost / (Credits)	–	–	–	–
7		Liabilities assumed in business combination	–	–	–	–
8		Exchange difference on foreign plans	–	–	–	–
9		Benefits Paid	–	–	(4.68)	(2.08)
10		Present Value of DBO at the end of the year	45.07	25.52	38.38	21.65

V	Best Estimate of Employers' Expected Contribution for the next year		As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
	-	Gratuity	3.17	2.39
	-	Leave Encashment	–	–

			For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Unfunded	Funded	Unfunded
VI	Change in Fair Value of Assets					
	1	Plan Assets at the beginning of the year	37.63	–	37.49	–
	2	Asset acquired in Business Combination	–	–	–	–
	3	Expected Return on Plan Assets	2.98	–	2.45	–
	4	Re-measurement Gains/(Losses) on plan assets	–	–	0.27	–
	5	Actual Company Contributions	4.15	–	2.10	–
	6	Benefits Paid	–	–	(4.68)	–
	7	Plan Assets at the end of the year	44.76	–	37.63	–

			As at 31st March, 2024	As at 31st March, 2023
			Discount Rate (%)	Discount Rate (%)
VII	Actuarial Assumptions			
	1	Gratuity	7.00	7.50
	2	Leave Encashment	7.00	7.50

VIII	Major Category of Plan Assets as a % of the Total Plan Assets		As at 31st March, 2024	As at 31st March, 2023
	1	Government Securities/Special Deposit with RBI	–	–
	2	High Quality Corporate Bonds	–	–
	3	Insurer Managed Funds*	100%	100%
	4	Mutual Funds	–	–
	5	Cash and Cash Equivalents	–	–
	6	Term Deposits	–	–

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

The employee benefit plans do not hold any securities issued by the Company.

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

The expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by the Life Insurance Corporation of India (LIC), since the fund is managed by LIC.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

			For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
			Funded	Unfunded	Funded	Unfunded
X	Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)					
	1	Present Value of Defined Benefit Obligation	45.07	25.52	38.38	21.65
	2	Fair Value of Plan Assets	44.76	–	37.63	–
	3	Status [Surplus/(Deficit)]	(0.31)	(25.52)	(0.75)	(21.65)
	4	Experience Adjustment of Plan Assets [Gain/(Loss)]	–	–	0.27	–
	5	Experience Adjustment of obligation [(Gain)/ Loss]	0.33	0.42	1.52	0.37

XI. Sensitivity Analysis

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

(₹ in lakhs)

		DBO as at 31st March, 2024		DBO as at 31st March, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
1	Discount Rate + 100 basis points	43.12	24.25	36.57	20.39
2	Discount Rate - 100 basis points	47.06	26.84	40.40	23.06
3	Salary Increase Rate + 1%	47.26	26.98	40.43	23.09
4	Salary Increase Rate - 1%	43.07	24.21	36.51	20.35

Maturity Analysis of the Benefit Payments

(₹ in lakhs)

		DBO as at 31st March, 2024		DBO as at 31st March, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Unfunded	Funded	Unfunded
1	Year 1	4.15	6.62	3.84	0.74
2	Year 2	5.90	2.61	0.80	0.48
3	Year 3	8.53	4.32	10.25	6.34
4	Year 4	5.28	2.66	5.70	1.43
5	Year 5	1.89	1.54	8.99	4.42
6	Next 5 Years	22.81	13.50	29.81	18.51

Amount towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 17: ₹12.00 Lakhs (2023: ₹11.57 Lakhs).

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(iii) Micro, Small and Medium enterprises:

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(iv) Segment Reporting

The Company operates in a single business segment, namely infrastructure support services and in a single geographical segment in India. The entity-wide disclosures are as under:

(₹ in in lakhs)

	2024	2023
Non-current assets (In India)	2,010.68	3,385.94

The Company has three (2023: three) major customers from whom it generated revenue of ₹ 332.24 Lakhs (2023: ₹ 312.48 Lakhs), ₹ 312.24 Lakhs (2023: ₹ 73.14 Lakhs) and ₹ 91.90 Lakhs (2023: ₹ 183.20 Lakhs), respectively.

The Operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, which is the Chief Operating Decision-Maker.

(v) Related Party Disclosures:

(a) RELATIONSHIP:

i) Ultimate Holding Company:

- ITC Limited

ii) Holding Company:

- Russell Credit Limited

iii) Other related parties with whom the Company had transactions:

Associate of the Holding Company with whom the Company had transactions during the year:

- International Travel House Limited

iv) Key Management Personnel (KMP):

– Mr. S. Dutta	Chairman & Non-Executive Director
– Mr. J. Singh	Non-Executive Director
– Ms. N. Bajaj	Non-Executive Director
– Mr. M. Seth	Chief Financial Officer
– Mr. L. R. Basa	Manager & Company Secretary

v) Employee Trusts where there is significant influence:

- Greenacre Holdings Limited Provident Fund
- Greenacre Holdings Limited Gratuity Fund

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(b) DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES FOR THE YEAR AND THE STATUS OF OUTSTANDING BALANCES AS AT THE YEAR END

(₹ in lakhs)

RELATED PARTY TRANSACTION SUMMARY		Ultimate Holding Company		Holding Company		Associate of Holding Company		Key Management Personnel		Employee Trusts		Total	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
1.	Rent Received	17.28	17.28	-	-	16.11	15.58	-	-	-	-	33.39	32.86
2.	Purchase of Services	450.82	302.93	-	-	-	-	-	-	-	-	450.82	302.93
3.	Sale of Services	392.04	368.73	-	-	-	-	-	-	-	-	392.04	368.73
4.	Expenses Recovered	1.54	1.36	-	-	-	-	-	-	-	-	1.54	1.36
5.	Remuneration of managers on deputation- - For Chief Financial Officer (CFO)	74.58	64.06	-	-	-	-	-	-	-	-	74.58	64.06
	- for Manager & Company Secretary	17.14	13.18	-	-	-	-	-	-	-	-	17.14	13.18
6.	Remuneration on account of share based payment for manager on deputation (For CFO)	1.22	7.08	-	-	-	-	-	-	-	-	1.22	7.08
7.	Expenses Reimbursed	1.27	0.74	-	-	-	-	-	-	-	-	1.27	0.74
8.	Contribution to Greenacre Holdings Limited Provident Fund	-	-	-	-	-	-	-	-	12.00	11.57	12.00	11.57
9.	Contribution to Greenacre Holdings Limited Gratuity Fund	-	-	-	-	-	-	-	-	4.15	2.39	4.15	2.39
10.	Balances as at 31st March												
	i) Rental Security Deposits	24.00	24.00	-	-	56.11	56.11	-	-	-	-	80.11	80.11
	ii) Payables	182.01	49.30	-	-	-	-	-	-	-	-	182.01	49.30

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

- (vi) The Chief Financial Officer of the Company, who is on deputation from ITC Limited (ITC), the ultimate Holding Company, has been granted Stock Options and Employee Stock Appreciation Linked Reward Units (ESAR Units) by ITC in previous year(s) under the ITC Employee Stock Option Schemes (ITC ESOS) and under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan).

The cost of stock options granted under ITC ESOS / ESAR units granted under ITC ESAR Plan have been recognised as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of the aforesaid arrangement, the Company has accounted for the cost of the fair value of Stock Options / ESAR Units granted to the deputed employee on-charge by ITC. Accordingly, an amount of ₹1.22 lakhs (2023: ₹7.08 lakhs) towards ESAR Units have been recognised as employee benefits expense (Refer Note 17) and the liability on account of ESAR Units of ₹1.91 lakhs (2023: ₹ 5.69 lakhs) is presented under Note 12 of the financial statements.

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
	No. of Options	No. of Options
Outstanding at the beginning of the year	5,208	7,838
Add: Granted during the year	–	–
Less: Lapsed during the year	–	–
Options forfeited / surrendered during the year	–	–
Less: Exercised during the year	3,475	2,630
Outstanding at the end of the year	1,733	5,208
Options exercisable at the end of the year	1,733	5,208

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

Since the above-mentioned Stock Options / ESAR Units are not tradeable, no perquisite or benefit is conferred upon the employee by grant of such Options / Units.

- (vii) Previous Year's figures have been regrouped / re-classified, where necessary to correspond with the current year's classification / disclosure.

(viii) **Leases :**

As a lessor

The Company has leased out certain buildings under operating lease for lease terms upto 2 years. Lease payments are structured with periodic escalations consistent with the prevailing market conditions. There are no variable lease payments that do not depend on an index or rate. Rental income recognised from the leases during the year is ₹ 30.93 lakhs (2023: ₹ 30.48 lakhs).

The undiscounted minimum lease payments to be received over the remaining non-cancellable term on an annual basis are as follows:

(₹ in lakhs)

	2024	2023
Term	Lease Payments	Lease Payments
Within 1 year	2.50	19.48
Between 1-5 years	–	–
Later than 5 years	–	–

(ix) **Financial Ratios**

Particulars	Numerator	Denominator	31st March, 2024	31st March, 2023
Current ratio (in times) ¹	Current Assets	Current Liabilities	3.45	2.42
Trade Receivables turnover (in times)	Revenue from operations	Average Trade Receivables	6.02	7.66
Trade Payables turnover (in times)	Maintenance and service expense	Average Trade Payables	4.12	4.10
Net capital turnover (in times)	Revenue from operations	Working Capital (Current Assets – Current Liabilities)	0.19	0.28
Return on Equity (in %)	Profit after Tax (PAT)	Average Shareholder's Equity	5.02	3.71
Net Profit (in %)	Profit after Tax (PAT)	Revenue from operations	37.42	33.50
Return on Capital Employed (in %)	Profit before Interest & Taxes (PBIT)	Average Capital Employed	6.48	3.85
Return on investment (in %)	Income from Investment	Time Weighted Average Investments	7.71	5.50

Note: As the Company is Debt-free, the Debt-Equity Ratio and Debt Service Coverage Ratio are not applicable. Similarly, Inventory-Turnover Ratio is not applicable to the Company's operations.

¹ Current ratio as at 31st March, 2024 is higher due to higher investments in Mutual Funds and re-classification of Non-current deposit to current.

- (x) The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after April 01, 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the financial statements.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies should account for deferred tax on transactions such as leases. Since the Company does not have any deferred tax assets/liabilities relating to leases, there is no impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(xi) Trade Payables ageing schedule

(₹ in lakhs)

	Not Due	Unbilled Payables	Outstanding for following periods from due date of payment as at 31st March, 2024				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	–	–	–	–	–	–	–
Others	184.25	–	–	–	–	–	184.25
Disputed Dues – MSME	–	–	–	–	–	–	–
Disputed Dues – Others	–	–	–	–	–	–	–
Total	184.25	–	–	–	–	–	184.25

(₹ in lakhs)

	Not Due	Unbilled Payables	Outstanding for following periods from due date of payment as at 31st March, 2023				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	–	–	–	–	–	–	–
Others	43.62	–	–	–	–	–	43.62
Disputed Dues – MSME	–	–	–	–	–	–	–
Disputed Dues– Others	–	–	–	–	–	–	–
Total	43.62	–	–	–	–	–	43.62

21. Financial Instruments and Related Disclosures

1. Capital Management

The Company funds its operations mainly through internal accruals and does not have any borrowings. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

2. Categories of Financial Instruments

(₹ in lakhs)

Particulars	Note	As at 31st March, 2024		As at 31st March, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets					
a) Measured at amortised cost					
i) Trade receivables	8	204.39	204.39	45.50	45.50
ii) Cash and cash equivalents	9	4.12	4.12	7.54	7.54
iii) Others	5, 10	1,398.06	1,398.06	1,397.84	1,397.84
Sub - total		1,606.57	1,606.57	1,450.88	1,450.88
b) Measured at fair value through profit or loss					
i) Investment in mutual funds	7	3,873.12	3,873.12	3,534.44	3,534.44
Sub - total		3,873.12	3,873.12	3,534.44	3,534.44
Total financial assets		5,479.69	5,479.69	4,985.32	4,985.32
B. Financial liabilities					
a) Measured at amortised cost					
i) Trade payables		184.25	184.25	43.62	43.62
ii) Other financial liabilities	12	1,466.44	1,466.44	1,468.28	1,468.28
Total financial liabilities		1,650.69	1,650.69	1,511.90	1,511.90

C. Financial risk management objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Market Risks

As the Company is debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of Financial liabilities is negligible. Investments are made in debt instruments, within approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters.

The Company's investments are predominantly held in debt mutual funds etc. The Company invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arises mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant. Fixed deposit is held with highly rated bank and is not subject to interest rate volatility.

Liquidity Risk

The Company's Current assets aggregate ₹ 5,491.73 lakhs (2023: ₹ 3,624.56 lakhs) including Current investments, Trade receivables, Cash

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

and cash equivalents, Other Bank Balances & Others of ₹ 5,479.69 lakhs (2023: ₹ 3,605.32 lakhs) against an aggregate Current liability of ₹ 1,592.29 lakhs (2023: ₹ 1,500.59 lakhs); Non-current liabilities due between one year to three years amount to ₹ 80.11 lakhs (2023: ₹ 25.46 lakhs) on the reporting date.

In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due, does not exist.

Credit Risk

The risk management framework of the Company is designed to bring robustness to the risk management processes within the Company. With respect to the Company's investing activities, counter parties are shortlisted and exposure limits determined on the basis of their credit rating, financial statements and other relevant information. The counter party risk is considered insignificant.

Concentrations of credit risk with respect to trade receivables are limited as the Company's major customer is its ultimate Holding Company. Exceptions are managed and approved by appropriate authorities, after due consideration of the counterparty's credentials and financial capacity, trade practices and prevailing business and economic conditions. Based on the assessment of financial assets, no loss provision is considered necessary.

D. Fair value measurement**Fair value hierarchy**

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

Level 1: Quoted prices (unadjusted) in active market or Net Asset Value (NAV) for identical assets or liabilities.

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

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

The fair value of financial liabilities, where applicable, is determined using market observable inputs such as quotes from market participants, value published by the issuer etc.

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

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted methodologies such as discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities, where applicable, is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. The sensitivity of change in the unobservable inputs used in fair valuation of Level 3 financial assets and liabilities does not have a significant impact on their value. There were no transfers between Level 1, Level 2 and Level 3 during the year.

The following table presents the fair value hierarchy of assets measured at fair value:

(₹ in lakhs)

Particulars	Fair Value Hierarchy (Level)	Fair Value	
		As at 31st March, 2024	As at 31st March, 2023
A. Financial assets			
Measured at fair value through profit or loss			
Investment in mutual funds	1	3,873.12	3,534.44

22. During the year 1999-2000, erstwhile Classic Infrastructure & Development Limited (CIDL) [since amalgamated with the Company] acquired assignable claims amounting to ₹ 920.59 lakhs together with any interest that may accrue on the said amount till the date of actual repayment, at an agreed consideration of ₹ 200.00 lakhs. This amount is included in "Other non-current assets" under Note 6.

During the year 2022-23, the Company had received an amount of ₹ 1380.00 lakhs that was released by the Hon'ble High Court of Karnataka against submission of bank guarantee by the Company. The amount was deposited by the defendants with the Hon'ble High Court as per the interim order towards their appeal. As the matter is sub-judice, the said amount is reflected under current liabilities (refer Note 12) and a concomitant earmarked balance under current other bank balances (refer Note 10) in the Balance Sheet.

On behalf of the Board

S. DUTTA (DIN: 01804345)	Chairman	J. SINGH (DIN: 00042258)	Director
M. SETH	Chief Financial Officer	L. R. BASA	Manager & Company Secretary

Kolkata, May 03, 2024

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their 90th Report for the financial year ended 31st March, 2024.

2. COMPANY PERFORMANCE

Your Company earned a total income of ₹ 2,482.45 lakhs (previous year: ₹ 1,996.67 lakhs) during the year under review, with net profit of ₹ 2,311.77 lakhs (previous year: ₹ 1,841.93 lakhs). The Company remains committed to its growth strategy through its joint venture interest in ITC Filtrona Limited (formerly known as ITC Essentra Limited) and continues to explore newer growth opportunities. The temporary surplus funds of the Company have been deployed in bank fixed deposits and debt mutual funds.

The financial results of your Company, summarised, are as under:

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
Profits		
a. Profit Before Tax	2,331.12	1,858.33
b. Less : Tax Expense	19.35	16.40
c. Profit After Tax	2,311.77	1,841.93
d. Add : Other Comprehensive Income	-	-
e. Total Comprehensive Income	2,311.77	1,841.93
Retained Earnings		
a. At the beginning of the year	1,365.66	1,331.55
b. Add : Profit for the year	2,311.77	1,841.93
c. Add : Other Comprehensive Income	-	-
d. Less : Interim Dividend paid	2,255.77	1,807.82
e. At the end of the year	1,421.66	1,365.66

3. DIVIDEND

During the year under review, Interim Dividend of ₹ 14.10 per Equity Share was declared by your Directors on 22nd March, 2024. Such Dividend was paid to the Members whose names appeared in the Register of Members of the Company on the aforesaid date. The said Interim Dividend aggregating ₹ 2,255.77 lakhs has been confirmed by your Directors as the Final Dividend for the financial year ended 31st March, 2024.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL
(a) Changes in Directors

Mr. Supratim Dutta (DIN: 01804345) was appointed, with your approval, as a Non-Executive Director of the Company. There were no other changes in the Board of Directors of the Company ('the Board').

(b) Changes in Key Managerial Personnel

During the year, Mr. Pretiush Kumar completed his term of appointment as the Manager of the Company with effect from close of work on 17th October, 2023. The Board at the meeting held on 12th October, 2023 re-appointed Mr. Kumar as the Manager of the Company for a period of two years with effect from 18th October, 2023, subject to the approval of the Members of the Company.

Appropriate resolution seeking your approval to the aforesaid re-appointment is appearing in the Notice convening the ensuing Annual General Meeting ('AGM') of the Company.

Mr. Vishal Luharuka who was on deputation from ITC Limited, Holding Company ('ITC'), stepped down as the Chief Financial Officer of the Company with effect from close of work on 31st December, 2023, consequent to his reversion to ITC. The Board appointed Ms. Anusree Basu, who is also on deputation from ITC, as the Chief Financial Officer of the Company with effect from 15th January, 2024, in terms of the provisions of Section 203 of the Companies Act, 2013 ('the Act').

(c) Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with the Articles of Association of the Company, Mr. Trasi Sadashiva Madhava Shenoy (DIN: 09476476), Director, will retire by rotation at the ensuing AGM of the Company, and being eligible,

offers himself for re-election. Your Board has recommended his re-election.

5. BOARD MEETINGS

Five meetings of the Board were held during the year ended 31st March, 2024.

6. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts for the financial year ended 31st March, 2024, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. ASSOCIATE AND JOINT VENTURE

The statement in Form AOC-1 containing the salient features of the financial statements of ATC Limited, associate company, and ITC Filtrona Limited, joint venture company, is attached to the Financial Statements of the Company.

The Company, being an intermediate wholly owned subsidiary, is not required to prepare Consolidated Financial Statements. However, brief details of the performance and financial position of the Company's associate and joint venture are given below:

Name of Associate / Joint Venture Company	Total Revenue / Income		Profit After Tax	
	FY 2023-24 (₹ in lakhs)	FY 2022-23 (₹ in lakhs)	FY 2023-24 (₹ in lakhs)	FY 2022-23 (₹ in lakhs)
ATC Limited (associate company)	3,224.21	3,094.74	99.91	126.16
ITC Filtrona Limited (joint venture company)	74,852.09	55,080.73	8,080.30	6,476.87

8. PARTICULARS OF EMPLOYEES

The details of employees of the Company, as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including details of employee(s) who had drawn remuneration more than the limit specified in the said Rule, are provided in the **Annexure** to this Report.

The Company seeks to create equal opportunities for men and women and is committed to a gender-friendly workplace. During the year, no complaint for sexual harassment was received. However, the Company is not required to constitute Internal Complaints Committee in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

9. RISK MANAGEMENT

The risk management framework of the Company is commensurate with its size and nature of business. Management of risks vests with the executive management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. The Internal Auditor of the Company periodically carries out risk focused audits with the objective of identifying areas where risk management processes could be further strengthened. The Board annually reviews the effectiveness of the Company's risk management systems and policies.

10. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and

scale of operations. The Internal Auditor of the Company periodically evaluates the adequacy and effectiveness of such internal financial controls. The Board which provides guidance on internal controls, also reviews internal audit findings and implementation of internal audit recommendations, if any.

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

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

12. RELATED PARTY TRANSACTIONS

During the year ended 31st March, 2024, the Company has neither entered into any contract or arrangement with its related parties which is not at arm's length nor has the Company entered into any material contract or arrangement with them, in terms of Section 188 of the Act. Accordingly, the disclosure of Related Party Transactions, as required in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC-2, is not applicable for this year.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING GOING CONCERN STATUS

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

14. COST RECORDS

The Company is not required to maintain cost records in terms of

Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

15. STATUTORY AUDITORS

Messrs. S R B C & CO LLP, Chartered Accountants (Registration No. 324982E/E300003), who were appointed as the Auditors of your Company at the 85th AGM held on 20th June, 2019, will complete their present term on conclusion of the ensuing 90th AGM of the Company.

Pursuant to Section 139 of the Act, your Board has recommended for the approval of the Members, re-appointment of Messrs. S R B C & CO LLP as the Statutory Auditors of the Company for a further period of five years i.e., from the conclusion of the ensuing AGM till the conclusion of the 95th AGM. The Board has also recommended for the approval of the Members, pursuant to Section 142 of the Act, remuneration of Messrs. S R B C & CO LLP for the financial year 2024-25. Appropriate resolution in respect of the above is appearing in the Notice convening the ensuing AGM of the Company.

16. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption.

During the year under review, there has been no foreign exchange earnings or outflow.

On behalf of the Board

S. DUTTA T.S.M. SHENOY
(DIN : 01804345) (DIN : 09476476)
Chairman Director

Dated : 3rd May, 2024

Annexure to the Report of the Board of Directors for the financial year ended 31st March, 2024

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

Name	Age (Years)	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of employment / deputation	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
V. Luharuka *#	39	Chief Financial Officer	1,01,19,973/-	56,66,897/-	B. Com.(Hons.), A.C.A.	16	01.01.2015	ITC Limited – Manager (Finance)
P. Kumar *	33	Manager and Company Secretary	26,47,403/-	19,31,577/-	B. Com.(Hons.), A.C.S.	9	01.10.2021	ITC Limited – Manager (Secretarial)
A. Basu *	50	Chief Financial Officer	9,82,443/-	5,12,412/-	B. Com.(Hons.), A.C.A.	21	15.01.2024	ITC Limited – Manager (Finance)

* On deputation from ITC Limited, the Holding Company ('ITC').

Stepped down with effect from close of work on 31st December, 2023.

Notes:

- Gross Remuneration includes salary, variable pay / performance bonus, long-term incentives, allowances & other benefits / applicable perquisites borne by the Company, except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net Remuneration comprises cash income less tax deducted at source and employee's own contribution to provident fund.
- Mr. V. Luharuka has been granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since these Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Options and accordingly, the said grant has not been considered as remuneration.
- The aforesaid employees are / were neither relative of any Director / Manager of the Company nor hold any equity share in the Company.

On behalf of the Board
S. DUTTA T.S.M. SHENOY
(DIN : 01804345) (DIN : 09476476)
Chairman Director

Dated : 3rd May, 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLD FLAKE CORPORATION LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Gold Flake Corporation Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 financial statements under the provisions of the Act 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 audit opinion on the Ind AS financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the Ind AS financial statements and our auditor's report thereon. Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors

as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the Company has not paid/ provided any managerial remuneration to its directors during the year and hence the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2024;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds 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;
 - b) The management has represented that, to the best of its

knowledge and belief, 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

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement;
- v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act;
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For S R B C & CO LLP
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Anant Acharya
Partner

Place of Signature: Mumbai
Date: May 03, 2024

Membership Number: 124790
UDIN: 24124790BKFGUB6932

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property, held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business, in view of its current operations, does not require maintenance of inventories and, accordingly, the requirements to report on clause 3(ii) (a) of the Order is not applicable to the Company and hence not commented upon.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of

loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company and hence not commented upon.

- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues applicable to it. Customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, value added tax, goods and services tax, cess and other statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable. Customs duty and excise duty are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and services tax, cess and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on Clause 3(ix)(a) of the Order is not applicable to the Company.

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to 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 associates or joint ventures. The Company does not have any subsidiary company.
- (f) The Company has not raised loans during the year on the pledge of securities held in its joint ventures or associate companies. The Company does not have any subsidiary company. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations given by the management, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, reporting under clause 3(x)(a) is not applicable to the Company and hence not commented upon.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii)(a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) (a) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Companies Act, 2013.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.
- (xvi) (a) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 18(ix) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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) According to the information and explanations given to us, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xx) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Anant Acharya

Partner

Place of Signature: Mumbai

Date: May 03, 2024

Membership Number: 124790

UDIN: 24124790BKFUGB6932

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF GOLD FLAKE CORPORATION LIMITED

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

We have audited the internal financial controls with reference to financial statements of Gold Flake Corporation Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 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 with reference to these financial statements 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, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Anant Acharya

Partner

Place of Signature: Mumbai

Date: May 03, 2024

Membership Number: 124790

UDIN: 24124790BKFG6932

BALANCE SHEET AS AT 31ST MARCH, 2024

	Note	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	0.02	0.02
(b) Financial Assets			
(i) Investments	4	600.64	600.64
(c) Income Tax Assets (Net)	5	227.55	181.06
Current assets			
(a) Financial Assets			
(i) Investments	6	581.91	576.00
(ii) Cash and cash equivalents	7	9.39	3.26
(iii) Other Bank Balances	8	1,756.34	1,872.48
(iv) Others	9	189.18	15.27
		<u>2,536.82</u>	<u>2,467.01</u>
TOTAL ASSETS		<u>3,365.03</u>	<u>3,248.73</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	1,599.84	1,599.84
(b) Other Equity		<u>1,508.92</u>	<u>1,452.92</u>
		<u>3,108.76</u>	<u>3,052.76</u>
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	11	3.00	2.23
(b) Deferred tax liabilities (Net)	12	16.12	6.76
Current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	11	11.45	6.20
(b) Other liabilities	13	225.70	180.78
		<u>225.70</u>	<u>180.78</u>
TOTAL EQUITY AND LIABILITIES		<u>3,365.03</u>	<u>3,248.73</u>

The accompanying notes 1 to 19 are an integral part of the Financial Statements.

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration Number : 324982E/E300003

On behalf of the Board

Anant Acharya

Partner

(Membership No. 124790)

Mumbai, May 03, 2024

S. DUTTA

(DIN: 01804345)

A. BASU

Chairman

Chief Financial Officer

T.S.M. SHENOY

(DIN: 09476476)

P. KUMAR

Director

Manager & Company Secretary

Kolkata, May 03, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Note	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
I Other Income	14	2,482.45	1,996.67
Total Income (I)		<u>2,482.45</u>	<u>1,996.67</u>
II EXPENSES			
Employee benefits expense	15	149.15	136.12
Other expenses	16	2.18	2.22
Total Expenses (II)		<u>151.33</u>	<u>138.34</u>
III Profit before tax (I - II)		<u>2,331.12</u>	<u>1,858.33</u>
IV Tax expense:			
Current Tax	17A	9.99	11.65
Deferred Tax	17A	9.36	4.75
V Profit for the year (III - IV)		<u>2,311.77</u>	<u>1,841.93</u>
VI Other Comprehensive Income		<u>-</u>	<u>-</u>
VII Total Comprehensive Income for the year (V + VI)		<u>2,311.77</u>	<u>1,841.93</u>
VIII Earnings per equity share (Face Value of ₹ 10.00 each):			
- Basic and Diluted (in ₹)	18 (i)	14.45	11.51

The accompanying notes 1 to 19 are an integral part of the Financial Statements.

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration Number : 324982E/E300003

On behalf of the Board

Anant Acharya

Partner

(Membership No. 124790)

Mumbai, May 03, 2024

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(DIN: 09476476)

P. KUMAR

Director

Manager & Company Secretary

Kolkata, May 03, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity Share Capital

(₹ in lakhs)

	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2024	1,599.84	–	1,599.84
For the year ended 31st March, 2023	1,599.84	–	1,599.84

B. Other Equity

(₹ in lakhs)

FY 2023-24	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance as at 1st April, 2023	87.26	1,365.66	1,452.92
Profit for the year	–	2,311.77	2,311.77
Other Comprehensive Income (net of tax)	–	–	–
Total Comprehensive Income for the year	–	2,311.77	2,311.77
Interim Dividend Paid	–	(2,255.77)	(2,255.77)
Balance as at 31st March, 2024	87.26	1,421.66	1,508.92

FY 2022-23	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance as at 1st April, 2022	87.26	1,331.55	1,418.81
Profit for the year	–	1,841.93	1,841.93
Other Comprehensive Income (net of tax)	–	–	–
Total Comprehensive Income for the year	–	1,841.93	1,841.93
Interim Dividend Paid	–	(1,807.82)	(1,807.82)
Balance as at 31st March, 2023	87.26	1,365.66	1,452.92

General Reserve: This Reserve is created by an appropriation from one component of Equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

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

The accompanying notes 1 to 19 are an integral part of the Financial Statements.

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration Number : 324982E/E300003

On behalf of the Board

Anant Acharya
Partner

(Membership No. 124790)
Mumbai, May 03, 2024

S. DUTTA
(DIN: 01804345)
A. BASU

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Chief Financial Officer

T.S.M. SHENOY
(DIN: 09476476)

P. KUMAR

Director

Manager & Company Secretary
Kolkata, May 03, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	2,331.12	1,858.33
ADJUSTMENTS FOR:		
Interest Income	(164.15)	(147.93)
Dividend Income	(2,250.00)	(1,800.00)
Net (gain)/loss arising on investments mandatorily measured at Fair value through profit or loss	(68.30)	(48.74)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(151.33)	(138.34)
ADJUSTMENTS FOR:		
Other financial asset	(173.90)	–
Other financial liabilities and Other liabilities	50.94	26.00
CASH USED IN OPERATIONS	(274.29)	(122.34)
Income tax (paid) / refund	(56.46)	64.13
NET CASH USED IN OPERATING ACTIVITIES	(330.75)	(48.21)
B. Cash Flow from Investing Activities		
Purchase of current investments	(880.00)	(1,194.80)
Sale / redemption of current investments	942.39	885.77
Dividend Income	2,250.00	1,800.00
Interest received	164.12	147.83
Investment in bank deposits (original maturity more than 3 months)	(4,229.35)	(4,774.80)
Redemption / maturity of bank deposits (original maturity more than 3 months)	4,345.49	4,988.74
NET CASH GENERATED FROM INVESTING ACTIVITIES	2,592.65	1,852.74
C. Cash Flow from Financing Activities		
Dividend paid	(2,255.77)	(1,807.82)
NET CASH USED IN FINANCING ACTIVITIES	(2,255.77)	(1,807.82)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	6.13	(3.29)
OPENING CASH AND CASH EQUIVALENTS	3.26	6.55
CLOSING CASH AND CASH EQUIVALENTS (Note 7)	9.39	3.26

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".

The accompanying notes 1 to 19 are an integral part of the Financial Statements.

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration Number : 324982E/E300003

On behalf of the Board

Anant Acharya
Partner

(Membership No. 124790)

Mumbai, May 03, 2024

S. DUTTA
(DIN: 01804345)
A. BASU

Chairman

Chief Financial Officer

T.S.M. SHENOY
(DIN: 09476476)
P. KUMAR

Director

Manager & Company Secretary
Kolkata, May 03, 2024

NOTES TO THE FINANCIAL STATEMENTS

Company Information:

Gold Flake Corporation Limited [CIN: U16003WB1935PLC008314], a wholly owned subsidiary of ITC Limited, is a Public Limited Company within the meaning of the Companies Act, 2013, having its registered office located at Virginia House, 37, J L Nehru Road, Kolkata 700071, West Bengal, India. While the main objects of the Company are primarily to manufacture and deal in tobacco & tobacco related products, it continues to explore newer growth opportunities. It remains committed to its growth strategy through its investments in joint venture and associate Companies. The temporary surplus funds of the Company, in the meantime, are deployed in bank fixed deposits and debt mutual funds.

1. Material Accounting Policies**Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2016.

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products or services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Property, Plant and Equipment

Property, plant and equipment (PP&E) are stated at cost of acquisition less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PP&E recognised as at 1st April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP).

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of PP&E are depreciated in a manner that amortises the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis. Land is not depreciated.

The estimated useful lives of PP&E of the Company are as follows:

Office Equipment - Desktop	3 years

PP&E's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amounts of

assets exceed their recoverable amount.

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

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

Investment in Associates and Joint Venture

Investment in associates and joint venture are carried at cost less accumulated impairment, if any.

Financial Instruments, Financial Assets, Financial Liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include Investments, Trade Receivables, advances, Security deposits, Cash and Cash equivalents. Such assets are initially recognized at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

The financial assets are classified as those measured at:

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

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

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

Reclassification: When and only when the business model is changed the Company shall reclassify all affected financial assets prospectively from the

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

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

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

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are de-recognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

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

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

Employee Share Based Compensation

The cost of stock options and stock appreciation units granted by ITC Limited, the Holding Company, to its eligible employees deputed to the Company is recognised at fair value. These Schemes are in the nature of equity settled / cash settled share-based compensation and are assessed, managed / administered by the Holding Company.

In case of stock options, the fair value of stock options at the grant date is amortised on a straight-line basis over the vesting period and cost recognised as an employee benefits expense in the Statement of Profit and Loss with a corresponding credit in equity, net of reimbursements, if any.

In case of stock appreciation units, the fair value of stock appreciation units at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognized as an employee benefits expense in the Statement of Profit and Loss with a corresponding increase in other financial liabilities.

Taxes on Income

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

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

enacted by the end of the reporting period.

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

Income tax, insofar as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Dividend Distribution

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

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

Provisions

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

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

2. Use of Estimates and Judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

I. Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the notes to the financial statements.

(₹ in lakhs)

Particulars	Gross Block							Depreciation and Amortization							Net Book Value	
	As at 31st March, 2022	Additions	Withdrawals and adjustments	As at 31st March, 2023	Additions	Withdrawals and adjustments	As at 31st March, 2024	Upto 31st March, 2022	For the year	On Withdrawals and adjustments	Upto 31st March, 2023	For the year	On Withdrawals and adjustments	Upto 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
3. Property, Plant and Equipment																
Office Equipment	0.42	–	–	0.42	–	–	0.42	0.40	–	–	0.40	–	–	0.40	0.02	0.02
TOTAL	0.42	–	–	0.42	–	–	0.42	0.40	–	–	0.40	–	–	0.40	0.02	0.02

NOTES TO THE FINANCIAL STATEMENTS (contd.)

	As at 31st March, 2024 (₹ in lakhs) Unquoted	As at 31st March, 2023 (₹ in lakhs) Unquoted
4. Non-current investments		
INVESTMENT IN EQUITY INSTRUMENTS		
In Associates (at cost)		
ATC Limited		
55,650 Equity Shares of ₹ 100.00 each, fully paid	83.48	83.48
1,39,125 Equity Shares of ₹ 100.00 each, ₹ 70.00 paid	292.16	292.16
In Joint Ventures (at cost)		
ITC Filtrona Limited (formerly known as ITC Essentra Limited)		
22,50,000 Equity Shares of ₹ 10.00 each, fully paid	225.00	225.00
TOTAL	600.64	600.64
5. Income Tax Assets (Net) : Non-Current		
Income Tax Assets (net of provisions)	227.55	181.06
TOTAL	227.55	181.06
6. Current investments		
INVESTMENT IN MUTUAL FUNDS (at fair value through profit or loss)		
Axis Liquid Fund	5.42	15.01
204 (2023 - 604) units of ₹ 1000.00 each		
Aditya Birla Sun Life Savings Fund	351.70	326.94
69,523 units of ₹ 100.00 each		
Kotak Corporate Bond Fund	27.90	25.87
789 units of ₹ 1000.00 each		
Axis Ultra Short Term Fund	176.21	208.18
12,41,530 (2023 - 15,77,979) units of ₹ 10.00 each		
UTI Liquid Cash Plan	20.68	—
527 (2023 - Nil) units of ₹ 1000.00 each		
TOTAL	581.91	576.00
7. Cash and cash equivalents*		
Balances with Banks		
Current accounts	9.39	3.26
TOTAL	9.39	3.26

@ Cash and cash equivalents include cash on hand, cheques, cash at bank, deposits with banks with original maturity of 3 months or less etc., as applicable.
The Company does not have any significant cash and cash equivalents that are not available for use.

8. Other bank balances		
In deposit accounts *	1,756.34	1,872.48
TOTAL	1,756.34	1,872.48

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

9. Other financial assets		
Current		
Interest accrued on deposits	15.28	15.27
Others	173.90	—
TOTAL	189.18	15.27

	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 (₹ in lakhs)
10. Equity Share capital				
Authorised				
Equity Shares of ₹ 10.00 each	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Issued and Subscribed				
Equity Shares of ₹ 10.00 each, fully paid	1,59,98,385	1,599.84	1,59,98,385	1,599.84
A) Reconciliation of number of Equity Shares outstanding				
As at beginning and at the end of the year	1,59,98,385	1,599.84	1,59,98,385	1,599.84
B) Shareholders holding more than 5% of the Equity Shares in the Company				
	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (%)	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 (%)
ITC Limited - the Holding Company	1,59,98,385	100.00	1,59,98,385	100.00

C) Rights, preferences and restrictions attached to the Equity Shares

The Equity Shares of the Company, having par value of ₹ 10.00 per share, rank *pari passu* in all respects including voting rights and entitlement to dividend.

D) Shares held by promoter

	Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
		No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Equity Shares of ₹ 10.00 each, fully paid	ITC Limited	1,59,98,385	100.00	—	1,59,98,385	100.00	—
TOTAL		1,59,98,385	100.00	—	1,59,98,385	100.00	—

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024 (₹ in lakhs) Non-Current	As at 31st March, 2024 (₹ in lakhs) Current	As at 31st March, 2023 (₹ in lakhs) Non-Current	As at 31st March, 2023 (₹ in lakhs) Current
11. Other financial liabilities				
Other payables to related parties	–	2.73	2.23	5.61
Others	3.00	8.72	–	0.59
TOTAL	3.00	11.45	2.23	6.20
		As at 31st March, 2024 (₹ in lakhs)		As at 31st March, 2023 (₹ in lakhs)
12. Deferred tax liabilities (Net)				
Deferred tax liabilities		16.12		6.76
Less : Deferred tax assets		–		–
TOTAL		16.12		6.76
Movement in Deferred tax liabilities / (assets) balances 2023-24	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance (₹ in lakhs)
Deferred tax liabilities in relation to :				
On current investments - FVTPL	6.76	9.36	–	16.12
Total deferred tax liabilities	6.76	9.36	–	16.12
On employees separation and retirement etc.	–	–	–	–
Total deferred tax assets	–	–	–	–
Deferred tax liabilities/ (assets) (Net)	6.76	9.36	–	16.12
Movement in Deferred tax liabilities / (assets) balances 2022-23	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance (₹ in lakhs)
Deferred tax liabilities in relation to:				
On current investments - FVTPL	2.01	4.75	–	6.76
Total deferred tax liabilities	2.01	4.75	–	6.76
On employees separation and retirement etc.	–	–	–	–
Total deferred tax assets	–	–	–	–
Deferred tax liabilities / (assets) (Net)	2.01	4.75	–	6.76
		As at 31st March, 2024 (₹ in lakhs)		As at 31st March, 2023 (₹ in lakhs)
13. Other liabilities				
Statutory liabilities		225.70		180.78
TOTAL		225.70		180.78
		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)
14. Other income				
Interest income		164.15		147.93
Dividend income		2,250.00		1,800.00
Other non-operating income		68.30		48.74
TOTAL		2,482.45		1,996.67
Interest income comprises interest from:				
a) Deposits with banks - carried at amortised cost		155.86		134.17
b) Other financial assets measured at amortised cost		–		–
c) Others (from statutory authorities)		8.29		13.76
TOTAL		164.15		147.93
Dividend income comprises dividend from:				
Non- Current investments		2,250.00		1,800.00
TOTAL		2,250.00		1,800.00
Other non-operating income:				
Net gain / (loss) arising on financial assets mandatorily measured at FVTPL *		68.30		48.74
TOTAL		68.30		48.74

* Includes ₹ 28.05 Lakhs (2023: ₹ 25.05 Lakhs) being net gain on sale of investments.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
15. Employee benefits expense		
Remuneration of managers' salary on deputation @	147.61	135.08
Staff welfare expenses	1.54	1.04
TOTAL	149.15	136.12
@ Includes charge/ (credit) on account of share based payments as under :		
- Employee Stock Appreciation Linked Reward (ESAR) Plan : ₹ 2.85 Lakhs [2023 : ₹ 9.38 Lakhs] [Refer Note 18(vii)]		
16. Other expenses		
Rates and taxes	0.14	0.13
Insurance	0.01	0.01
Bank charges	0.07	0.10
Consultancy / Professional fees	0.71	0.67
Miscellaneous expenses	1.25	1.31
TOTAL	2.18	2.22
Miscellaneous expenses include:		
Auditors' remuneration and expenses#		
Audit fees	0.66	0.66
Tax audit fees	0.10	0.10
Fees for other services	0.31	0.31
#Excluding taxes.		
17. Income tax expenses		
A. Amount recognised in profit or loss		
Current tax		
Income tax for the year	11.20	11.20
Adjustments / (credits) related to previous years - Net	(1.21)	0.45
Total current tax	9.99	11.65
Deferred tax		
Deferred tax for the year	9.36	4.75
Total deferred tax	9.36	4.75
TOTAL	19.35	16.40
B. Reconciliation of effective tax rate		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	2,331.12	1,858.33
Income tax expense calculated @ 25.168%	586.70	467.70
Effect of tax relating to uncertain tax positions	0.38	2.36
Effect of difference in taxable income / deductible expense	(566.28)	(453.02)
Other differences	(0.24)	(1.09)
Total	20.56	15.95
Adjustments recognised in the current year in relation to the current tax of prior years	(1.21)	0.45
Income tax recognised in profit or loss	19.35	16.40

The tax rate used for the above reconciliations is the corporate tax rate of 25.168% (22% + surcharge @ 10% + cess @ 4%) payable on taxable profits under the Income-tax Act, 1961.

18. Additional Notes to the Financial Statements**(i) Earnings per share:**

	2024	2023
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in lakhs)	2,311.77	1,841.93
(b) Weighted average number of Equity Shares outstanding for the purpose of basic earnings per share	1,59,98,385	1,59,98,385
(c) Earnings per share on profit for the year (Face Value ₹ 10.00 per share) - Basic & Diluted [(a)/(b)] (in ₹)	14.45	11.51

(ii) Uncalled liability in respect of partly paid-up 1,39,125 shares of ATC Limited @ ₹ 90.00 per share (includes ₹ 60.00 per share as premium) is ₹ 125.21 Lakhs (2023: ₹ 125.21 Lakhs).

(iii) Defined Benefit Plans / Long Term Compensated Absences:**Description of Plans**

The Company makes provisions for Defined Benefit Plans for qualifying employees. Gratuity and Leave Encashment Benefits are unfunded in nature.

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuary, using the projected unit credit method at the year end.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk and salary cost inflation risk.

Interest Rate Risk: The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**(iv) Micro, Small and Medium scale Enterprises:**

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(v) Segment Reporting:

The Company operates in a single business and geographical segment in India. The entity-wide disclosures are as under:

(₹ in Lakhs)

	2024	2023
Non-current assets (in India)	227.57	181.08

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, which is the Chief Operating Decision Maker.

(vi) Related Party Disclosures:**(a) RELATIONSHIP:****(i) Holding Company:**

- ITC Limited

(ii) Key Management Personnel:

- Mr. S. Dutta Chairman & Non-Executive Director
- Mr. J. Singh Non-Executive Director
- Mr. T.S.M. Shenoy Non-Executive Director
- Ms. N. Bajaj Non-Executive Director
- Mr. V. Luharuka Chief Financial Officer (upto 31.12.2023)
- Ms. A. Basu Chief Financial Officer (w.e.f. 15.01.2024)
- Mr. P. Kumar Manager & Company Secretary

(iii) Other related parties with whom the Company had transactions:

Joint Venture

- ITC Filtrona Limited (Formerly known as ITC Essentra Limited)

(b) DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES FOR THE YEAR AND THE STATUS OF OUTSTANDING BALANCES AS AT THE YEAR END:

(₹ in Lakhs)

Related Party Transaction Summary		Holding Company		Joint Venture		Key Management Personnel		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
1.	Purchase of Internal audit services	0.33	0.33	–	–	–	–	0.33	0.33
2.	Dividend Income	–	–	2,250.00	1,800.00	–	–	2,250.00	1,800.00
3.	Remuneration of managers on deputation reimbursed								
	- for Chief Financial Officer (CFO) (Mr. V. Luharuka upto 31.12.23)	98.20	106.78	–	–	–	–	98.20	106.78
	- for Chief Financial Officer (CFO) (Ms. A. Basu w.e.f. 15.01.24)	9.44	–	–	–	–	–	9.44	–
	- for Manager & Company Secretary	26.05	18.92	–	–	–	–	26.05	18.92
4.	Remuneration on account of share based payment for manager on deputation (for CFO)	2.85	9.38	–	–	–	–	2.85	9.38
5.	Expenses Reimbursed	1.54	1.04	–	–	–	–	1.54	1.04
6.	Dividend Paid	2,255.77	1,807.82	–	–	–	–	2,255.77	1,807.82
Outstanding Balances									
7.	Payables [Refer Note 11]	2.73	7.84	–	–	–	–	2.73	7.84

(vii) The earlier Chief Financial Officer of the Company, who was on deputation from ITC Limited (ITC), the Holding Company, was granted Stock Options and Employee Stock Appreciation Linked Reward Units (ESAR Units) by ITC under the ITC Employee Stock Option Schemes (ITC ESOS) and under ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan).

The cost of equity settled options granted under ITC ESOS / cash settled units granted under ITC ESAR Plan have been recognised as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of the deputation arrangement, the Company has accounted for the cost of the fair value of Stock Options / ESAR units granted to the deputed employee on-charge by ITC. Accordingly, an amount of ₹ 2.85 Lakhs (2023: ₹ 9.38 Lakhs) towards ESAR Units have been recognised as employee benefits expense (Refer Note 15). The liability of ₹ 2.73 Lakhs (2023: ₹ 7.84 Lakhs) on account of ESAR Units is presented under Note 11 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

The summary of movement of the aforesaid Stock Options granted by ITC and status of the outstanding options is as under:

Particulars	As at 31st March, 2024	As at 31st March, 2023
	No. of Options	No. of Options
Outstanding at the beginning of the year	6,222	7,320
Add: Granted during the year	1,100	–
Less: Lapsed during the year	–	–
Less : Option due to transfer in and transfer out	(5,126)	–
Less: Exercised during the year	(2,196)	1,098
Outstanding at the end of the year	–	6,222
Options exercisable at the end of the year	–	6,222

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

Since the above-mentioned Stock Options / ESAR Units are not tradeable, no perquisite or benefit is conferred upon the employee by grant of such Options / Units.

(viii) List of significant investments:

a. Interest in Associate:

Name of the Investee	Principal Place of Business	Proportion of the ownership interest *		Method used to account for the investments in Separate Financial Statement
		As at 31st March, 2024	As at 31st March, 2023	
ATC Limited	Hosur, India	47.50%	47.50%	At cost

b. Interest in Joint Venture: The Company's interest, as a venturer, in jointly controlled entity (incorporated Joint Venture) is:

Name of the Investee	Principal Place of Business	Proportion of the ownership interest *		Method used to account for the investments in Separate Financial Statement
		As at 31st March, 2024	As at 31st March, 2023	
ITC Filtrona Limited	Bengaluru, India	50.00%	50.00%	At cost

* Also refer Note 4.

(ix) Financial Ratios:

Particulars	Numerator	Denominator	31st March, 2024	31st March, 2023
Current ratio (in times)	Current Assets	Current Liabilities	10.93	13.19
Return on Equity (in %)	Profit after Tax (PAT)	Average Shareholder's Equity	75.04	60.68
Return on Capital Employed (in %)	Profit before Interest and Taxes (PBIT)	Average Capital Employed	75.39	61.13
Return on Investment (in %)	Income from Investment	Time Weighted Average Investments	153.58	131.99

Note: Debt-Equity Ratio, Debt Service Coverage Ratio, Inventory Turnover Ratio, Trade Receivables Turnover Ratio, Trade Payables Turnover Ratio, Net Capital Turnover Ratio & Net Profit Ratio are not applicable to the Company.

(ix) The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after April 01, 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the financial statements.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies should account for deferred tax on transactions such as leases. Since the Company does not have any deferred tax assets/liabilities relating to leases, there is no impact on the financial statements.

19. Financial Instruments and Related Disclosures

a. Capital Management

The Company funds its operations mainly through internal accruals and does not have any borrowings. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

b. Categories of Financial Instruments

(₹ in Lakhs)

Particulars	Note	As at 31st March, 2024		As at 31st March, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets					
a) Measured at amortised cost					
i) Cash and cash equivalents	7	9.39	9.39	3.26	3.26
ii) Other bank balances	8	1,756.34	1,756.34	1,872.48	1,872.48
iii) Other financial assets	9	189.18	189.18	15.27	15.27
Sub-total		1,954.91	1,954.91	1,891.01	1,891.01
b) Measured at Fair Value through Profit or Loss					
i) Investment in Mutual Funds	6	581.91	581.91	576.00	576.00
Sub-total		581.91	581.91	576.00	576.00
Total financial assets		2,536.82	2,536.82	2,467.01	2,467.01
B. Financial liabilities					
a) Measured at amortised cost					
i) Other financial liabilities	11	14.45	14.45	8.43	8.43
Total financial liabilities		14.45	14.45	8.43	8.43

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

c. Financial risk management objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations. It also seeks to drive accountability in this regard.

Market Risk

As the Company is debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Investments are made in debt instruments, within approved policies and procedures guided by the tenets of liquidity, safety and return. This ensures that investments are only made within acceptable risk parameters.

The Company's investments are predominantly held in debt mutual funds, fixed deposits etc. The Company invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

Fixed deposits are held with highly rated banks and companies, have a short tenure and are not subject to interest rate volatility.

Liquidity Risk

The Company's Current assets aggregate to ₹ 2,536.82 lakhs (2023: ₹ 2,467.01 lakhs) including Current Investments, Cash and cash equivalents, and Other Bank Balances of ₹ 2,347.64 lakhs (2023: ₹ 2,451.74 lakhs) against an aggregate current liability of ₹ 232.08 lakhs (2023: ₹ 186.98 lakhs) on the reporting date.

In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

Credit Risk

The risk management framework of the Company is designed to bring robustness to the risk management processes within the Company. With respect to the Company's investing activities, counter parties are shortlisted and exposure limits determined on the basis of their credit rating, where available, financial statements and other relevant information. The counter party risk is considered insignificant. Based on the assessment of financial assets, no loss provision is considered necessary.

d. Fair value measurement

Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active market or Net Asset Value (NAV) for identical assets or liabilities.

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

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

The fair value of financial liabilities, where applicable, is determined using market observable inputs such as quotes from market participants, value published by the issuer etc.

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

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted methodologies such as discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade payables and other Current financial assets and liabilities, where applicable, is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. The sensitivity of change in the unobservable inputs used in fair valuation of Level 3 financial assets and liabilities does not have a significant impact on their value. There were no transfers between Level 1, Level 2 and Level 3 during the year.

The following table presents the fair value hierarchy of assets measured at fair value:

(₹ in lakhs)

Particulars	Fair Value		
	Fair Value Hierarchy (Level)	As at 31st March, 2024	As at 31st March, 2023
A. Financial assets			
Measured at Fair value through Profit or Loss			
Investment in Mutual Funds	1	581.91	576.00

On behalf of the Board

S. DUTTA
(DIN: 01804345)

Chairman

T. S. M. SHENOY
(DIN: 09476476)

Director

A. Basu

Chief Financial Officer

P. KUMAR

Manager & Company Secretary

Kolkata, May 03, 2024

Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries / Associate companies / Joint Ventures

Part A: Subsidiaries

Not Applicable

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate companies and Joint Ventures

Name of Associates / Joint Ventures		ATC Limited	ITC Filtrona Limited [®]
1.	Latest audited Balance Sheet Date	31-March-2024	31-March-2024
2.	Date on which the Associate or Joint Venture was associated or acquired	06-April-1996	30-June-1994
3.	Shares of Associate / Joint Venture held by the Company on the year end		
	Number	1,94,775 [#]	22,50,000
	Amount of Investment in Associate / Joint Venture (₹ in Lakhs)	375.64	225.00
	Extent of Holding %	47.50	50.00
4.	Description of how there is significant influence	Associate	Joint Venture
5.	Reason why the Associate / Joint Venture is not consolidated	Not Applicable *	Not Applicable *
6.	Net worth attributable to Share holding as per latest audited Balance Sheet (₹ in Lakhs)	777.21	12,653.48
7.	Profit / (Loss) for the year (₹ in Lakhs)	99.91	8,080.31
	i. Considered in Consolidation (₹ in Lakhs)*	–	–
	ii. Not Considered in Consolidation (₹ in Lakhs)*	99.91	8,080.31

[®] Formerly known as ITC Essentra Limited

[#] Comprises,
55,650 Equity shares of ₹ 100.00 each, fully paid-up and
1,39,125 Equity shares of ₹ 100.00 each, ₹ 70.00 paid-up

* The Company, being an intermediate wholly owned subsidiary, is not required to prepare Consolidated Financial Statements in terms of the Companies (Accounts) Rules, 2014 and ITC Limited, the Holding Company, prepares Consolidated Financial Statements.

1. Names of the Associates or Joint Ventures which are yet to commence operations : None
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year : None

On behalf of the Board

S. DUTTA
(DIN: 01804345)

Chairman

T. S. M. SHENOY
(DIN: 09476476)

Director

A. Basu

Chief Financial Officer

P. KUMAR

Manager & Company Secretary

Kolkata, May 03, 2024

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their 12th Report for the financial year ended 31st March, 2024.

2. COMPANY PERFORMANCE

During the year under review, the Company earned total income of ₹ 1,278.11 lakhs (previous year: ₹ 65.14 lakhs) with profit after tax of ₹ 60.08 lakhs (previous year: ₹ 4.24 lakhs). The Company in the last year had commenced the business of providing support to the Business Shared Services operations of ITC Limited, the Holding Company. During the current financial year, the Company progressed with the said business for which necessary infrastructure was set up. The Company is working towards progressively scaling up this business.

The financial results of your Company, summarised, are as under:

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
Profits		
a. Profit Before Tax	94.98	5.73
b. Less : Tax Expense	34.90	1.49
c. Profit After Tax	60.08	4.24
d. Add : Other Comprehensive Income	—	—
e. Total Comprehensive Income	60.08	4.24
Retained Earnings		
a. At the beginning of the year	101.93	97.69
b. Add : Profit for the year	60.08	4.24
c. Add : Other Comprehensive Income	—	—
d. At the end of the year	162.01	101.93

3. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Changes in Directors

Messrs. Amitav Mukherji (DIN: 10105060) and Jagdish Singh (DIN: 00042258) were appointed, with your approval, as Non-Executive Directors of the Company. There were no other changes in the Board of Directors of the Company ('the Board').

(b) Changes in Key Managerial Personnel

Mr. Rajesh Mehrotra, with your approval, was appointed as the Manager of the Company for a period of two years with effect from 12th September, 2023. Mr. Mehrotra has since resigned with effect from close of work on 2nd April, 2024.

(c) Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with the Articles of Association of the Company, Mr. Supratim Dutta (DIN: 01804345) and Mr. Trasi Sadashiva Madhava Shenoy (DIN: 09476476), Directors, will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company, and being eligible, offer themselves for re-election. Your Board has recommended their re-election.

4. BOARD MEETINGS

Five meetings of the Board were held during the year ended 31st March, 2024.

5. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts for the financial year ended 31st March, 2024, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

6. SUBSIDIARY COMPANY

The statement in Form AOC-1 containing the salient features of the financial statements of MRR Trading & Investment Company Limited, a wholly owned subsidiary, is attached to the Financial Statements of the Company.

The Company, being an intermediate wholly owned subsidiary, is not required to prepare Consolidated Financial Statements. However, brief details of the performance and financial position of the Company's subsidiary company is given below:

Name of Subsidiary	Total Income (₹ in lakhs)		Profit after Tax (₹ in lakhs)	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
MRR Trading & Investment Company Limited	7.38	7.25	0.66	0.28

7. PARTICULARS OF EMPLOYEES

The details of top ten employees of the Company in terms of remuneration drawn, as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including details of employee(s) who had drawn remuneration more than the limit specified in the said Rule, are provided in **Annexure 1** to this Report.

The Company seeks to create equal opportunities for men and women and is committed to a gender-friendly workplace. Your Company has constituted an Internal Complaints Committee in compliance with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint for sexual harassment was received.

8. RISK MANAGEMENT

The risk management framework of the Company is commensurate with its size and nature of business. Management of risks vests with the executive management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. The Internal Auditor of the Company periodically carries out risk focused audits with the objective of identifying areas where risk management processes could be further strengthened. The Board annually reviews the effectiveness of the Company's risk management systems and policies.

9. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations. The Internal Auditor of the Company periodically evaluates the adequacy and effectiveness of such internal financial controls. The Board which provides guidance on internal controls, also reviews internal audit findings and implementation of internal audit recommendations, if any.

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

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

11. RELATED PARTY TRANSACTIONS

The details of material related party transaction(s) entered into by the Company during the year ended 31st March, 2024 in the prescribed Form AOC-2 are enclosed under **Annexure 2** to this Report.

12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING GOING CONCERN STATUS

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

13. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

14. STATUTORY AUDITORS

Messrs. S R B C & CO LLP, Chartered Accountants (Registration No. 324982E/E300003), who were appointed as the Auditors of your Company at the 7th AGM held on 20th June, 2019 will complete their present term on conclusion of the ensuing 12th AGM of the Company.

Pursuant to Section 139 of the Act, your Board has recommended for the approval of the Members, re-appointment of Messrs. S R B C & CO LLP as the Statutory Auditors of the Company for a further period of five years i.e., from the conclusion of the ensuing AGM till the conclusion of the 17th AGM. The Board has also recommended for the approval of the Members, pursuant to Section 142 of the Act remuneration of Messrs. S R B C & CO LLP for the financial year 2024-25. Appropriate resolution in respect of the above is appearing in the Notice convening the ensuing AGM of the Company.

15. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption.

During the year under review, there has been no foreign exchange earnings or outflow.

On behalf of the Board

S. DUTTA T.S.M. SHENOY
(DIN : 01804345) (DIN : 09476476)
Chairman Director

Dated: 3rd May, 2024

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2024*[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

Name	Age (Years)	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualification	Experience (Years)	Date of commencement of employment	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
Rajesh Mehrotra	55	Manager	2,10,26,846/- #	1,35,48,765/-	B.Sc., C.A.	31	01.03.2023	Syniverse Technologies (India) Private Limited – Vice President, Shared Services Centre
Rahul Roy*	37	Head HR	99,75,813/-	57,67,437/-	B.E, M.B.A. (HR)	12	01.04.2023	ITC Limited – Senior Manager (Human Resources)
Kamlesh Poddar	46	Accounts Payable Tower Head	64,88,111/- #	37,62,671/-	B.Com.(Hons.), C.A. Intermediate	26	03.07.2023	DXC Technology - Director Finance, Shared Services
Arun Sharma	47	Human Resources Tower Head	49,39,783/-	35,81,925/-	M.B.A.	25	18.08.2023	HSBC - Head of HR, Offshore Shared Services
Anup Sen Barman	49	Transformation & Transition Lead	38,85,899/-	24,90,368/-	M.B.A.	24	28.09.2023	Bunge India Private Limited - Continuous Improvement, Projects and Robotic Process Automation Leader
Debashish Bhattacharya	39	Manager	10,86,256/-	9,83,456/-	M.Com., M.A.	12	14.09.2023	PepsiCo - Manager
Varun Kumar DR	28	Senior Manager	10,35,576/-	9,21,475/-	M.B.A. (HR)	7	21.11.2023	Amazon Development Centre India Private Limited – Senior Specialist
Sanchari Ganguly	33	HR Partner	6,25,998/-	6,05,083/-	M.B.A. (HR)	8	17.04.2023	Capgemini – Team Lead
Abhirup Dasgupta	28	Talent Acquisition Specialist	5,26,082/-	5,06,794/-	PGDM	3	08.05.2023	Tech Mahindra Limited – Associate
Praditi Bhutra	27	Manager - Finance	5,10,216/-	4,88,796/-	C.A.	5	01.12.2023	DBS Bank - Senior Associate

Includes one-time ex-gratia payment.

* On deputation from ITC Limited, the Holding Company.

Notes:

- (a) Gross Remuneration includes salary, variable pay / performance bonus, long-term incentives, allowances, contribution to provident fund and other benefits / applicable perquisites borne by the Company, except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- (b) Net Remuneration comprises cash income less tax deducted at source and employee's own contribution to provident fund.
- (c) All appointments (except deputed employees) are / were contractual in accordance with terms and conditions as per the Company's rules.
- (d) The aforesaid employees are / were neither relative of any Director / Manager of the Company nor hold any equity share in the Company.

On behalf of the Board

S. DUTTA T.S.M. SHENOY
(DIN : 01804345) (DIN : 09476476)
Chairman Director

Dated: 3rd May, 2024

Annexure 2 to the Report of the Board of Directors for the financial year ended 31st March, 2024**FORM NO. AOC-2***[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]***Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto****1. Details of contracts or arrangements or transactions not at arm's length basis**

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the resolution was passed in general meeting as required under first proviso to Section 188	

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

a)	Name(s) of the related party and nature of relationship	ITC Limited, the Holding Company ('ITC')
b)	Nature of the contracts / arrangements / transactions	Providing support to the Business Shared Services operations of ITC
c)	Duration of the contracts / arrangements / transactions	Service Agreement with effect from 1st March, 2023
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transaction during the year - ₹ 1,493.82 lakhs
e)	Date(s) of approval by the Board, if any	11th October, 2022
f)	Amount paid as advances, if any	Nil

On behalf of the Board

S. DUTTA T.S.M. SHENOY
(DIN : 01804345) (DIN : 09476476)
Chairman Director

Dated: 3rd May, 2024

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF ITC INTEGRATED BUSINESS SERVICES LIMITED
REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS****Opinion**

We have audited the accompanying Ind AS financial statements of ITC Integrated Business Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 financial statements under the provisions of the Act 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 audit opinion on the Ind AS financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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;
 - (b) In our opinion, proper books of accounts required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the Company has not paid / provided any managerial remuneration to its directors during the year and hence the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company for the year ended March 31, 2024;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds 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;
- b) The management has represented that, to the best of its knowledge and belief, 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

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement;
- v. No Dividend has been declared or paid during the year by the Company;
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Anant Acharya

Partner

Place of Signature: Mumbai

Date: May 03, 2024

Membership Number: 124790

UDIN: 24124790BKUFZ8002

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and accordingly, the requirements to report on clause 3(ii)(a) of the Order is not applicable to the Company and hence not commented upon.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made

thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues applicable to it. Customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, value added tax, goods and services tax, cess and other statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable. Customs duty and excise duty are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and services tax, cess and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to 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 subsidiary. The Company does not have any joint ventures or associate companies.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations given by the management, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, reporting under clause 3(x)(a) is not applicable to the Company and hence not commented upon.
- (b) The Company has not made any preferential allotment or private

- placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii)(a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order in so far as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv)(a) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Companies Act, 2013.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.
- (xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in

- the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 22 (viii) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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) According to the information and explanations given to us, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xx) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Anant Acharya

Partner

Place of Signature: Mumbai

Date: May 03, 2024

Membership Number: 124790

UDIN: 24124790BKUFZ8002

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ITC INTEGRATED BUSINESS SERVICES LIMITED

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

We have audited the internal financial controls with reference to financial statements of ITC Integrated Business Services Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 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 with reference to these financial statements 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, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to

these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal

financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Anant Acharya

Partner

Place of Signature: Mumbai

Date: May 03, 2024

Membership Number: 124790

UDIN: 24124790BKUFZ8002

ITC INTEGRATED BUSINESS SERVICES LIMITED

(Formerly known as ITC Investments & Holdings Limited)

BALANCE SHEET AS AT 31ST MARCH, 2024

	Note	As at 31st March, 2024 (₹ in Lakhs)	As at 31st March, 2023 (₹ in Lakhs)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3A	226.30	–
(b) Other Intangible assets	3B	2.06	–
(c) Financial Assets			
(i) Investments	4	451.63	451.63
(d) Deferred tax assets (Net)	5	–	0.11
(e) Income Tax Assets (Net)	6A	–	0.35
Current assets			
(a) Financial Assets			
(i) Investments	7	437.17	85.12
(ii) Trade receivables	8	17.48	–
(iii) Cash and cash equivalents	9	8.88	0.80
(iv) Other Bank Balances	10	–	49.25
(v) Others	11	–	0.52
(b) Other current assets	12	31.25	–
TOTAL ASSETS		1,174.77	587.78
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	750.00	450.00
(b) Other Equity		162.01	101.93
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	14	23.00	–
(b) Provisions	15	7.87	–
(c) Deferred tax liabilities (Net)	5	4.02	–
Current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	14	155.19	6.86
(b) Other current liabilities	16	66.08	28.99
(c) Provisions	15	0.98	–
(d) Current Tax Liabilities (Net)	6B	5.62	–
TOTAL EQUITY AND LIABILITIES		1,174.77	587.78

The accompanying notes 1 to 23 are an integral part of the Financial Statements.

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration Number : 324982E/E300003

Anant Acharya

Partner

(Membership No. 124790)

Mumbai, May 03, 2024

On behalf of the Board

S. DUTTA Chairman
(DIN : 01804345)

T.S.M. SHENOY Director
(DIN : 09476476)

Kolkata, May 03, 2024

ITC INTEGRATED BUSINESS SERVICES LIMITED
(Formerly known as ITC Investments & Holdings Limited)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Note	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
I Revenue from operations	17	1,265.95	60.19
II Other income	18	12.16	4.95
III Total Income (I+II)		1,278.11	65.14
IV EXPENSES			
Employee benefits expense	19	972.49	57.91
Depreciation expense		60.44	–
Other expenses	20	150.20	1.50
Total Expenses		1,183.13	59.41
V Profit before tax (III - IV)		94.98	5.73
VI Tax expense:			
Current Tax	21A	30.77	1.59
Deferred Tax	21A	4.13	(0.10)
VII Profit for the year (V - VI)		60.08	4.24
VIII Other Comprehensive Income		–	–
IX Total Comprehensive Income for the year (VII + VIII)		60.08	4.24
X Earnings per equity share (Face Value ₹ 10.00 each) (Basic and Diluted) (in ₹)	22(i)	0.95	0.09

The accompanying notes 1 to 23 are an integral part of the Financial Statements.

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration Number : 324982E/E300003

Anant Acharya
Partner
(Membership No. 124790)
Mumbai, May 03, 2024

On behalf of the Board

S. DUTTA
(DIN : 01804345) Chairman

T.S.M. SHENOY
(DIN : 09476476) Director

Kolkata, May 03, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity Share Capital

(₹ in lakhs)

	Balance at the beginning year of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2024	450.00	300.00	750.00
For the year ended 31st March, 2023	450.00	–	450.00

B. Other Equity

(₹ in lakhs)

FY 2023-24	Reserves & Surplus	Total
	Retained Earnings	
Balance as at 1st April, 2023	101.93	101.93
Profit for the year	60.08	60.08
Other Comprehensive Income (net of tax)	–	–
Total Comprehensive Income for the year	60.08	60.08
Balance as at 31st March, 2024	162.01	162.01

(₹ in lakhs)

FY 2022-23	Reserves & Surplus	Total
	Retained Earnings	
Balance as at 1st April, 2022	97.69	97.69
Profit for the year	4.24	4.24
Other Comprehensive Income (net of tax)	–	–
Total Comprehensive Income for the year	4.24	4.24
Balance as at 31st March, 2023	101.93	101.93

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

The accompanying notes 1 to 23 are an integral part of the Financial Statements.

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration Number : 324982E/E300003

Anant Acharya
Partner
(Membership No. 124790)
Mumbai, May 03, 2024

On behalf of the Board

S. DUTTA
(DIN : 01804345) Chairman

T.S.M. SHENOY
(DIN : 09476476) Director

Kolkata, May 03, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	94.98	5.73
Depreciation and amortization expense	60.44	–
Interest Income on Bank Deposits	(0.98)	(4.82)
Net gain arising on financial instruments measured at fair value through profit or loss	(11.12)	–
Interest on Income tax refund	(0.02)	(0.01)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	143.30	0.90
ADJUSTMENTS FOR:		
Other current assets	(48.73)	–
Other financial liabilities, Other liabilities & Provisions	217.28	35.36
CASH GENERATED FORM OPERATIONS	311.85	36.26
Income tax paid	(24.82)	(1.56)
NET CASH GENERATED FROM OPERATING ACTIVITIES	287.03	34.70
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(288.80)	–
Purchase of current investments	(1,307.00)	(85.12)
Sale of current investments	966.08	–
Interest received on bank deposits	1.52	4.65
Investment in bank deposits (original maturity less than 3 months)	–	(90.00)
Investment in bank deposits (original maturity more than 3 months)	–	(52.26)
Redemption / maturity of bank deposits (original maturity more than 3 months)	49.25	97.99
Redemption / maturity of bank deposits (original maturity less than 3 months)	–	90.00
NET CASH USED IN INVESTING ACTIVITIES	(578.95)	(34.74)
C. Cash Flow from Financing Activities		
Proceed from issue of equity shares	300.00	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	300.00	–
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	8.08	(0.04)
OPENING CASH AND CASH EQUIVALENTS	0.80	0.84
CLOSING CASH AND CASH EQUIVALENTS (Note 9)	8.88	0.80

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".

The accompanying notes 1 to 23 are an integral part of the Financial Statements.

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration Number : 324982E/E300003

Anant Acharya

Partner

(Membership No. 124790)

Mumbai, May 03, 2024

On behalf of the Board

S. DUTTA

(DIN : 01804345)

Chairman

T.S.M. SHENOY

(DIN : 09476476)

Director

Kolkata, May 03, 2024

NOTES TO THE FINANCIAL STATEMENTS

Company Information

ITC Integrated Business Services Limited (the "Company") [CIN:U74110WB2012PLC176166] a 100% subsidiary of ITC Limited, is a Public Limited Company within the meaning of the Companies Act, 2013 with its registered office at Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700 071, West Bengal, India. The Company is in the business of providing support to the Business Shared Services operations of its client(s).

1. Material Accounting Policies

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair value, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products or services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Property, Plant and Equipment

Property, plant and equipment (PP&E) are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost is inclusive of inward freight,

duties and taxes and incidental expenses related to acquisition. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

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

The estimated useful lives of PP&E of the Company are as follows:

Computers	3 Years

PP&E's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Other Intangible Assets

Intangible assets represent purchased software. Software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include license fees and costs of implementation/ system integration services. The costs are capitalised in the year in which the relevant software is implemented for use and is amortised on the straight-line method over a period not exceeding 5 years. Intangible assets' useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

The estimated useful lives of intangible assets of the Company with finite lives are as follows:

Computer Software	5 Years

Impairment of Assets

Impairment loss, if any, is provided to the extent that the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

Investment in Subsidiary

Investment in subsidiary is carried at cost less accumulated impairment, if any.

Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

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

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

The financial assets are classified as those measured at:

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

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

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

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

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

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

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are de-recognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

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

Revenue from sale of services

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for services rendered, net of returns and discounts to customers.

Revenue from sale of services is recognised, net of allowances, if any, when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of services is in the period in which such services are rendered. Revenue excludes amounts collected on behalf of third parties, such as Sales Tax, Value Added Tax and Goods and Services Tax.

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

Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

The Company makes contribution to defined contribution scheme. Contributions to Provident Fund are in the nature of defined contribution scheme which are deposited with the Government and recognised as expense.

For defined benefit scheme, if any, the cost of providing benefit is calculated by an independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

Employee Share Based Compensation

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

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

Taxes on Income

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

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

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

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

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Provisions

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

2. Use of Estimates & Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no material judgements or sources of estimates uncertainty which may impact these financial statements materially.

I. Useful lives of property, plant and equipment:

As described in the material accounting policies, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

II. Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(` in lakhs)

Particulars	Gross Block						Depreciation						Net Book Value			
	As at 31st March, 2022	Additions	Withdrawals and Adjustments	As at 31st March, 2023	Additions	Withdrawals and Adjustments	As at 31st March, 2024	Upto 31st March, 2022	For the year	On Withdrawals and Adjustments	Upto 31st March, 2023	For the year	On Withdrawals and Adjustments	Upto 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
3A. Property, Plant and Equipment Plant and Equipment	-	-	-	-	286.30	-	286.30	-	-	-	-	60.00	-	60.00	226.30	-
TOTAL	-	-	-	-	286.30	-	286.30	-	-	-	-	60.00	-	60.00	226.30	-
3B. Property, Plant and Equipment Other Intangible Assets Computer Software	-	-	-	-	2.50	-	2.50	-	-	-	-	0.44	-	0.44	2.06	-
TOTAL	-	-	-	-	2.50	-	2.50	-	-	-	-	0.44	-	0.44	2.06	-

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024 (₹ in lakhs) Unquoted	As at 31st March, 2023 (₹ in lakhs) Unquoted
4. Non-current investments		
INVESTMENT IN EQUITY INSTRUMENTS		
In Subsidiary (at cost)		
MRR Trading & Investment Company Limited		
50,000 Equity Shares of ₹ 10.00 each, fully paid	451.63	451.63
TOTAL	451.63	451.63
	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
5. Deferred tax (liabilities) / assets (Net)		
Deferred tax assets	9.18	0.14
Less: Deferred tax liabilities	13.20	0.03
TOTAL	(4.02)	0.11

Movement in Deferred tax assets / liabilities balances

(₹ lakhs)

2023-24	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax assets / (liabilities) in relation to :				
On other timing differences	0.14	–	–	0.14
On employees separation and retirement, etc.	–	9.04	–	9.04
Total deferred tax assets	0.14	9.04	–	9.18
On current investments - FVTPL	0.03	0.12	–	0.15
On fiscal allowances on property, plant and equipment, etc.	–	13.05	–	13.05
Total deferred tax liabilities	0.03	13.17	–	13.20
Deferred tax assets / (liabilities) (Net)	0.11	(4.13)	–	(4.02)

2022-23	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax assets / (liabilities) in relation to :				
On other timing differences	–	0.14	–	0.14
Total deferred tax assets	–	0.14	–	0.14
On current investments - FVTPL	–	0.03	–	0.03
Total deferred tax liabilities	–	0.03	–	0.03
Deferred tax assets / (liabilities) (Net)	–	0.11	–	0.11

	As at 31st March, 2024 (₹ in lakhs) Non-Current	As at 31st March, 2023 (₹ in lakhs) Non-Current
6A. Income Tax Assets (Net)		
Income Tax Assets (net of provisions)	–	0.35
TOTAL	–	0.35
6B. Current Tax Liabilities (Net)		
Current taxation (net of advance payment)	5.62	–
TOTAL	5.62	–
	As at 31st March, 2024 (₹ in lakhs) Unquoted	As at 31st March, 2023 (₹ in lakhs) Unquoted
7. Current investments		
INVESTMENT IN MUTUAL FUNDS		
(at fair value through profit or loss)		
Axis Liquid Fund	–	85.12
Nil [2023 : 3,427] units of ₹ 1000.00 each		
Nippon India Liquid Fund	36.84	–
631 [2023 : Nil] units of ₹ 1000.00 each		
HDFC Liquid Fund	400.33	–
8,527 [2023 : Nil] units of ₹ 1000.00 each		
TOTAL	437.17	85.12
8. Trade receivables		
Receivable from the Holding Company	17.48	–
TOTAL	17.48	–

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Trade receivables ageing schedule

(₹ in lakhs)

As at 31st March, 2024	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	17.48	-	-	-	-	-	17.48
TOTAL	17.48	-	-	-	-	-	17.48

(₹ in lakhs)

As at 31st March, 2023	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-

As at
31st March, 2024
(₹ in lakhs)

As at
31st March, 2023
(₹ in lakhs)

9. Cash and cash equivalents@

Balances with Banks
Current accounts

8.88

0.80

TOTAL**8.88****0.80**

@ Cash and cash equivalents include cash on hand, cheques, cash at bank, deposits with banks with original maturity of 3 months or less. The Company does not have any significant cash and cash equivalents that are not available for use.

10. Other bank balances

In deposit accounts *

-

49.25

TOTAL**-****49.25**

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

11. Other financial assets

Current

Interest accrued on deposits

-

0.52

TOTAL**-****0.52**

12. Other current assets

Prepaid expenses

31.25

TOTAL**31.25**

		As at 31st March, 2024		As at 31st March, 2023	
		(No. of Shares)	(₹ in lakhs)	(No. of Shares)	(₹ in lakhs)
13.	Equity Share capital				
	Authorised				
	Equity Shares of ₹ 10.00 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	Issued and Subscribed				
	Equity Shares of ₹ 10.00 each, fully paid	75,00,000	750.00	45,00,000	450.00
	A) Reconciliation of number of Equity Shares outstanding				
	As at beginning of the year	45,00,000	450.00	45,00,000	450.00
	Add: Issued during the year	30,00,000	300.00	-	-
	[All equity shares are held by ITC Limited, the Holding Company. 30,00,000 equity shares of the face value of ₹ 10.00 each, have been issued during the year (2023 : Nil)]				
	As at end of the year	75,00,000	750.00	45,00,000	450.00

		As at 31st March, 2024		As at 31st March, 2023	
		(No. of Shares)	(%)	(No. of Shares)	(%)
	B) Shareholders holding more than 5% of the Equity Shares in the Company				
	ITC Limited - the Holding Company	75,00,000	100.00	45,00,000	100.00

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

C) Rights, preferences and restrictions attached to the Equity Shares

The Equity Shares of the Company, having par value of ₹ 10.00 per share, rank *pari passu* in all respects including voting rights and entitlement to dividend.

D) Shares held by promoter

	Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
		No. of Shares	% of total Shares	% Change during the year	No. of Shares	% of total Shares	% Change during the year
Equity Shares of ₹ 10.00 each, fully paid	ITC Limited	75,00,000	100.00	–	45,00,000	100.00	–
TOTAL		75,00,000	100.00	–	45,00,000	100.00	–

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
14. Other financial liabilities		
Current		
Others (Liabilities for expenses)	0.49	0.49
Employee payables	154.70	6.37
Non-Current		
Employee payables	23.00	–
TOTAL	178.19	6.86
15. Provisions		
Current		
Provision for employee benefits [Refer Note 22 (ii)]		
Other benefits	0.95	–
Retirement benefits	0.03	–
Non-Current		
Provision for employee benefits [Refer Note 22 (ii)]		
Other benefits	4.34	–
Retirement benefits	3.53	–
TOTAL	8.85	–
16. Other current liabilities		
Statutory liabilities	66.08	28.99
TOTAL	66.08	28.99
	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
17. Revenue from operations		
Sale of Services	1,265.95	60.19
TOTAL	1,265.95	60.19
18. Other income		
Interest income	1.00	4.83
Other non-operating income	11.16	0.12
TOTAL	12.16	4.95
Interest income comprises interest from:		
a) Deposits with banks - carried at amortised cost	0.98	4.82
b) Others (from statutory authorities)	0.02	0.01
TOTAL	1.00	4.83
Other non-operating income:		
Net gain/(loss) arising on financial instruments mandatorily measured at FVTPL*	11.12	0.12
Others	0.04	–
TOTAL	11.16	0.12

* Includes ₹ 10.59 lakhs (2023 : Nil) being net gain on sale of Investments.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)

19. Employee benefits expense

Salaries and wages	778.93	57.26
Remuneration of managers' salary on deputation*	130.33	—
Contribution to Provident and other funds	33.64	0.38
Staff welfare expenses	29.59	0.27
TOTAL	972.49	57.91

@ Includes reimbursement on account of share based payments as under :
 - ITC Employee Stock Option Scheme (ITC ESOS) : ₹ 36.30 Lakhs (2023 : Nil)
 [Refer Note 22(vi)]

20. Other expenses

Rates and taxes	0.13	0.36
Information technology services	—	0.13
Printing & stationery	9.59	—
Insurance	5.24	0.06
Communication costs	0.07	—
Auditors' remuneration and expenses		
Audit fees*	0.55	0.55
Bank charges	...	...
Travelling and conveyance	6.76	—
Consultancy / Professional fees	122.57	0.40
Other expenditure	5.29	—
TOTAL	150.20	1.50

Miscellaneous expenses include:

* Excluding taxes.

21. Income tax expenses

A. Amount recognised in profit or loss

Current tax		
Income tax for the year	30.77	1.55
Adjustments / (credits) related to previous years - Net	—	0.04
Total current tax	30.77	1.59

Deferred tax

Deferred tax for the year	4.13	(0.10)
Total deferred tax	4.13	(0.10)
TOTAL	34.90	1.49

B. Reconciliation of effective tax rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	94.98	5.73
Income tax expense calculated @ 25.168%	23.90	1.44
Effect of tax relating to uncertain tax positions	9.14	—
Other differences	1.86	0.01
TOTAL	34.90	1.45

Adjustments recognised in the current year in relation to the current tax of prior years	—	0.04
Income tax recognised in profit or loss	34.90	1.49

The tax rate used for the above reconciliations is the corporate tax rate of 25.168% (22% + surcharge @ 10% + cess @ 4%) payable on taxable profits under the Income-tax Act, 1961.

22. Additional Notes to the Financial Statements

(i) Earnings per share:

	2024	2023
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in lakhs)	60.08	4.24
(b) Weighted average number of Equity Shares outstanding	63,36,066	45,00,000
(c) Earnings per share on profit for the year (Face Value ₹ 10.00 per share) - Basic & Diluted [(a)/(b)] (in ₹)	0.95	0.09

(ii) Defined Benefit Plans / Long Term Compensated Absences: Description of Plans

The Company makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees. Gratuity Benefits and Leave

Encashment Benefits are unfunded in nature.

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end. The Company makes a monthly contribution as a percentage of eligible salary to significant Employee Benefit Contribution Plans.

Risk Management

The Defined Benefit Plan expose the Company to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

Interest Rate Risk: The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
I	Components of Employer Expense				
	- Recognised in Profit or Loss				
	1. Current Service Cost	3.56	5.29	—	—
	2. Past Service Cost	—	—	—	—
	3. Net Interest Cost	—	—	—	—
	4. Total expense recognised in the Statement of Profit and Loss	3.56	5.29	—	—
	- Remeasurements recognised in Other Comprehensive Income (OCI)	—	—	—	—
	5. Return on plan assets (excluding amounts included in Net interest cost)	—	—	—	—
	6. Effect of changes in demographic assumptions	—	—	—	—
	7. Effect of changes in financial assumptions	—	—	—	—

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
	8. Changes in asset ceiling (excluding interest income)	–	–	–	–
	9. Effect of experience adjustments	–	–	–	–
	10. Total remeasurements included in Other Comprehensive Income	–	–	–	–
	11. Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income (4+10)	3.56	5.29	–	–

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in “Contribution to provident and other funds” and Leave Encashment in “Salaries and wages” under Note 19.

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
II	Actual Returns	–	–	–	–
III	Net Asset/(Liability) recognised in Balance Sheet				
	1. Present Value of Defined Benefit Obligation	(3.56)	(5.29)	–	–
	2. Fair Value of Plan Assets	–	–	–	–
	3. Status [Surplus/(Deficit)]	(3.56)	(5.29)	–	–
	4. Restrictions on Asset Recognised	–	–	–	–

		As at 31st March, 2024 (₹ in lakhs)		As at 31st March, 2023 (₹ in lakhs)	
		Current	Non-current	Current	Non-current
	5. Net Asset/(Liability) recognised in Balance Sheet				
	- Gratuity	(0.03)	(3.53)	–	–
	- Leave Encashment	(0.95)	(4.34)	–	–

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
IV	Change in Defined Benefit Obligation (DBO)				
	1. Present Value of DBO at the beginning of the year	–	–	–	–
	2. Current Service Cost	3.56	5.29	–	–
	3. Past Service Cost	–	–	–	–
	4. Interest Cost	–	–	–	–
	5. Remeasurement gains / (losses):				
	a. Effect of changes in demographic assumptions	–	–	–	–
	b. Effect of changes in financial assumptions	–	–	–	–
	c. Changes in asset ceiling (excluding interest income)	–	–	–	–
	d. Effect of experience adjustments	–	–	–	–
	6. Curtailment Cost / (Credit)	–	–	–	–
	7. Settlement Cost / (Credit)	–	–	–	–
	8. Liabilities assumed in business combination	–	–	–	–
	9. Exchange difference on foreign plans	–	–	–	–
	10. Benefits Paid	–	–	–	–
	11. Present Value of DBO at the end of the year	3.56	5.29	–	–

		As at 31st March, 2024 (₹ in lakhs)		As at 31st March, 2023 (₹ in lakhs)	
V	Best Estimate of Employers' Expected Contribution for the next year				
	- Gratuity		5.50		–
	- Leave Encashment		–		–

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

		As at 31st March, 2024	As at 31st March, 2023
		Discount Rate (%)	Discount Rate (%)
VI	Actuarial Assumptions		
	1. Gratuity	7.00	–
	2. Leave Encashment	7.00	–
	The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		

		For the year ended 31st March, 2024 (₹ in lakhs)		For the year ended 31st March, 2023 (₹ in lakhs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
VII	Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)				
	1. Present Value of Defined Benefit Obligation	3.56	5.29	–	–
	2. Fair Value of Plan Assets	–	–	–	–
	3. Status [Surplus / (Deficit)]	(3.56)	(5.29)	–	–
	4. Experience Adjustment of Plan Assets [Gain / (Loss)]	–	–	–	–
	5. Experience Adjustment of obligation [(Gain) / Loss]	–	–	–	–

VIII. Sensitivity Analysis

The sensitivity analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation (DBO) presented above.

(₹ in lakhs)

		DBO as at 31st March, 2024		DBO as at 31st March, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
1	Discount Rate + 100 basis points	3.32	5.07	–	–
2	Discount Rate - 100 basis points	3.82	5.52	–	–
3	Salary Increase Rate + 1%	3.82	5.53	–	–
4	Salary Increase Rate – 1%	3.31	5.06	–	–

Maturity Analysis of the Benefit Payments

(₹ in lakhs)

		DBO as at 31st March, 2024		DBO as at 31st March, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
1	Year 1	0.03	0.98	–	–
2	Year 2	0.03	0.86	–	–
3	Year 3	0.03	0.64	–	–
4	Year 4	0.05	0.57	–	–
5	Year 5	1.49	1.20	–	–
6	Next 5 Years	2.36	1.67	–	–

Amount towards Defined Contribution Plans have been recognised under 'Contribution to provident and other funds' in Note 19: ₹ 3.56 lakhs (2023 : Nil).

(iii) Micro, Small and Medium scale business entities:

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**(iv) Segment Reporting:**

The Company operates in a single business and geographical segment in India. The entity-wide disclosures are as under:

(₹ in lakhs)

	2024	2023
Non-current assets (in India)	228.36	0.35

The Company has one customer (in India) from whom it generated revenue of ₹ 1,265.95 lakhs (2023: ₹ 60.19 lakhs).

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, which is the Chief Operating Decision Maker for the Company.

(v) Related Party Disclosures:**(a) RELATIONSHIP:****(i) Holding Company:**

- ITC Limited

(ii) Subsidiary Company :

- MRR Trading & Investment Company Limited

(iii) Fellow Subsidiary Company with whom the Company had transactions:

- ITC Infotech India Limited

(iv) Associate of the Holding Company with whom the Company had transactions:

- International Travel House Limited

(v) Key Management Personnel:

- Mr. S. Dutta Chairman & Non-Executive Director
 - Ms. N. Bajaj Non-Executive Director
 - Mr. A. Mukherji Non-Executive Director (w.e.f. 21.04.2023)
 - Mr. J. Singh Non-Executive Director (w.e.f. 21.04.2023)
 - Mr. T.S.M. Shenoy Non-Executive Director
 - Mr. R. Mehotra Manager (w.e.f. 12.09.2023, upto 02.04.2024)

(b) DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES FOR THE YEAR AND THE STATUS OF OUTSTANDING BALANCES AS AT THE YEAR END :

(₹ in lakhs)

RELATED PARTY TRANSACTION SUMMARY		Holding Company		Fellow Subsidiaries		Associate of the Holding Company		Key Management Personnel		Total	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
1.	Sale of Services	1,493.82	71.02	-	-	-	-	-	-	1,493.82	71.02
2.	Purchase of Goods / Services										
	- ITC Limited	5.84	0.24	-	-	-	-	-	-	5.84	0.24
	- International Travel House Limited	-	-	-	-	6.05	-	-	-	6.05	-
	- ITC Infotech India Limited	-	-	20.66	-	-	-	-	-	20.66	-
3.	Remuneration of manager on deputation reimbursed	94.03	-	-	-	-	-	-	-	94.03	-
4.	Remuneration on account of share-based payment for manager	36.30	-	-	-	-	-	-	-	36.30	-
5.	Remuneration to Key Management Personnel	-	-	-	-	-	-	157.95	-	157.95	-
6.	Balances as at 31st March										
	Trade Receivables	17.48	-	-	-	-	-	-	-	17.48	-

(vi) The Manager of the Company was granted Stock Options by ITC Limited under the ITC Employee Stock Option Schemes (ITC ESOS).

The cost of equity settled options granted under ITC ESOS has been recognised as equity settled share-based payment, in accordance with Ind AS 102 – Share Based Payment. In terms of the arrangement, the Company has accounted for the cost of the fair value of Stock Options granted to the employees. Accordingly, an amount of ₹ 36.30 lakhs (2023 : Nil) towards Stock Options has been recognised as employee benefits expense (Refer Note 19).

The summary of movement of the aforesaid Stock Options granted by ITC and status of the outstanding Options is as under:

Particulars	As at 31st March, 2024	As at 31st March, 2023
	No. of Options	No. of Options
Outstanding at the beginning of the year	-	-
Add: Granted during the year	7,100	-
Add / (Less): Movement due to transfer of employees within the group	-	-
(Less): Lapsed during the year	-	-
(Less): Exercised during the year	-	-
Outstanding at the end of the year	7,100	-
Options exercisable at the end of the year	-	-

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

Since the above-mentioned Stock Options are not tradeable, no perquisite or benefit is conferred upon the employee by grant of such Options.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(vii) Figures for the previous year have been re-arranged, wherever necessary, to conform to the figures of the current year. The same does not have any material impact on the financial statements.

(viii) Financial Ratios:

Particulars	Numerator	Denominator	31st March, 2024	31st March, 2023
Current Ratio (in times) ¹	Current Assets	Current Liabilities	2.03	3.78
Return on Equity Ratio (in %) ²	Profit for the year	Average Shareholder's Equity	8.21	0.77
Trade Receivables Turnover Ratio (in times) ²	Gross Revenue from sale of products and services	Average Trade Receivables	146.24	–
Net capital turnover Ratio (in times) ²	Revenue from operations	Working Capital (Current assets-Current liabilities)	5.37	0.60
Net Profit Ratio (in %) ²	Profit for the year	Revenue from operations	4.75	7.04
Return on Capital employed (in %) ²	Profit before interest and taxes (PBIT)	Average Capital Employed	12.98	1.04
Return on investment (in %)	Income from Investment	Time Weighted Average Investments	1.83	...

Note: As the Company is debt free, the Debt Equity Ratio and Debt Service Coverage Ratio are not applicable. Similarly Inventory Turnover Ratio and Trade Payables Turnover Ratio are not applicable to the Company's operations.

- Current Ratio has changed mainly a/c higher statutory liabilities and provision for expenses.
- Increase in profit, revenues and receivables due to scaling up of operations / services rendered to its client towards business shared services.

The financial statements were approved for issue by the Board of Directors on May 03, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of the Companies Act, 2013.

(ix) The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after April 01, 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the financial statements.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies should account for deferred tax on transactions such as leases. Since the Company does not have any deferred tax assets/liabilities relating to leases, there is no impact on the financial statements.

23. Financial Instruments and Related Disclosures**a. Capital Management**

The Company funds its operations mainly through internal accruals and does not have any borrowings. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

b. Categories of Financial Instruments

(₹ in lakhs)

Particulars	Note	As at 31st March, 2024		As at 31st March, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets					
a) Measured at amortised cost					
i) Cash and cash equivalents	9	8.88	8.88	0.80	0.80
ii) Other Bank Balances	10	–	–	49.25	49.25
iii) Other financial assets	11	–	–	0.52	0.52
Sub - total		8.88	8.88	50.57	50.57
b) Measured at Fair value through Profit or Loss					
i) Investment in Mutual Funds	7	437.17	437.17	85.12	85.12
Sub - total		437.17	437.17	85.12	85.12
Total financial assets		446.05	446.05	135.69	135.69
B. Financial liabilities					
a) Measured at amortised cost					
i) Other financial liabilities	14	178.19	178.19	6.86	6.86
Total financial liabilities		178.19	178.19	6.86	6.86

C. Financial risk management objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations. It also seeks to drive accountability in this regard.

Market Risk**Interest Rate Risk**

As the Company is debt-free, the exposure to interest rate risk from the perspective of financial liabilities is negligible.

The Company's investments are predominantly held in debt mutual funds and fixed deposits etc. within approved policies and procedures guided by the tenets of, safety, liquidity and return. This ensures that investments are only made within acceptable risk parameters. Fixed deposits are held with highly rated banks and companies, have a short tenure and are not subject to interest rate volatility.

The Company invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

Liquidity Risk

The Company's Current assets aggregate ₹ 463.53 lakhs (2023 : ₹ 135.69 lakhs) including Current Investments, Cash and cash equivalents, and Other Bank Balances of ₹ 446.05 lakhs (2023 : ₹ 135.17 lakhs), against an aggregate Current liability of ₹ 222.87 lakhs (2023 : ₹ 35.85 lakhs) on the reporting date.

In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Credit Risk

The risk management framework of the Company is designed to bring robustness to the risk management processes within the Company. With respect to the Company's investing activities, counter parties are shortlisted and exposure limits determined on the basis of their credit rating, financial statements and other relevant information. The counter party risk is considered insignificant.

Concentrations of credit risk with respect to trade receivables are limited as the Company's major customer is its Holding Company. Exceptions are managed and approved by appropriate authorities, after due consideration of the counterparty's credentials and financial capacity, trade practices and prevailing business and economic conditions. Based on the assessment of financial assets, no loss provision is considered necessary.

D. Fair value measurement**Fair value hierarchy**

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

Level 1: Quoted prices (unadjusted) in active market or Net Asset Value (NAV) for identical assets or liabilities.

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

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

The fair value of financial liabilities, where applicable, is determined using market observable inputs such as quotes from market participants, value published by the issuer etc.

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

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted methodologies such as discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade payables and other Current financial assets and liabilities, where applicable, is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. The sensitivity of change in the unobservable inputs used in fair valuation of Level 3 financial assets and liabilities does not have a significant impact on their value. There were no transfers between Level 1, Level 2 and Level 3 during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value:

(₹ in lakhs)

Particulars	Fair Value		
	Fair Value Hierarchy (Level)	As at 31st March, 2024	As at 31st March, 2023
A. Financial assets Measured at Fair value through Profit or Loss Investment in Mutual Funds	1	437.17	85.12
B. Financial liabilities Measured at amortised cost Other Financial liabilities	3	178.19	6.86

On behalf of the Board

Kolkata, May 03, 2024

S. DUTTA *Chairman*
(DIN : 01804345)T.S.M. SHENOY *Director*
(DIN : 09476476)**Form AOC-1**

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures**Part A : Subsidiaries**

1. Sl. No.	:	1
2. Name of the subsidiary	:	MRR Trading & Investment Company Limited
3. The date since when subsidiary was acquired	:	30th March, 2015
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	Year ended 31st March, 2024 (same as Holding Company)
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	:	Not Applicable (₹ in lakhs)
6. Share Capital	:	5.00
7. Reserve & Surplus	:	(2.36)
8. Total Assets	:	4.67
9. Total Liabilities (excluding Total Equity)	:	2.03
10. Investments (excluding Investments made in subsidiaries)	:	—
11. Turnover*	:	7.38
12. Profit before taxation	:	0.88
13. Provision for taxation	:	(0.22)
14. Profit after taxation	:	0.66
15. Proposed Dividend	:	—
16. % of Shareholding	:	100.00

Notes: i) Names of Subsidiaries which are yet to commence operations : None

ii) Names of Subsidiaries which have been liquidated or sold during the year : None

* Turnover includes Other Income and Other Operating Revenue

Part B : Associates and Joint Ventures**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate companies and Joint Ventures**

Not Applicable

On behalf of the Board

Kolkata, May 03, 2024

S. DUTTA *Chairman*
(DIN : 01804345)T.S.M. SHENOY *Director*
(DIN : 09476476)

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their Report for the financial year ended 31st March, 2024.

2. PERFORMANCE OF THE COMPANY

During the year, your Company earned revenue of ₹ 7.20 lakhs from its operations (previous year: ₹ 7.20 lakhs), with total income being ₹ 7.38 lakhs (previous year: ₹ 7.25 lakhs). Your Company recorded Net Profit for the year of ₹ 0.66 lakh (previous year: ₹ 0.28 lakh). The Company continues to provide estate maintenance services.

3. DIRECTORS

During the year, there was no change in the composition of the Board of Directors of your Company ('the Board').

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 ('the Act') read with the Articles of Association of the Company, Mr. Saurabh Kar (DIN:09523841), Director, will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company, and being eligible, offers himself for re-election. Your Board has recommended his re-election.

4. BOARD MEETINGS

Four meetings of the Board were held during the year ended 31st March, 2024.

5. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

7. PARTICULARS OF EMPLOYEES

The requirements of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

Further, the requirement relating to constitution of Internal Complaints Committee in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is also not applicable to the Company.

8. RISK MANAGEMENT

The Company's risk management framework, designed to bring robustness to the risk management processes in the Company, addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

The Internal Auditor of the Company periodically carries out risk focused audits with the objective of identifying areas where risk management processes could be strengthened. The Board annually reviews the effectiveness of the Company's risk management systems and policies.

9. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the Financial Statements, commensurate with its size and scale of operations. The Internal Auditor of the Company periodically evaluates the adequacy and effectiveness of such internal financial controls. The Board, which provides guidance on internal controls, also reviews internal audit findings and implementation of internal audit recommendations, if any.

During the year, the internal financial controls in the Company with respect to the Financial Statements were tested and no weakness in the design or operation of such controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

11. RELATED PARTY TRANSACTIONS

During the year under review, the related party transactions entered into by the Company were in the ordinary course of business and at arm's length. The details of material related party transactions entered into by the Company during the year ended 31st March, 2024 in the prescribed Form No. AOC-2 are enclosed as Annexure to this Report.

12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

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

13. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

14. STATUTORY AUDITORS

Messrs. Deloitte Haskins & Sells, Chartered Accountants ('Deloitte'), were appointed as the Statutory Auditors of your Company at the Forty-First AGM held on 15th June, 2022 to hold such office till the conclusion of the Forty-Sixth AGM. Pursuant to Section 142 of the Act, the Board has recommended for the approval of the Members, remuneration of Deloitte for the financial year 2024-25. Appropriate resolution in respect of the same is being placed for your approval at the ensuing AGM of the Company.

15. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption.

During the year under review, there has been no foreign exchange earnings or outflow.

On behalf of the Board

S. Kar

Director

DIN: 09523841

P. Rasquinha

Director

DIN: 09237557

Dated : 22nd April, 2024

Annexure to the Report of the Board of Directors for the financial year ended 31st March, 2024**FORM NO. AOC-2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

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

a)	Name(s) of the related party and nature of relationship	ITC Limited (ITC), the ultimate Holding Company
b)	Nature of contracts / arrangements / transactions	Rendering of estate maintenance services to ITC
c)	Duration of the contracts / arrangements / transactions	One year from 1st April, 2023 to 31st March, 2024
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Receipt of Service Charges @ Rs. 7.20 lakhs per annum
e)	Date(s) of approval by the Board, if any	6th January, 2023
f)	Amount paid as advances, if any	Nil

On behalf of the Board

S. Kar

Director

DIN: 09523841

P. Rasquinha

Director

DIN: 09237557

Dated : 22nd April, 2024

INDEPENDENT AUDITOR'S REPORT**To The Members of M R R Trading and Investment Company Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of M R R Trading and Investment Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 financial statements, management and Board of Directors 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- 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.
- 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.
- The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remunerations to its directors during the year.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (a) The Management has represented that, to the best of its knowledge and belief, 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds 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, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- 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 not applicable to the Company as they have not used any accounting software for maintaining its books of accounts for the year ended March 31, 2024, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable to the Company.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)
Sumit Trivedi
(Partner)
(Membership No. 209354)
UDIN:24209354BKEEQH2453

Place: Hyderabad
Date: April 22, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls with reference to financial statements of M R R Trading and Investment Company Limited ("the Company") as at March 31, 2024 in conjunction with our audit of the 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 with reference to financial statements based on the internal control with reference to financial statements 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 the 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 with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)
Sumit Trivedi
(Partner)
(Membership No. 209354)
UDIN:24209354BKEEQH2453

Place: Hyderabad
Date: April 22, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

- (i) As the Company does not hold any property, plant and equipment reporting under clause 3(i) of the Order is not applicable..
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Services tax, Income-tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Provident Fund, Employees' State Insurance, Sales tax, duty of Customs, duty of Excise and Value added tax are not applicable to the Company.
There were no undisputed amounts payable in respect of Goods and Service tax, Income-tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
 - (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2024.
- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable.
(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
(d) The Company has not raised funds on short-term basis, hence reporting under clause (ix)(d) of the Order is not applicable.
(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (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 and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2023.
- (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,b,c)
(d) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Hence, reporting under clause (xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- (xxi) The Company does not have any subsidiaries, associates and joint ventures and hence reporting under clause (xxi) of the Order is not applicable.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 0080725)
Sumit Trivedi
(Partner)
(Membership No. 209354)
UDIN:24209354BKEEQH2453

Place: Hyderabad
Date: April 22, 2024

Balance Sheet as at 31st March, 2024

(All amounts are in Indian Rupees Lakhs unless otherwise stated)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
Advance tax and TDS receivables [Net of Provisions - ₹ Nil (March 31, 2023: ₹ 0.09 lakhs)]		—	0.05
Other Non-current financial assets	3	1.00	2.00
Other non-current assets	4	1.12	1.12
Total Non-Current Assets		2.12	3.17
Current Assets			
Financial assets			
Cash and cash equivalents	5	0.37	2.57
Other Bank balances	6	2.00	—
Other Financial assets	7	0.18	*
Total Current Assets		2.55	2.57
Total Assets		4.67	5.74
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	5.00	5.00
Other equity	9	(2.36)	(3.02)
Total Equity		2.64	1.98
Current Liabilities			
Financial liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises		—	—
- total outstanding dues of creditors other than micro enterprises and small enterprises	10	0.90	2.42
Other current liabilities	11	1.06	1.34
Current tax liabilities (net) [Net of Advance tax ₹ 0.15 Lakhs (March 31, 2023 - ₹ Nil)]		0.07	—
Total Current Liabilities		2.03	3.76
Total Equity and Liabilities		4.67	5.74

* Less than Rs. One thousand

See accompanying notes forming part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sumit Trivedi
Partner

Place: Hyderabad
Date: 22nd April, 2024

For and on behalf of the Board of Directors

Peter Rasquinha
Director
DIN : 09237557

Place: Secunderabad
Date : 22nd April, 2024

Saurabh Kar
Director
DIN : 09523841

Statement of Profit and Loss for the year ended 31st March, 2024

(All amounts are in Indian Rupees Lakhs unless otherwise stated)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	12	7.20	7.20
II Other income	13	0.18	0.05
III Total Income (I+II)		7.38	7.25
IV Expenses			
Other expenses	14	6.50	6.88
Total expenses (IV)		6.50	6.88
V Profit Before Tax (III- IV)		0.88	0.37
VI Tax Expense:			
Current tax	15	0.22	0.09
VII Profit for the year (V-VI)		0.66	0.28
VIII Other Comprehensive Income		—	—
IX Total Comprehensive Income for the Year (VII+VIII)		0.66	0.28
Earnings per Equity Share :			
Basic and Diluted (Face value of ₹ 10 each)	16	0.32	0.56

See accompanying notes forming part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sumit Trivedi
Partner

Place: Hyderabad
Date: 22nd April, 2024

For and on behalf of the Board of Directors

Peter Rasquinha
Director
DIN : 09237557

Place: Secunderabad
Date : 22nd April, 2024

Saurabh Kar
Director
DIN : 09523841

Statement of Cash Flow for the year ended 31st March, 2024

(All amounts are in Indian Rupees Lakhs unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flows from Operating Activities		
Profit before tax	0.88	0.37
Adjustments for:		
Interest income	(0.18)	(0.05)
Operating Profit / (loss) before Working Capital Changes	0.70	0.32
Adjustments for:		
(Increase)/decrease in other current assets	(0.19)	–
Increase/(Decrease) in trade payables and other liabilities	(1.80)	(1.41)
Cash generated from Operations	(1.29)	(1.09)
Net income tax (paid) / refunds	(0.09)	(0.04)
Net Cash generated from Operating Activities	(1.38)	(1.13)
Cash Flows from Investing Activities		
Interest Income	0.18	0.05
Term deposits placed during the year	(1.00)	(2.00)
Net Cash generated from Investing Activities	(0.82)	(1.95)
Cash flows from Financing Activities		
Net Cash generated from financing activities	–	–
Net Increase in Cash and Cash Equivalents	(2.20)	(3.08)
Cash and Cash Equivalents at the beginning of the year	2.57	5.65
Cash and Cash Equivalents at the end of the year (Refer Note 5)	0.37	2.57

See accompanying notes forming part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sumit Trivedi
Partner

Place: Hyderabad
Date: 22nd April, 2024

For and on behalf of the Board of Directors

Peter Rasquinha
Director
DIN : 09237557

Saurabh Kar
Director
DIN : 09523841

Place: Secunderabad
Date : 22nd April, 2024

Statement of changes in equity for the year ended 31st March, 2024

(All amounts are in Indian Rupees Lakhs unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Equity Share Capital:		
Balance as at April 1, 2023	5.00	5.00
Changes in Equity Share Capital during the year	–	–
Balance as at March 31, 2024	5.00	5.00
B. Other Equity - Reserves & Surplus:		
Retained Earnings		
Balance as at April 1, 2023	(3.02)	(3.30)
Profit for the Year	0.66	0.28
Balance as at March 31, 2024	(2.36)	(3.02)

See accompanying notes forming part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sumit Trivedi
Partner

Place: Hyderabad
Date: 22nd April, 2024

For and on behalf of the Board of Directors

Peter Rasquinha
Director
DIN : 09237557

Saurabh Kar
Director
DIN : 09523841

Place: Secunderabad
Date : 22nd April, 2024

Notes forming part of the Financial Statements

(All amounts are in Indian Rupees Lakhs unless otherwise stated)

1. Company Overview

The Company has tenancy rights in a commercial premise at Eucharistic Congress Building No. 1, 4th Floor, 5 Convent Street, Colaba, Mumbai – 400039. The premise is owned by Roman Catholic Cathedral Trust. The only source of income of this Company is from estate maintenance services of the aforesaid property.

2. Summary of Material Accounting Policies**2.1 Statement of Compliance and Basis of Preparation**

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

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention, except for certain items that are measured at amortised cost or fair values, as explained in the accounting policies below and on accrual basis. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that a price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

2.2 Use of Estimates and Judgements

In view of the nature of the operations of the Company no significant assumption / judgement are applied in preparation of financial statements.

2.3 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

2.4 Financial Instrument

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price.

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

2.5 Contingencies & Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.6 Revenue

Income from Estate Maintenance Services is recognized based on the contractual arrangement entered by the Company.

2.7 Leases

The Company's lease asset classes primarily consist of leases for Tenancy Right. The Company, at the inception of a contract, assesses whether the contract is

a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2020.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense over the lease term.

2.8 Taxation

Income-tax expense comprises current tax and deferred tax charge or credit. Current tax is determined in accordance with the Income-tax Act, 1961. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income or Equity, are disclosed separately under Other Comprehensive Income or Equity, as applicable.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

2.9 Earnings Per Share ('EPS')

Basic earnings per share ('EPS') is computed by dividing the net profit/(loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit/(loss) attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the period, except where the results would be anti-dilutive.

2.10 Operating Segment

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is one of the Directors of the Company.

2.11 Operating Cycle

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

3. Other Non-Current Financial Assets

	As at 31st March, 2024	As at 31st March, 2023
Term Deposits with Bank of original maturity of more than 12 months	1.00	2.00
TOTAL	1.00	2.00

4. Other Non-Current Assets

	As at 31st March, 2024	As at 31st March, 2023
Other deposits	1.12	1.12
TOTAL	1.12	1.12

5. Cash and Cash Equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with Banks:		
- In Current Account	0.37	2.57
TOTAL	0.37	2.57

@ Cash and cash equivalents include cash on hand, cheques, cash at bank

The company does not have any significant cash and cash equivalents that are not available for use.

Notes forming part of the Financial Statements (contd.)

(All amounts are in Indian Rupees Lakhs unless otherwise stated)

6. Other Bank Balances

	As at March 31, 2024	As at March 31, 2023
In deposit account (refer note below)	2.00	—
TOTAL	2.00	—

Note: Represents deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the balance sheet

7. Other Financial Assets

	As at March 31, 2024	As at March 31, 2023
Interest accrued on deposit	0.18	*
TOTAL	0.18	*

* Less than ₹ One thousands

8. Equity Share Capital

	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital: 50,000 Equity Shares of Rs. 10 each	5.00	5.00
Issued, Subscribed and Paid-up Capital: 50,000 Equity Shares of Rs. 10 each	5.00	5.00

A) Reconciliation of number of Equity Shares outstanding

	No. of Shares	Share capital
Balance as at April 1, 2023	50,000	5.00
Add: Issued during the year	—	—
Balance as at March 31, 2024	50,000	5.00

B) Shareholders holding more than 5% of the Equity Shares in the Company:

	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	%	No. of Shares	%
ITC Integrated Business Services Limited (formerly ITC Investments & Holdings Limited) * and its Nominees	50,000	100	50,000	100

* 49,994 equity shares are held by ITC Integrated Business Services Limited (formerly ITC Investments and Holdings Limited), the Holding Company and the balance 6 equity shares are held by the nominees of the Holding Company jointly with the Holding Company. The Ultimate Holding Company is ITC Limited.

C) Rights, preferences and restrictions attached to the Equity Shares:

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

D) Shareholding of Promoters

Share held by promoters at the end of the year Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
ITC Integrated Business Services Limited (formerly ITC Investments & Holdings Limited) and its nominees	50,000	100%	—	50,000	100%	—
Total	50,000	100%	—	50,000	100%	—

9. Other Equity

	As at March 31, 2024	As at March 31, 2023
Reserves and Surplus:		
Retained Earnings		
Retained Earnings comprise of the Company's undistributed earnings after taxes.	(2.36)	(3.02)
	(2.36)	(3.02)

10. Trade Payables

	As at March 31, 2024	As at March 31, 2023
Trade payables other than acceptances:		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 20)	—	—
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.90	2.42
	0.90	2.42

Trade Payables Ageing

Particulars	Unbilled	Outstanding for following periods from due date / transaction date of payment				Total
		Less than 1 year	1-2 years	2-3 years	more than 3 years	
As at March 31, 2024						
MSME	—	—	—	—	—	—
Others	0.90	—	—	—	—	0.90
Disputed dues – MSME	—	—	—	—	—	—
Disputed dues – Others	—	—	—	—	—	—
Total	0.90	—	—	—	—	0.90

Particulars	Unbilled	Outstanding for following periods from due date / transaction date of payment				Total
		Less than 1 year	1-2 years	2-3 years	more than 3 years	
As at March 31, 2023						
MSME	—	—	—	—	—	—
Others	2.42	—	—	—	—	2.42
Disputed dues – MSME	—	—	—	—	—	—
Disputed dues – Others	—	—	—	—	—	—
Total	2.42	—	—	—	—	2.42

Notes forming part of the Financial Statements (contd.)

(All amounts are in Indian Rupees Lakhs unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
11. Other Current Liabilities		
Other payables	1.06	1.34
TOTAL	1.06	1.34
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
12. Revenue from Operations		
Sale of Services	7.20	7.20
TOTAL	7.20	7.20
13. Other Income		
Interest on		
- Other Deposits	-	0.05
- Bank Fixed Deposits	0.18	*
- Income Tax Refund	*	*
TOTAL	0.18	0.05
* Less than ₹ One thousand		
14. Other Expenses		
Rent	0.97	0.93
Rates and taxes	2.63	2.66
Maintenance and upkeep expenses	1.71	2.25
Bank charges	*	*
Payments to auditors	0.15	0.15
Consultancy and Professional fees	0.63	0.47
Miscellaneous expenses	0.41	0.42
TOTAL	6.50	6.88
* Less than ₹ One thousand		
14(a) Payment to Auditors		
- Statutory Audit	0.15	0.15
TOTAL	0.15	0.15
15. Tax Expense		
Profit before income tax	0.88	0.37
Enacted tax rates	25.17%	25.17%
Income tax expense	0.22	0.09
TOTAL	0.22	0.09
16. Contingent liabilities		
Claims against the Company not acknowledged as Debts:	-	-
TOTAL	-	-

17. Earnings per share

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Computation of earnings per share is set out below:		
Net Profit attributable to Equity Shareholders (A)/(Rs. In lakhs)	0.66	0.28
Weighted Average Number of Equity Shares outstanding during the year (B) (Nos.)	50,000	50,000
Face Value of Equity Share (Rs.)	10	10
Earnings Per Share (Basic and Diluted) (A/B) (Rs.)	1.32	0.56

18. Segment Information

The Board of Directors of the Company have identified one of the directors as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 Operating Segments. The Company's activities involve providing estate maintenance services which is considered to be a single business segment since these are subject to similar risks and returns. Further, the business is carried out in India and hence there are no reportable geographical segments. The entity-wide disclosures are as under:

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Customer Information	The Company's revenue from operations arises entirely (100%) from sale of services to the Ultimate Holding Company	The Company's revenue from operations arises entirely (100%) from sale of services to the Ultimate Holding Company
Non-current Assets (In India)	2.12	3.17

19. Related Party Disclosures**a) Details of Related Parties****Name Relationship**

ITC Limited	Ultimate Holding Company
ITC Integrated Business Services Limited (formerly ITC Investments & Holdings Limited)	Holding Company

Key Management Personnel (KMP):

Peter Rasquinha	Non-Executive Director
Saurabh Kar	Non-Executive Director
B.R. Chaudhuri	Non-Executive Director

Relationship**b) Details of Related Party Transactions:**

Description	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
ITC Limited:		
Consultancy and Professional fees	0.12	0.12
Sale of Services – Estate Management Services	7.20	7.20
Reimbursement of Maintenance and upkeep expenses	-	2.93

c) Details of outstanding balances as at year end:

Description	As at March 31, 2024	As at March 31, 2023
ITC Limited:		
Consultancy and Professional fees	0.12	-

- 20.** The Company, based on the information available on the status of the suppliers, does not have any dues to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

21. Ratios:

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Particulars	As at March 31, 2024	As at March 31, 2023	Variance	Reason for Variance
Current ratio	1.26	0.68	84%	Increase in current assets due to term deposit maturing within 12 months.
Debt-Equity ratio	-	-	NA	There is no debt with the Company, hence the ratios are not applicable.
Debt Service Coverage ratio	-	-	NA	
Return on Equity ratio	28.57	15.22	88%	Due to increase in profit
Return on Capital employed ratio	33.33	18.69	78%	Due to increase in profit
Trade Payables turnover ratio	8.00	2.98	168%	Due to decrease in trade payable
Net Profit Ratio	0.09	0.04	125%	Due to increase in profit
Trade Receivables turnover ratio	-	-	NA	There are no closing trade receivables, hence these ratios are not applicable.
Return on investment	0.12	0.05	147%	Due to increase in interest during the year.
Inventory turnover ratio	-	-	NA	There are no Inventories, hence these ratios are not applicable.
Net capital turnover ratio	13.84	(6.05)	-326%	Increase in current assets due to term deposit maturing within 12 months.

Notes forming part of the Financial Statements (contd.)

(All amounts are in Indian Rupees Lakhs unless otherwise stated)

Particulars	Numerator	Denominator
Current ratio	Current Assets (CA)	Current Liabilities (CL)
Debt-Equity ratio	Total Debt	Shareholders equity
Debt Service Coverage ratio	Profit after tax + Interest cost + Depreciation	Debt Service
Return on Equity ratio	Profit after tax	Average Shareholders equity
Return on Capital employed ratio	Earning before Interest and tax	Capital Employed (Tangible Networth+Total Debt + Deferred Tax liability)
Trade Payables turnover ratio	Sales (Revenue from Operations)	Closing Trade Payables
Net Profit Ratio	Profit after tax	Sales (Revenue from Operations)
Trade Receivables turnover ratio	Sales (Revenue from Operations)	Closing Trade Receivables
Return on investment	Income generated from investments	Average Investment made
Inventory turnover ratio	Sales (Revenue from Operations)	Average inventory
Net capital turnover ratio	Sales (Revenue from Operations)	Working Capital= CA-CL

22. The Company is holding tenancy rights of the property in Mumbai taken on rent, which rights are governed by the Maharashtra Rent Control Act, 1999. The lease period is not explicit in the terms of this arrangement and therefore the lease liability cannot be estimated reliably for future period. Further, considering materiality, such tenancy rights are accounted for, on the basis of rent paid on a periodical basis which is more representative of the pattern of the lessee's benefit.

23. Financial Instruments and Related Disclosures**a) Capital Management:**

The Company funds its operations mainly through internal accruals. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds in order to carry on the operations of its businesses as a going concern. The carrying amounts of trade payables and cash and cash equivalents are considered to be the same as their fair values due to their short term nature.

b) Categories of Financial Instruments

	Note	As at March 31, 2024		As at March 31, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets (Measured at amortised cost)					
Other Non-Current Financial Assets	3	1.00	1.00	2.00	2.00
Cash and Cash Equivalents	5	0.37	0.37	2.57	2.57
Other Bank balances	6	2.00	2.00	–	–
Other Financial Assets (Accrued Interest)	7	0.18	0.18	*	*
Total Financials Assets		3.55	3.55	4.57	4.57
Financial Liabilities (Measured at amortised cost)					
Trade Payables	10	0.90	0.90	2.42	2.42
Total Financials Liabilities		0.90	0.90	2.42	2.42

* Less than Rs. One thousand

c) Financial risk management:

Given the nature of operations of the Company as indicated in Note 1 above, the Company has minimal activity and the only source of income is from estate maintenance services provided to its sister companies. Accordingly, the Company has no exposure towards market risks. Similarly, its exposure to credit risk and liquidity risk are also minimal as explained hereunder.

d) Credit Risk:

The only source of income to the Company arises through receipts from estate maintenance services from its ultimate holding company. Being part of the same group, exposure to credit risk is minimum. The Board of Directors analyze and monitor these financial instruments and assess the risk on an individual basis and take necessary action where required.

e) Liquidity risk:

The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. The company's liquidity position is regularly monitored and as the Company does not have any borrowings, its working capital is sufficient to ensure adequate liquidity for operations.

f) Fair value measurement

The Company does not have any Non-current Financial Liabilities. Fair value of Non-Current Financial assets, Current Financial Assets and Current Financial Liabilities is equivalent to their carrying value.

23. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

24. The financial statements were approved for issue by the Board of Directors on April 22, 2024.

For and on behalf of the Board of Directors

Peter Rasquinha
Director
DIN : 09237557

Saurabh Kar
Director
DIN : 09523841

Place: Hyderabad
Date: April 22, 2024

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The directors submit their report for the financial year ended 31 March 2024.

Directors

The names of the directors in office at any time during or since the end of the year are:

- Mr Surampudi Sivakumar
- Mr David Charles McDonald
- Mr Dharmarajan Ashok
- Mr Kanapathipillai Sathiamoorthy
- Mr Rajnikant Rai (Appointed 28/07/2023)

All the directors have been in office since the start of the financial year until the date of this report..

Corporate information

Technico Pty Limited is a company limited by shares that is incorporated and domiciled in Australia. Its parent entity is ITC Limited, a public company registered in India and listed in National Stock Exchange and Bombay Stock Exchange in India.

The registered office of Technico Pty Limited is located at:

10 Bundaroo Street
BOWRAL NSW 2576,
Australia

Principal activities

The principal activities of the company during the financial year under review were anchored on horticulture technology, its downstream implementation, commercialisation and activities associated therewith. The company owns the proprietary TECHNITUBER® Technology and has undertaken commercialisation of such technology through its wholly owned subsidiaries in different geographies viz.:

- Technico Asia Holdings Pty Limited, Australia ('TAHL')
- Technico Horticultural (Kunming) Co. Limited, China (100% subsidiary of TAHL)
- Technico Technologies Inc., Canada (100% subsidiary of TPL)

Review and results of operations

Your company is focused on ensuring the continuous upgrading of the TECHNITUBER® Technology and customising its application across

various geographies. Your company is also engaged in the marketing of TECHNITUBER® seeds to global customers by leveraging the production facilities of its subsidiaries in China and Canada as well as the facilities of its group company Technico Agri Sciences Limited, India ("TASL").

For the year under review, your company has reported revenues from sale of goods of A\$1,691,933 (2023: A\$1,826,806) and earned a net profit after tax of A\$806,884 (2023: A\$1,037,707). Net profit for the year is lower largely owing to decrease in sales, increase in income tax expense offset by the increase in interest income earned on term deposits and favourable exchange rate.

No dividends have been paid or declared during the financial year.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the company during the year.

Events Subsequent to the End of the Reporting Period

A final dividend of AUD 0.13 per share has been declared and payable by Technico Asia Holdings Pty Ltd amounting to \$487,987.86 on 30 April 2024. (2023: NIL)

Future developments and results

Further development of the TECHNITUBER® Technology is being pursued.

Environmental regulation and performance

The company is not subject to any particular or significant environmental regulation.

Indemnification and insurance of directors and auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Technico Pty Limited.

Auditor independence

The auditor's independence declaration in accordance with applicable code of professional conduct, for the year ended 31 March 2024 has been received and is included in the financial report.

Signed in accordance with a resolution of the Board of Directors:

Kanapathipillai Sathiamoorthy

Director

Place: Sydney, Australia

30 April 2024

DIRECTORS' DECLARATION FOR THE YEAR ENDED 31 MARCH 2024

In accordance with a resolution of the directors of Technico Pty Limited, the directors have determined:

- (a) the financial statements and notes of the company:
 - (i) give a true and fair view of the company's financial position as at 31 March 2024 and of their performance for the year ended on that date;
 - (ii) comply with Australian Accounting Standards to the extent described in Note 1.

- (b) There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board:

Kanapathipillai Sathiamoorthy Director

Place: Sydney, Australia

30 April 2024

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Technico Pty Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2024 there has been no contraventions of any applicable code of professional conduct in relation to the audit.

Kelly Partners (South West Sydney) Partnership

Daniel Kuchta

Registered Auditor Number 335565

Campbelltown

Dated this 30th day of April 2024

INDEPENDENT AUDIT REPORT

To the Members of Technico Pty Limited,

Opinion

We have audited the financial report of Technico Pty Limited, which comprises the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of Technico Pty Limited:

- (a) give a true and fair view of the company's financial position as at 31 March 2024 and of its financial performance for the year then ended; and
- (b) comply with Australian Accounting Standards to the extent described in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the professional standards, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities to the members. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 31 March 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation in Note 1 to the financial report is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 report 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 financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Kelly Partners (South West Sydney) Partnership

Daniel Kuchta

Registered Auditor Number 335565

Campbelltown

Dated this 30th of April 2024

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2024

	Notes	2024		2023	
		\$	₹	\$	₹
Sale of goods	2(a)	16,91,933	9,23,26,753	18,26,806	10,20,88,861
Cost of sales		(6,35,791)	(3,46,94,352)	(6,98,806)	(3,90,51,935)
Gross Profit		10,56,142	5,76,32,402	11,28,000	6,30,36,926
Other revenue	2(a)	4,46,800	2,43,81,340	2,06,798	1,15,56,658
Other income	2(a)	–	–	12,293	6,86,969
Research and development expenses		(17,145)	(9,35,582)	(9,472)	(5,29,331)
Occupancy expenses		(4,733)	(2,58,274)	(4,243)	(2,37,115)
Administrative expenses	2(d)	(2,57,970)	(1,40,77,135)	(2,33,679)	(1,30,58,880)
Profit before income tax expense		12,23,095	6,67,42,805	10,99,697	6,14,55,227
Income tax expense	3(a)	(4,16,210)	(2,27,12,101)	(61,990)	(34,64,214)
Total Comprehensive income for the year		8,06,884	4,40,30,704	10,37,707	5,79,91,013

STATEMENT OF FINANCIAL POSITION AS AT THE 31 MARCH 2024

		2024		2023	
	Notes	\$	₹	\$	₹
CURRENT ASSETS					
Cash and cash equivalents	4	98,70,228	53,41,02,737	87,21,406	47,98,95,389
Trade and other receivables	5	17,19,743	9,30,59,593	17,63,046	9,70,11,606
Other assets	6	1,70,700	92,37,004	1,19,765	65,90,069
Total Current Assets		1,17,60,671	63,63,99,334	1,06,04,217	58,34,97,064
NON-CURRENT ASSETS					
Other financial assets	7	9,69,736	5,24,74,839	9,69,736	5,33,59,723
Deferred tax asset	3 (c)	17,80,048	9,63,22,804	–	–
Intangible assets	8	10,944	5,92,207	13,776	7,58,024
Total non-current assets		27,60,728	14,93,89,851	9,83,512	5,41,17,748
Total assets		1,45,21,400	78,57,89,184	1,15,87,729	63,76,14,812
CURRENT LIABILITIES					
Trade and other payables	9	8,67,432	4,69,38,914	8,70,761	4,79,13,624
Current tax liabilities	3 (b)	15,379	8,32,219	4,649	2,55,789
Total current liabilities		8,82,811	4,77,71,133	8,75,410	4,81,69,413
NON CURRENT LIABILITIES					
Deferred tax liabilities	3 (d)	62,561	33,85,338	–	–
Total non current liabilities		62,561	33,85,338	–	–
Total liabilities		9,45,373	5,11,56,470	8,75,410	4,81,69,413
Net assets		1,35,76,028	73,46,32,828	1,07,12,320	58,94,45,419
Represented by EQUITY					
Contributed equity	10	1,94,89,182	1,05,46,08,361	1,94,89,182	1,07,23,92,240
Accumulated losses	11	(1,10,19,494)	(59,62,92,359)	(1,30,76,318)	(71,95,24,396)
Reserves	17	51,06,340	27,63,16,826	42,99,456	23,65,77,575
Total equity		1,35,76,028	73,46,32,828	1,07,12,320	58,94,45,419

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Contributed equity \$	Accumulated losses \$	Reserves \$	Total \$
At 1 April 2022	1,94,89,182	(1,30,76,318)	32,61,749	96,74,612
Total comprehensive income for the year	–	10,37,707	10,37,707	–
Transfer to reserves	–	(10,37,707)	10,37,707	–
At 31 March 2023	1,94,89,182	(1,30,76,318)	42,99,456	1,07,12,320
Total comprehensive income for the year	–	8,06,884	–	8,06,884
Transfer to reserves	–	(8,06,884)	8,06,884	–
Deferred tax asset recognised	–	20,56,823	–	20,56,823
At 31 March 2024	1,94,89,182	(1,10,19,494)	51,06,340	1,35,76,028
	Contributed equity ₹	Accumulated losses ₹	Reserves ₹	Total ₹
At 1 April, 2022	1,10,58,64,910	(74,19,82,925)	18,50,79,720	54,89,61,702
Total comprehensive income for the year	–	5,79,91,013	–	5,79,91,013
Transfer to reserves	–	(5,79,91,013)	5,79,91,013	–
Exchange rate variance	(3,34,72,670)	2,24,58,529	(64,93,158)	(1,75,07,296)
At 31 March 2023	1,07,23,92,240	(71,95,24,396)	23,65,77,575	58,94,45,419
Total comprehensive income for the period	–	4,40,30,704	–	4,40,30,704
Transfer to reserves	–	(4,40,30,704)	4,40,30,704	–
Deferred tax asset recognised	–	9,63,22,804	–	9,63,22,804
Exchange rate variance	(1,77,83,879)	2,69,09,233	(42,91,452)	48,33,901
At 31 March 2024	1,05,46,08,361	(59,62,92,359)	27,63,16,826	73,46,32,828

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	2024		2023	
	\$	₹	\$	₹
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers	17,61,406	9,61,17,820	18,54,971	10,36,62,812
Payments to suppliers and employees	(9,18,037)	(5,00,96,174)	(11,49,223)	(6,42,22,955)
Income tax paid	(66,144)	(36,09,400)	(60,654)	(33,89,576)
Interest received	3,71,597	2,02,77,617	32,598	18,21,683
Net cash flows from operating activities - Note 4 (b)	11,48,822	6,26,89,863	6,77,691	3,78,71,964
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for protection of technology	—	—	—	—
Net cash flows from/(used in) investing activities	—	—	—	—
CASH FLOW FROM FINANCING ACTIVITIES				
Net cash flows (used in)/from financing activities	—	—	—	—
Net increase/(decrease) in cash held	11,48,822	6,26,89,863	6,77,691	3,78,71,964
Add opening cash brought forward	87,21,406	47,98,95,389	80,43,714	45,64,20,442
Non cash exchange gain/(loss) on translation	—	(84,82,515)	—	(1,43,96,999)
Cash and cash equivalents at end of period - Note 4	98,70,229	53,41,02,737	87,21,406	47,98,95,389

Notes to the Financial Statements for the year ended 31 March 2024

Note 1: MATERIAL ACCOUNTING POLICY INFORMATION

Corporate information

Technico Pty Limited is a for profit proprietary company limited by shares that is incorporated and domiciled in Australia. Its parent entity is ITC Limited, a public company listed in National Stock Exchange and Bombay Stock Exchange in India.

The registered office of Technico Pty Limited is located at:

10 Bundaroo Street
BOWRAL NSW 2576,
Australia

(a) Basis of preparation

The financial statements are special purpose financial statements that have been prepared in order to meet the needs of the members, as requested by the parent company.

The material accounting policies used in the preparation of this report, as described below, are in the opinion of the directors, appropriate to meet the needs of members.

The financial report has been prepared on a historical cost basis and is presented in Australian dollars. The supplementary information in INR (Indian Rupees), which are unaudited, have been arrived at by applying the year end inter-bank exchange rate of 1 AUD = INR 54.1125 for the current year balance sheet (2023: INR 55.0250) and the average rate of 1 AUD = INR 54.5688 for the current year income statement and statement of cash flows (2023: INR 55.8838), and have been included in the financial report as required by the parent entity.

The financial statements have been prepared in accordance with note 1.

Even though the entity is small proprietary company, the directors have determined that in order for the financial report to give a true and fair view of the company's results of operations and state of affairs, the requirements of Accounting Standards and other professional reporting requirements in Australia relating to the measurement and recognition of assets, liabilities, revenues, expenses and equity (except for consolidation standard) should be complied with.

The material accounting policies that have been adopted in the preparation of the financial report are as follows:

(b) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Investment in subsidiaries

The carrying value of the investment in subsidiaries is assessed at each reporting date as to whether there is an indication that the asset may be impaired. The assessment includes estimates and assumptions of future events including anticipated rates of growth, gross margins, together with the application of a discount rate. These assumptions correspond with the best estimates of management at reporting date.

(c) Foreign currency translation

The functional and presentation currency of Technico Pty Limited is Australian dollars (\$).

Transactions in foreign currencies are initially recorded in the functional

currency by applying the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. FEDAI exchange rates provided by the parent company are used for FX translation of debtors and foreign currency bank accounts using year end rates.

All exchange differences in the financial report are taken to profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents are cash at bank and highly liquid investments (deposits at call) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Receivables

Trade receivables are recognised and carried at the original amount less any provision for doubtful debts. Bad debts are written off as incurred.

A provision is recognised using the Expected Credit Loss (ECL) model, simplified approach when collection of the full amount is no longer probable.

(f) Other financial assets

Investments in controlled entities are recorded at cost less impairment of the investment value.

(g) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

(h) Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services.

(i) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(j) *Revenue recognition*

Revenue arises from the sale of goods and delivery of services.

Sale of goods

To determine whether to recognise revenue, the entity follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations

(j) *Revenue recognition (continued)*

3. Determining the transaction price
 4. Allocating the transaction price to the performance obligations
 5. Recognising revenue when/as performance obligation(s) are satisfied
- The entity enters into transactions for delivery of goods (TT seeds) to the customers. In all cases, the total transaction price for a contract is allocated to this sole performance obligation i.e. delivery of goods.

Revenue is recognised at a point in time when the entity satisfies the performance obligation by transferring the promised goods or services to its customers. The control of the goods passes to the customers upon delivery of the goods, based on locations specified on the respective invoices.

The entity recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the entity satisfies a performance obligation before it receives the consideration, the entity recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Rendering of services

Revenue from the provision of services is recognised when control of the right to be compensated for the services and the stage of completion can be reliably measured.

(k) *Taxation*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset on carried forward tax losses have not been recognised.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(l) *Other taxes*

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) *Employee benefits**Wages, salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) *Intangibles other than goodwill on acquisition*

Technology, patents and trademarks

Intangibles include TECHNITUBER® technology of the company and trademarks and are considered to have finite lives, and are amortised over the useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. If benefit is no longer expected to be received, the asset will be written down to its net realisable value.

(o) *Financial Instruments*

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 180 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 180 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables.

(p) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

		2024		2023	
	Notes	\$	₹	\$	₹
Note 2: Revenues and expenses					
(a) Revenue from contract with customers					
Sale of goods - TT seeds		16,91,933	9,23,26,753	18,26,806	10,20,88,861
Other revenue					
Finance revenue	AA	4,20,629	2,29,53,220	1,31,978	73,75,432
Freight outwards		26,171	14,28,120	74,820	41,81,226
		4,46,800	2,43,81,340	2,06,798	1,15,56,658
AA. Breakdown of finance revenue:					
Bank interest		4,20,629	2,29,53,220	1,31,978	73,75,432
Other income					
Liability extinguished		—	—	12,293	6,86,969
		—	—	12,293	6,86,969
(b) Depreciation and amortisation included in the income statement					
Amortisation of non-current assets:					
Technology and trademarks		2,832	1,54,539	2,975	1,66,254
Total amortisation of non-current assets		2,832	1,54,539	2,975	1,66,254
(c) Employee benefit expense					
Wages and salaries - incl super and travel allowance		13,172	7,18,780	9,104	5,08,766
Workers' compensation costs		1,241	67,720	735	41,075
Payroll tax		3,973	2,16,828	793	44,316
		18,386	10,03,328	10,632	5,94,157
(d) Administration expenses					
Consultancy expense		81,180	44,29,895	56,718	31,69,617
Audit and accounting fee		23,450	12,79,638	17,820	9,95,849
Overseas travel		60,095	32,79,312	57,317	32,03,092
Freight and cartage		68,600	37,43,420	1,02,550	57,30,884
Realised FX loss /(gain)		32,803	17,90,020	(28,311)	(15,82,126)
Unrealised FX loss/(gain)- net		(43,502)	(23,73,852)	(4,474)	(2,50,024)
Others		35,344	19,28,701	32,059	17,91,588
Total		2,57,970	1,40,77,135	2,33,679	1,30,58,880

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	2024		2023	
	\$	₹	\$	₹
Note 3: Income tax				
Note 3 (a)				
The major components of income tax expenses are:				
Current tax	3,87,688	2,11,55,690	61,990	34,64,214
Deferred tax	28,522	15,56,411	–	–
Income tax expense	<u>4,16,210</u>	<u>2,27,12,101</u>	<u>61,990</u>	<u>34,64,214</u>
A reconciliation between income tax expense and the product of accounting profit before income tax multiplied by the company's applicable income tax rate is as follows:				
Accounting profit at the statutory income tax rate of 30%	3,66,928	2,00,22,841	3,29,909	1,84,36,568
Add back: Permanent Difference				
Attributable income	48,660	26,55,318		
Prior year underprovision	622	33,942		
Income tax expense	<u>4,16,210</u>	<u>2,27,12,101</u>		
Timing differences	<u>(28,522)</u>	<u>(15,56,411)</u>		
Current tax	<u>3,87,688</u>	<u>2,11,55,690</u>		
Other assessable income (Canada and China Attributable passive income and prior year interest accrual now realised)		–	40,658	22,72,124
Non deductible expenses (current year accruals and unrealised FX gain/loss and KP tax advise)		–	14,493	8,09,924
Non assessable income (current year interest accrual)		–	(35,194)	(19,66,774)
Other deductible expenses (prior year accruals, unrealised FX loss)		–	(35,198)	(19,66,998)
Recoupment of prior year tax losses		–	(2,52,678)	(1,41,20,607)
Income tax attributed to ordinary activities			<u>61,990</u>	<u>34,64,234</u>
Note 3 (b)				
Provision for income tax	<u>15,379</u>	<u>8,32,219</u>	<u>4,649</u>	<u>2,55,789</u>
Note 3 (c)				
Deferred tax assets comprise of:				
Accruals and prepayments	7,993	4,32,532		
Tax loss	<u>17,72,054</u>	<u>9,58,90,272</u>		
	<u>17,80,048</u>	<u>9,63,22,804</u>		
Movement of deferred tax assets:				
Tax loss recognition	20,82,869	11,27,09,222		
Tax loss utilised in 2024	(3,10,814)	(1,68,18,928)		
Initial recognition of timing differences	15,365	8,31,460		
Charged or credited to Profit or loss	<u>(7,372)</u>	<u>(3,98,928)</u>		
	<u>17,80,048</u>	<u>9,63,22,826</u>		
Note 3 (d)				
Deferred tax liability comprise of:				
Interest accrual- 2024	49,904	27,00,403		
Unrealised FX- net gain	<u>12,658</u>	<u>6,84,934</u>		
	<u>62,561</u>	<u>33,85,338</u>		
Movement of deferred tax liabilities:				
Initial recognition of timing differences	41,411	22,40,874		
Charged or credited to Profit or loss	<u>21,150</u>	<u>11,44,463</u>		
	<u>62,561</u>	<u>33,85,338</u>		
	2024		2023	
	\$	₹	\$	₹
Note 4: Cash and cash equivalents				
Current				
Cash at bank and on hand	25,264	13,67,120	15,954	8,77,851
Deposits at call	<u>98,44,964</u>	<u>53,27,35,617</u>	<u>87,05,453</u>	<u>47,90,17,538</u>
	<u>98,70,228</u>	<u>53,41,02,737</u>	<u>87,21,406</u>	<u>47,98,95,389</u>
(a) Terms and conditions relating to the above financial instruments:				
(i) cash at bank has a weighted average interest rate of 0% (2023: 0%); and				
(ii) deposits at call has a weighted average effective interest rate of 4% to 5.3% (2023 : 4%)				
(b) Reconciliation of net profit/(loss) after tax to the net cash flows from operations:				
Net profit after tax	8,06,884	4,40,30,737	10,37,707	5,79,91,005
Non-cash items:				
Amortisation of non-current assets	2,832	1,54,539	2,975	1,66,248
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables	43,302	23,62,938	(58,949)	(32,94,294)
Decrease/(increase) in other current assets	(50,935)	(27,79,462)	(98,661)	(55,13,552)
Increase/(decrease) in trade creditors and accruals and tax	(3,329)	(1,81,662)	(2,05,381)	(1,14,77,466)
Increase/(decrease) in tax	<u>3,50,068</u>	<u>1,91,02,803</u>		
Cash flows from operations	<u>11,48,822</u>	<u>6,26,89,863</u>	<u>6,77,691</u>	<u>3,78,71,964</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

		2024		2023	
	Notes	\$	₹	\$	₹
Note 5: Trade and other receivables					
Current					
Trade debtors	(a)	17,19,743	9,30,59,593	17,63,046	9,70,11,606
Provision for doubtful debts		—	—	—	—
		<u>17,19,743</u>	<u>9,30,59,593</u>	<u>17,63,046</u>	<u>9,70,11,606</u>
(a) Terms and conditions relating to the above financial instrument:					
(i) current trade debtors are non-interest bearing and generally on 180 to 210-day terms; and debtors have a history of paying before/on time.					
Note 6: Other assets					
Current					
Prepayments and other receivables		4,355	2,35,660	2,452	1,34,921
Interest accrued		1,66,345	90,01,344	1,17,313	64,55,148
		<u>1,70,700</u>	<u>92,37,004</u>	<u>1,19,765</u>	<u>65,90,069</u>
Note 7: Other financial assets					
Non-current					
Shares in subsidiaries:					
At cost		48,80,863	26,41,15,699	48,80,863	26,85,69,487
Provision for write-down	(a)	(39,11,127)	(21,16,40,860)	(39,11,127)	(21,52,09,763)
Total other financial assets		<u>9,69,736</u>	<u>5,24,74,839</u>	<u>9,69,736</u>	<u>5,33,59,723</u>
(a) Provision for write-down of subsidiaries					
The losses generated within the subsidiaries have resulted in a provision for write-down to net assets being recorded against the cost amount of the investment.					
The investments are recorded at amortised cost.					
Interest in subsidiaries					
Technico Asia Holdings Pty Ltd (formerly known as Technico China Pty Ltd)					
Percentage of equity interest held by country of incorporation: Australia - 100%					
Cost		3,684,522	202,740,823	3,684,522	209,068,990
Accumulated impairment		(2,714,786)	(149,381,100)	(2,714,786)	(154,043,745)
		<u>969,736</u>	<u>53,359,723</u>	<u>969,736</u>	<u>55,025,245</u>
Technico Technologies Inc.					
Percentage of equity interest held by country of incorporation: Canada - 100%					
Cost		11,96,341	6,47,37,002	11,96,341	6,58,28,664
Accumulated impairment		(11,96,341)	(6,47,37,002)	(11,96,341)	(6,58,28,664)
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

	2024		2023	
	\$	₹	\$	₹
Note 8: Intangible assets				
Non-current				
TECHNITUBER®				
technology, patents and trademarks at cost	34,27,186	18,54,53,602	34,27,422	18,85,93,896
Less: accumulated amortisation	(34,16,242)	(18,48,61,395)	(34,13,646)	(18,78,35,871)
	<u>10,944</u>	<u>5,92,207</u>	<u>13,776</u>	<u>7,58,024</u>
Movement in intangibles				
Balance at beginning of the year	13,776	7,45,454	16,751	9,21,724
Additions	—	—	—	—
Amortisation expense	(2,832)	(1,53,247)	(2,975)	(1,63,699)
Balance at the end of the year	<u>10,944</u>	<u>5,92,207</u>	<u>13,776</u>	<u>7,58,024</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	2024		2023	
	\$	₹	\$	₹
Note 9: Trade and other payables				
Current				
Trade creditors	8,41,032	4,55,10,344	8,24,326	4,53,58,538
Sundry creditors and accruals	26,400	14,28,570	46,435	25,55,086
	<u>8,67,432</u>	<u>4,69,38,914</u>	<u>8,70,761</u>	<u>4,79,13,624</u>

Terms and conditions relating to the above financial instruments:

- (i) trade creditors are non-interest bearing and are normally settled on 180 to 210-day terms; and
(ii) balance due to sundry creditors is non-interest bearing and is normally settled on 30-day terms.

Note 10: Contributed equity**(a) Issued and paid up capital**

Ordinary shares fully paid 10,015,502 shares

(2023: 10,015,502)

Share capital redemption

Discount on issue

1,95,98,046	1,06,04,99,264	1,95,98,046	1,07,83,82,481
-	-	-	-
(1,08,864)	(58,90,903)	(1,08,864)	(59,90,242)
<u>1,94,89,182</u>	<u>1,05,46,08,361</u>	<u>1,94,89,182</u>	<u>1,07,23,92,240</u>

(b) Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Note 11: Accumulated losses

Accumulated losses	1,10,19,494	59,62,92,367	1,30,76,318	71,95,24,396
Balance at beginning of year	1,30,76,318	71,95,24,396	1,30,76,318	74,19,82,925
Net (profit)/loss attributable to the members of Technico Pty Ltd	(8,06,884)	(4,40,30,704)	(10,37,707)	(5,79,91,013)
Transfer to reserves 17	8,06,884	4,40,30,704	10,37,707	5,79,91,013
Deferred tax asset recognised	(20,56,823)	(11,12,99,808)	-	-
Exchange rate variance	-	(1,19,32,229)	-	(2,24,58,529)
Total available for appropriation	1,10,19,494	59,62,92,359	1,30,76,318	71,95,24,396
Dividends paid or provided for	-	-	-	-
Balance at end of period	<u>1,10,19,494</u>	<u>59,62,92,359</u>	<u>1,30,76,318</u>	<u>71,95,24,396</u>

Note 12: Contingent liabilities

Estimates of material amounts of contingent liabilities, not provided for in the financial report

-	-	-	-

Note 13: Events Subsequent to the End of the Reporting Period

A final dividend of AUD 0.13 per share has been declared and payable by Technico Asia Holdings Pty Ltd amounting to \$487,987.86 on 30 April 2024. (2023: NIL).

Note 14: Capital and lease commitments

There are no capital and operating lease commitments. Under AASB 16 month to month rental repayments for storage filing space are expensed.

Note 15: Related party transactions

Technico Pty Ltd purchases TT seeds from Technico Horticultural (Kunming) Co. Limited, China ('THKL' - 100% subsidiary of Technico Asia Holdings Pty Limited - 'TAHL') and Technico Agri Sciences Limited, India ('TASL'). THKL is a 100% owned subsidiary of TAHL, which is 100% owned by TPL. TASL is a 100% subsidiary of ITC Limited (ultimate parent company) in India. The purchases made during the year are reflected in cost of sales in AUD. Any amounts outstanding as payable is recorded in trade payables.

Note 16: Remuneration of auditors

Amounts received or due and receivable by auditor:

Audit of the entity by auditor/group auditor

Other services in relation to the entity- taxation

14,100	7,69,420	13,350	7,46,049
13,750	7,50,321	12,346	6,89,941
<u>27,850</u>	<u>15,19,741</u>	<u>25,696</u>	<u>14,35,990</u>

Note 17: Reserves

2024 Profit	8,06,884	4,36,62,522	-	-
2023 Profit	10,37,707	5,61,52,922	10,37,707	5,70,99,830
2022 Profit	9,09,425	4,92,11,267	9,09,425	5,00,41,117
2021 Profit	7,93,203	4,29,22,179	7,93,203	4,36,45,995
2020 Profit	15,59,121	8,43,67,935	15,59,121	8,57,90,633
	<u>51,06,340</u>	<u>27,63,16,826</u>	<u>42,99,456</u>	<u>23,65,77,575</u>

Profits are set aside for declaration of future dividends.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH, 2024

Your directors submit their Report for the financial year ended 31st March, 2024.

Directors

The following directors have held office since the start of the financial year until the date of this report:

Ms Bhavani Parameswar

Mr. Soundararadjane Santhanakrishnan (resigned effective 20th March 2024)

Mr. Rajnikant Rai

Corporate information

Technico Technologies Inc. is a company limited by shares that is incorporated and domiciled in Canada. It is a wholly owned subsidiary of Technico Pty Ltd, a company incorporated in Australia.

The registered office of Technico Technologies Inc is located at:

Stewart McKelvey Stirling Scales
501 - 140 Carleton Street, Fredericton,
New Brunswick E3B 3T4, Canada

Principal activities

The principal activities of your company during the financial year under review were production of TECHNITUBER® seed potatoes for sale in the Canadian and export markets.

Review and results of operations

Technico Technologies Inc., Canada registered sales of Canadian Dollar C\$ 56,711 (previous year C\$ 105,712) and posted a net profit of C\$ 764,591 (previous year C\$ 50,739). Net profit was higher than last year mainly on account of gain on sale of fixed assets (Land & Building & Equipment) of C\$847,369 compensated by lower income from IT support services provided to ITC Infotech, USA C\$52,722, higher overhead costs C\$60,803 and lower margins on sale of TECHNITUBER® Seed C\$19,992.

No dividends have been paid or declared during the financial year.

Auditors

The Company has engaged M/s Teed Saunders Doyle & Co as auditors for the year under review whose report is annexed to the financial report.

Environmental regulation and performance

Your company is not subject to any particular or significant environmental regulation.

Bhavani Parameswar

Director

Place: New Jersey, USA

Date: 29th April, 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Technico Technologies Inc.

Opinion

We have audited the accompanying financial statements of Technico Technologies Inc., which comprise the balance sheet as at March 31, 2024 and the statements of income, retained earnings (deficit) and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 Canadian

generally accepted auditing standards 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 financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

April 30, 2024

Fredericton, New Brunswick CHARTERED PROFESSIONAL ACCOUNTANTS

BALANCE SHEET AS AT MARCH 31, 2024

	2024	2024	2023	2023
	\$	₹	\$	₹
ASSETS				
Current Assets				
Cash	1,159,911	71,064,847	318,445	19,319,262
Accounts receivable	5,346	327,536	1,040	63,094
Inventory	—	—	29,528	1,791,390
Prepaid expenses	—	—	2,002	121,456
	<u>1,165,257</u>	<u>71,392,383</u>	<u>351,015</u>	<u>21,295,202</u>
Property and Equipment (note 4)	<u>248</u>	<u>15,194</u>	<u>53,473</u>	<u>3,244,073</u>
	<u><u>1,165,505</u></u>	<u><u>71,407,577</u></u>	<u><u>404,488</u></u>	<u><u>24,539,275</u></u>
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	<u>73,652</u>	<u>4,512,474</u>	<u>26,200</u>	<u>1,589,489</u>
STOCKHOLDER'S EQUITY				
Capital Stock (note 7)	1,087,998	66,658,917	1,139,024	69,101,739
Retained Earnings (Deficit)	<u>3,855</u>	<u>236,186</u>	<u>(760,736)</u>	<u>(46,151,953)</u>
	<u>1,091,853</u>	<u>66,895,103</u>	<u>378,288</u>	<u>22,949,786</u>
	<u><u>1,165,505</u></u>	<u><u>71,407,577</u></u>	<u><u>404,488</u></u>	<u><u>24,539,275</u></u>
Approved by the Board:				
Director				

STATEMENT OF RETAINED EARNINGS (DEFICIT)
FOR THE YEAR ENDED MARCH 31, 2024

	2024	2024	2023	2023
	\$	₹	\$	₹
Deficit At Beginning Of Year	(760,736)	(46,151,953)	(811,475)	(49,086,123)
Net Income For The Year	<u>764,591</u>	<u>46,615,202</u>	<u>50,739</u>	<u>2,978,734</u>
Change In Unrealized Foreign Exchange During The Year	<u>—</u>	<u>(227,063)</u>	<u>—</u>	<u>(44,564)</u>
Retained Earnings (Deficit) At End Of Year	<u><u>3,855</u></u>	<u><u>236,186</u></u>	<u><u>(760,736)</u></u>	<u><u>(46,151,953)</u></u>

STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2024

	2024	2024	2023	2023
	\$	₹	\$	₹
Sales	<u>56,711</u>	<u>3,457,528</u>	<u>105,712</u>	<u>6,206,034</u>
Cost Of Sales	<u>28,305</u>	<u>1,725,685</u>	<u>57,314</u>	<u>3,364,733</u>
Gross Profit	<u><u>28,406</u></u>	<u><u>1,731,843</u></u>	<u><u>48,398</u></u>	<u><u>2,841,301</u></u>
Expenses				
Advertising and trade shows	1,525	92,975	4,026	236,354
Amortization of property and equipment	593	36,154	150	8,806
Bank charges	655	39,934	407	23,894
Insurance	2,121	129,312	7,801	457,973
Occupancy costs	10,190	621,259	8,725	512,219
Office and supplies	511	31,154	11	646
Professional services	20,225	1,233,068	23,288	1,367,169
Telephone	3,302	201,315	3,863	226,785
Vehicle and travel	3,803	231,859	1,737	101,974
Wages and benefits	<u>79,629</u>	<u>4,854,781</u>	<u>11,743</u>	<u>689,396</u>
	<u>122,554</u>	<u>7,471,811</u>	<u>61,751</u>	<u>3,625,216</u>
	<u>(94,148)</u>	<u>(5,739,968)</u>	<u>(13,353)</u>	<u>(783,915)</u>
Other Income				
Gain on sale of capital assets	847,369	51,661,970	-	-
Net revenue-Support services (note 8)	<u>11,370</u>	<u>693,200</u>	<u>64,092</u>	<u>3,762,649</u>
	<u>858,739</u>	<u>52,355,170</u>	<u>64,092</u>	<u>3,762,649</u>
Net Income For The Year	<u><u>764,591</u></u>	<u><u>46,615,202</u></u>	<u><u>50,739</u></u>	<u><u>2,978,734</u></u>

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

	2024 \$	2024 ₹	2023 \$	2023 ₹
Cash Provided By (Required For):				
Operating Activities				
Net income for the year	764,591	46,615,201	50,739	2,978,733
Items not affecting cash:				
Amortization of property and equipment	593	36,154	150	8,806
Gain on sale of assets	(847,369)	(51,661,970)	—	—
Amortization capitalized to inventory	—	—	832	48,844
Foreign currency fluctuations	—	166,411	—	136,864
	(82,185)	(4,844,204)	51,721	3,173,247
Changes in non-cash operating working capital (note 6)	74,677	4,575,274	66,925	4,060,173
	(7,508)	(268,930)	118,646	7,233,420
Investing Activities				
Proceeds on sales of assets	900,000	55,140,750	—	—
Financing Activities				
Capital stock issuance (redemption)	(51,026)	(3,126,235)	—	—
Increase In Cash During The Year	841,466	51,745,585	118,646	7,233,420
Cash Position At Beginning Of Year	318,445	19,319,262	199,799	12,085,842
Cash Position At End Of Year	1,159,911	71,064,847	318,445	19,319,262

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2024

1. Nature of Business Activities

The company is a wholly-owned subsidiary of Technico Pty Limited (Australia) and produces early generation seed potatoes for the North American market, and provides information technology support services to ITC Infotech (USA) Inc.

2. Material Accounting Policies

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for private enterprises (ASPE).

The financial statements include Indian Rupee equivalent figures, arrived at by applying the year end exchange rate of CAD \$1 = Rs. 61.2675 (2023 - CAD \$1 = Rs. 60.6675) to the balance sheet and the average annual exchange rate of CAD \$1 = Rs. 60.9675 (2023 - CAD \$1 = Rs. 58.7070) to the income statement as provided by the parent company.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of the financial instruments are expensed when incurred.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of net assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Cash and cash equivalents

The company considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents. Bank borrowings are considered to be financing activities.

Inventory

Inventory is valued at the lower of production cost and net realizable value. Inventory includes capitalized amortization of \$ nil (2023 - \$832).

Revenue

Revenue is recognized when products and services are delivered to the customer and ultimate collection is reasonably assured.

Amortization

Depreciation of property and equipment is recorded on a straight-line basis at the following annual rates:

Buildings	10%
Equipment	13.34%, 20%

Government Assistance

Government grants and subsidies are recognized as revenue on the same basis as the corresponding expenses.

Income Taxes

Income taxes are reported using the tax payable method. Under this policy, only current income tax assets and liabilities are recognized and future income taxes are not recorded. Future taxes represent the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for tax purposes along with the benefit of unutilized tax losses carrying forward. The estimated amount of unrecorded future tax credits at year end is a future income tax asset of \$113,778 (2023 - \$203,126).

3. Financial Instruments

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of March 31, 2024.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The company is exposed to foreign currency exchange risk on export sales to foreign countries. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from customers. In order to reduce its credit risk, the company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and the payment of funds for accounts payables and long-term debt.

4. Property and Equipment

	Cost	Accumulated Amortization	2024 Net	2023 Net
	\$	\$	\$	\$
Land	—	—	—	46,564
Buildings	—	—	—	2,467
Equipment	752	504	248	4,442
	<u>752</u>	<u>504</u>	<u>248</u>	<u>53,473</u>

	Cost	Accumulated Amortization	2023 Net	2023 Net
	₹	₹	₹	₹
Land	—	—	—	2,824,921
Buildings	—	—	—	149,667
Equipment	46,073	30,879	15,194	269,485
	<u>46,073</u>	<u>30,879</u>	<u>15,194</u>	<u>3,244,073</u>

5. Income Taxes

The company has non-capital losses for income tax purposes of \$446,471 which may be carried forward to reduce taxable income in future years. If not applied against taxable income, the non capital losses will expire as follows:

	\$	₹
2027	36,859	2,258,259
2028	214,636	13,150,211
2030	115,010	7,046,375
2031	12,550	768,907
2032	7,695	471,453
2040	8,787	538,358
2041	10,825	663,221
2042	40,109	2,457,378
	<u>446,471</u>	<u>27,354,162</u>

The company has investment tax credits of \$38,318 available to reduce taxes payable of future years. The benefit of investment tax credits and non-capital losses carried forward have not been recorded in the financial statements.

6. Changes In Non Cash Operating Working Capital

	2024 \$	2024 ₹	2023 \$	2023 ₹
Accounts receivable	(4,306)	(263,818)	45,067	2,734,102
Inventory	29,528	1,809,107	25,159	1,526,334
Prepaid expenses	2,002	122,658	257	15,592
Accounts payable and accrued liabilities	47,453	2,907,327	(3,558)	(215,855)
	<u>74,677</u>	<u>4,575,274</u>	<u>66,925</u>	<u>4,060,173</u>

7. Capital Stock

	2024 \$	2024 ₹	2023 \$	2023 ₹
Authorized				
An unlimited number of common shares				
200,000 non-voting, non-cumulative, non-participating, redeemable and retractable Class A preferred shares				
Issued				
1,087,999 Common shares	1,087,998	66,658,917	1,087,998	66,006,119
– Class A preferred shares (2023 - 51,026 shares)	—	—	51,026	3,095,620
	<u>1,087,998</u>	<u>66,658,917</u>	<u>1,139,024</u>	<u>69,101,739</u>

The company's common shares are owned by Technico Pty Limited.

The company's Class A preferred shares are owned by the Province of New Brunswick and are redeemable on the basis of 33% of after-tax profits of the preceding fiscal year and are fully retractable by the holder should specified corporate obligations not be met. During the year, the company redeemed 51,026 Class A preferred shares for \$51,026 (2023 - nil Class A preferred shares for \$nil).

8. Net Revenue - Support Services

	2024 \$	2024 ₹	2023 \$	2023 ₹
Revenue	118,254	7,209,651	571,869	33,572,713
Expenses				
Wages and benefits	105,778	6,449,020	498,947	29,291,682
Work visa charges	—	—	6,396	375,489
Office rent	1,106	67,431	2,434	142,893
	<u>106,884</u>	<u>6,516,451</u>	<u>507,777</u>	<u>29,810,064</u>
Net Revenue - Support services	<u>11,370</u>	<u>693,200</u>	<u>64,092</u>	<u>3,762,649</u>

Support services revenue is generated entirely from ITC Infotech (USA) Inc., a wholly owned subsidiary of ITC Infotech India Limited, which in turn, is a wholly owned subsidiary company of ITC Limited, which is the ultimate parent company of Technico Technologies Inc. (Canada) and the parent company of Technico Pty Limited (Australia). These related party transactions are recorded at the exchange amount as established and agreed to by the related parties and are subject to normal trade terms.

9. Significant Event

During the year, the company sold all its land, buildings, machinery and equipment related to the potato seed business.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH, 2024

Your directors present their report on the company for the financial year ended 31 March 2024.

Directors

The names of directors in office at any time during or since the end of the year are:

Mr David Charles McDonald
Mr Dharmarajan Ashok
Mr Soundararadjane Santhanakrishnan (Resigned - 20/03/2024)
Mr Kanapathipillai Sathiamoorthy
Mr Rajnikant Rai (Appointed - 24/07/2023)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Corporate information

Technico Asia Holdings Pty Limited is a company limited by shares that is incorporated and domiciled in Australia. It is a wholly owned subsidiary of Technico Pty Ltd, a company incorporated in Australia.

The registered office of Technico Asia Holdings Pty Limited is located at: 10 Bundaroo Street, BOWRAL NSW 2576, Australia

The company had no employees during the year.

Principal activities

During the year, the entity did not have any activity other than holding 100% of the shares of Technico Horticultural (Kunming) Co Limited, China.

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Review and results of operations

During the year, the Company earned a profit of A\$ 487,845 [2023: nil].

DIRECTORS' DECLARATION FOR THE YEAR ENDED 31 MARCH 2024

In accordance with a resolution of the directors of Technico Asia Holdings Pty Limited, the directors have determined:

- (a) the financial statements and notes of the company:
 - (i) give a true and fair view of the company's financial position as at 31 March 2024 and of their performance for the year ended on that date;
 - (ii) comply with Australian Accounting Standards to the extent described in Note 1.

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Technico Asia Holdings Pty Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2024 there has been no contraventions of any applicable code of professional conduct in relation to the audit.

INDEPENDENT AUDIT REPORT

To the Members of Technico Asia Holdings Pty Limited,

Opinion

We have audited the financial report of Technico Asia Holdings Pty Limited, which comprises the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of Technico Asia Holdings Pty Limited:

- (a) give a true and fair view of the company's financial position as at 31 March 2024 and of its financial performance for the year then ended; and
- (b) comply with Australian Accounting Standards to the extent described in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of

Events Subsequent to the End of the Reporting Period

A final dividend of AUD 0.13 per share has been declared and payable to Technico Pty Ltd amounting to \$487,987.86 on 30 April 2024. (2023: NIL)

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental regulation and performance

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor independence

The auditor's independence declaration in accordance with applicable code of professional conduct, for the year ended 31 March 2024 has been received and is included in the financial report.

Signed in accordance with a resolution of the Board of Directors:

Kanapathipillai Sathiamoorthy
Director

Place: Sydney, Australia

Date: 30 April 2024

- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board:

Kanapathipillai Sathiamoorthy
Director

Place: Sydney, Australia

Date: 30 April 2024

Kelly Partners (South West Sydney) Partnership

Daniel Kuchta
Registered Auditor Number 335565
Campbelltown
Dated this 30th day of April 2024

our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the professional standards, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities to the members. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 31 March 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation in Note 1 to the financial report is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 report 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 financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Kelly Partners (South West Sydney) Partnership

Daniel Kuchta

Registered Auditor Number 335565

Campbelltown

Dated this 30th day of April 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

		2024		2023	
	Notes	\$	₹	\$	₹
Dividend Income-Technico Horticultural (Kunming) Co Ltd		4,87,845	2,66,21,104	—	—
Cost of sales:					
Other cost of sales		—	—	—	—
Inventory write off and write down		—	—	—	—
Total Revenue		<u>4,87,845</u>	<u>2,66,21,104</u>	<u>—</u>	<u>—</u>
Other Income		—	—	—	—
Marketing expenses		—	—	—	—
Research and development expenses		—	—	—	—
Occupancy expenses		—	—	—	—
Administration expenses:					
Other administration expenses		—	—	—	—
Recovery investments and loans		—	—	—	—
Finance costs		—	—	—	—
Other expenses		—	—	—	—
Profit before income tax expense		<u>4,87,845</u>	<u>2,66,21,104</u>	<u>—</u>	<u>—</u>
Income tax expense	1 (e)	—	—	—	—
Total comprehensive income for the year		<u>4,87,845</u>	<u>2,66,21,104</u>	<u>—</u>	<u>—</u>

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

		2024		2023	
	Notes	\$	₹	\$	₹
CURRENT ASSETS					
Cash and cash equivalents	2	4,87,845	2,63,98,501	—	—
Trade and other receivables		—	—	—	—
Inventories		—	—	—	—
Other		—	—	—	—
Total Current Assets		4,87,845	2,63,98,501	—	—
NON-CURRENT ASSETS					
Receivables		—	—	—	—
Other financial assets	3	9,69,736	5,24,74,839	9,69,736	5,33,59,723
Property plant & equipment		—	—	—	—
Intangible assets		—	—	—	—
Total non-current assets		9,69,736	5,24,74,839	9,69,736	5,33,59,723
Total assets		14,57,581	7,88,73,340	9,69,736	5,33,59,723
CURRENT LIABILITIES					
Trade and other payables		—	—	—	—
Loans and borrowings		—	—	—	—
Provisions		—	—	—	—
Total current liabilities		—	—	—	—
NON CURRENT LIABILITIES					
Interest free loans and borrowings		—	—	—	—
Provisions		—	—	—	—
Total non current liabilities		—	—	—	—
Total liabilities		—	—	—	—
Net assets		14,57,581	7,88,73,340	9,69,736	5,33,59,723
Represented by					
EQUITY					
Contributed equity	4	36,84,522	19,93,78,697	36,84,522	20,27,40,823
Accumulated losses	5	(27,14,786)	(14,69,03,857)	(27,14,786)	(14,93,81,100)
Reserves	6	4,87,845	2,63,98,501	—	—
Total equity		14,57,581	7,88,73,340	9,69,736	5,33,59,723

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Contributed equity \$	Accumulated losses \$	Reserves \$	Total \$
At 1 April 2022	36,84,522	(27,14,786)	—	9,69,736
Total Comprehensive income for the period	—	—	—	—
At 31 March 2023	36,84,522	(27,14,786)	—	9,69,736
Total Comprehensive income for the period	—	4,87,845	—	4,87,845
Transfer to reserves	—	(4,87,845)	4,87,845	—
At 31 March 2024	36,84,522	(27,14,786)	4,87,845	14,57,581
	Contributed equity ₹	Accumulated losses ₹	Reserves ₹	Total ₹
At 1 April 2022	20,90,68,990	(15,40,43,745)	—	5,50,25,245
Exchange rate difference	(63,28,167)	46,62,645	—	(16,65,522)
At 31 March 2023	20,27,40,823	(14,93,81,100)	—	5,33,59,723
Total Comprehensive income for the period	—	2,66,21,104	—	2,66,21,104
Transfer to reserves	—	(2,66,21,104)	2,66,21,104	—
Exchange rate difference	(33,62,126)	24,77,243	(2,22,604)	(11,07,487)
At 31 March 2024	19,93,78,697	(14,69,03,857)	2,63,98,501	7,88,73,340

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024		2023	
		\$	₹	\$	₹
Cash flow from operating activities					
Net cash flows (used in)/from operating activities		—	—	—	—
Cash flow from financing activities					
Dividend received		4,87,845	2,66,21,104	—	—
Net cash flows (used in)/from financing activities		4,87,845	2,66,21,104	—	—
Net increase/(decrease) in cash held		4,87,845	2,66,21,104	—	—
Exchange rate difference		—	(2,22,604)	—	—
Add opening cash brought forward		—	—	—	—
Cash and cash equivalents at end of the year		4,87,845	2,63,98,501	—	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note 1 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The financial report is a special purpose financial report prepared for distribution to members. The accounting policies used in the preparation of this report, as described below, are in the opinion of the directors, appropriate to meet the needs of members. Technico Asia Holdings Pty Limited is a for profit proprietary company limited by shares that is incorporated and domiciled in Australia.

The financial report has been prepared on a historical cost basis and is presented in Australian dollars. The supplementary information in INR (Indian Rupees), which are unaudited, have been arrived at by applying the year end inter-bank exchange rate of 1 AUD = INR 54.1125 for the current year balance sheet (2023: INR 55.0250) and the average rate of 1 AUD = INR 54.5688 for the current year income statement and statement of cash flows (2023: INR 55.8838), and have been included in the financial report as required by the parent entity.

The financial statements have been prepared in accordance with note 1 to the financial report.

Even though the entity is a small proprietary company, the directors have determined that in order for the financial report to give a true and fair view of the company's results of operations and state of affairs, the requirements of Accounting Standards to the extent disclosed in note 1 below, and other professional reporting requirements in Australia relating to the measurement and recognition of assets, liabilities, revenues, expenses and equity should be complied with (except for consolidation standard). The material accounting policies that have been adopted in the preparation of the financial report are as follows:

(b) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Investment in subsidiaries

The carrying value of the investment in subsidiaries is assessed at each reporting date as to whether there is an indication that the asset may be impaired. The assessment includes estimates and assumptions of future events including anticipated rates of growth, gross margins, together with the application of a discount rate. These assumptions correspond with the best estimates of management at reporting date.

(c) Other financial assets

Investments in controlled entities are recorded at cost less impairment of the investment value.

(d) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

(e) Dividend income

Dividends are recognised in profit or loss only when: (a) the entity's right to receive payment of the dividend is established; (b) it is probable that the economic benefits associated with the dividend will flow to the entity; and (c) the amount of the dividend can be measured reliably.

Dividend income received from Technico Horticultural (Kunming) Co Ltd is non assessable non exempt income. TAHL tax is consolidated in TPL, as part of tax consolidated group.

(f) Cash and cash equivalents

Cash and cash equivalents are cash at bank and highly liquid investments (deposits at call) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(g) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	2024		2023	
	\$	₹	\$	₹
Note 2 Cash & cash equivalents				
Cash and Bank	4,87,845	2,63,98,501	—	—
Total cash & cash equivalent	4,87,845	2,63,98,501	—	—

2024 2023

\$ ₹ \$ ₹

Note 3 Other financial assets - Amortised cost

Non-current

Shares in subsidiaries:

At cost

36,84,522 19,93,78,697 36,84,522 20,27,40,823

Provision for write-down

(27,14,786) (14,69,03,857) (27,14,786) (14,93,81,100)

Total other financial assets

9,69,736 5,24,74,839 9,69,736 5,33,59,723

Provision for write-down of subsidiaries

The losses generated within the subsidiaries have resulted in a provision for write-down to net assets being recorded against the cost amount of the investment.

Technico Horticultural (Kunming) Co Ltd

Percentage of equity interest held by country of incorporation: China - 100%

2024 2023

\$ ₹ \$ ₹

Cost

36,84,522 19,93,78,697 36,84,522 20,27,40,823

Accumulated impairment

(27,14,786) (14,69,03,857) (27,14,786) (14,93,81,100)

9,69,736 5,24,74,839 9,69,736 5,33,59,723

2024 2023

\$ ₹ \$ ₹

Note 4 Contributed equity

Issued and paid up capital

3,684,522 Ordinary shares fully paid

36,84,522 19,93,78,697 36,84,522 20,27,40,823

36,84,522 19,93,78,697 36,84,522 20,27,40,823

Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Note 5 Accumulated losses

Accumulated losses

Balance at beginning of year 27,14,786 14,93,81,100 27,14,786 15,40,43,745

Total Comprehensive income attributable to the members of Technico Asia Holdings Ltd (4,87,845) (2,66,21,104) – –

Transfer to reserves 4,87,845 2,66,21,104

Exchange rate difference – (24,77,242) (46,62,645)

Total available for appropriation 27,14,786 14,69,03,857 27,14,786 14,93,81,100

Dividends paid or provided for – – – –

Balance at end of year 27,14,786 14,69,03,857 27,14,786 14,93,81,100

Note 6 Reserves

Accumulated losses

2023 Profit 4,87,845 2,63,98,501 – –

4,87,845 2,63,98,501 – –

NOTE 7 Events Subsequent to the End of the Reporting Period

A final dividend of AUD 0.13 per share has been declared and payable to Technico Pty Ltd amounting to \$487,987.86 on 30 April 2024. (2023: NIL)

MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Your management submits its report for the financial year ended 31 December 2023.

Corporate Information

Technico Horticultural (Kunming) Co Ltd ("Company") is domiciled in Yunnan Province, People's Republic of China. Its parent entity is Technico Asia Holdings Pty Ltd, a company incorporated in Australia.

The registered office of the Company is located at,
A-38 Yanglin Industrial Development Zone,
Songming,
Yunnan Province,
People's Republic of China.

Principal activities

The Company is primarily engaged in production and supply of TECHNITUBER® Seed potatoes to export markets.

Business Review

For the year under review, the Company achieved a turnover of CNY 4,245,750 (2022: CNY 4,828,582) and posted a profit of CNY 1,165,655 (2022: CNY 1,768,472). Net Profit is lower owing to lower TECHNITUBER® seed sales and margins compared to last year.

Auditors

The Company has engaged M/s China Audit Asia Pacific Certified Public Accountants LLP as auditors for the year under review whose report is annexed to the financial report.

Environmental regulation and performance

Your Company complies with the applicable environmental regulations set by the Songming Environmental Bureau.

Haoxuan Shen

Legal Representative

Place: Songming

Date: 30th April, 2024

AUDITORS' REPORT

To the Management

Technico Horticultural (Kunming) Co., Ltd.

I. Audit Opinion

We have audited the accompanying financial statements of Technico Horticultural (Kunming) Co., Ltd., which include the Statements of Financial Position as of 31 December 2023, the Statements of Comprehensive Income, the Statements of Cash Flows and the Statements of Changes in Shareholders' Equity for the year then ended and the notes to the financial statements.

In our opinion, the financial statements have been prepared in accordance with the requirements of the Small Business Accounting Standards of China and presented fairly, in all material respects, the financial position of Technico Horticultural (Kunming) Co., Ltd. as at 31 December 2023, and the Company's results of operations and cash flows for the year then ended.

II. Basis of Forming the Audit Opinion

We conducted our audit in accordance with the Chinese Certified Public Accountant Auditing Standards. The section "Auditors' Responsibility for the Financial Statements" in the audit report further describes our responsibilities in accordance with these standards. According to the Code of Ethics for Chinese Certified Public Accountants, we are independent of the Company and fulfilled other responsibilities of code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of Technico Horticultural (Kunming) Co., Ltd. is responsible for preparing and presenting the financial statements in accordance with Enterprise Accounting Standards of China and for the purpose of fair presentation and designing, implementing and maintaining internal control necessary for the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

During the preparation of the financial statements, the management is responsible for assessing the Company's going-concern capability; disclosing, where applicable, matters in relation to the going-concern status; and applying the going-concern assumption for preparation of the financial statements, unless the management plans to liquidate the Company, terminates operation of the Company or has no other practical alternative choice.

Those charged with governance are responsible for monitoring the Company's financial reporting process.

IV. Auditors' Responsibility for the Financial Statements

Our objective is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to frauds or errors, and issue an audit report with audit opinion. Reasonable assurance is a high level assurance, but there is no guarantee that a material misstatement will always be found in the audit performed in accordance with the auditing standards. Misstatements may be caused by fraud or error. Misstatements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users based on the financial statements.

During the performance of our audit in accordance with the auditing standards, we use professional judgment and maintain professional skepticism. We also perform the following procedures:

- A. Identify and assess the risks of material misstatement of the financial statements due to fraud and error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence

as a basis for forming the audit opinion. As fraud may involve collusion, forgery, willful omission, misrepresentation or override of internal control, the risk of not discovering a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement resulting from a mistake.

- B. Understand the internal controls related to auditing in order to design appropriate audit procedures.
- C. Evaluate the appropriateness of accounting policies adopted by the management and the reasonableness of accounting estimates and relevant disclosures made by management.
- D. Conclude on the appropriateness of management's application of the going concern assumption. Meanwhile, based on the audit evidence obtained, conclude whether there is material uncertainty about the Company's ability to continue as a going-concern. If we conclude that there is material uncertainty, the auditing standards require us to draw attention of the users of the financial statements to the relevant disclosures in the financial statements. If the disclosure is inadequate, we shall express a qualified opinion. Our conclusion is based on information available as of the date of the audit report. However, future events or circumstances may cause the Company not being able to continue as a going-concern.
- E. Evaluate the overall presentation, structure and content of financial statements (including disclosures), and evaluate whether the financial statements present fairly the relevant transactions and events.
- F. Obtain sufficient and appropriate audit evidence regarding to the Company's financial information of the entities or business activities in order to express opinion on the financial statements. We are responsible for the guidance, supervision and execution of the group audit. We take full responsibility for the audit opinion.

We communicate with those charged with governance on the scope and time schedule of the audit, and significant audit findings, etc., including deficiency of internal control that we identified during the audit which warrants attention.

We also provide a statement to those charged with governance regarding the fact that we comply with the requirements of professional ethics relating to independence, and also communicate with them about all relationships and other matters that may be reasonably deemed to affect our independence, as well as, where applicable, the relevant precautions.

Through the matters we communicate with those charged with governance, we identify matters that are significant in the audit of the financial statements for the current period, which therefore become the key audit items. We disclose these items in the audit report, unless public disclosure of such items is prohibited by laws and regulations; in exceptional circumstances, where the benefit arising from public disclosure of certain matters is outweighed by the negative consequence brought by such disclosure in consideration of public interest, we do not disclose such items in the audit report.

China Audit Asia Pacific Certified Public
Accountants LLP - Yunnan Branch
Kunming, The People's Republic of China

Chinese Certified Public Accountants:
Chinese Certified Public Accountants:

Date: 30th April, 2024

BALANCE SHEET AS ON 31ST DECEMBER 2023

Printed by Technico Horticultural (Kunming) Co. Ltd.

ITEMS	LINE NO.	31-Dec-23		31-Dec-22	
		CNY	INR	CNY	INR
CURRENT ASSETS :	1				
Cash and cash equivalents	2	1,62,11,786.52	18,94,31,483.13	1,46,67,113.66	16,37,97,925.22
Short-term investments	3				
Notes receivable	4				
Dividend receivable	5				
Interest receivable	6				
Accounts receivable	7	30,40,214.54	3,55,24,298.86	31,58,565.33	3,77,05,057.77
Advance to suppliers debts	7				
Dividend receivable	8				
Interest receivable	9	5,09,437.42	59,52,674.37	4,06,105.06	48,47,838.54
Other notes receivable	10				
Inventories	11	5,55,507.77	64,90,997.19	7,08,208.06	84,54,162.90
Including : Raw materials	12				
Finished goods	13				
In one year expired noncurrent assets	14				
Other current assets	15	14,072.35	1,64,432.60	14,050.57	1,67,727.27
Total current assets	16	2,03,31,018.60	23,75,63,886.14	1,89,54,042.68	21,49,72,711.70
LONG-TERM INVESTMENTS	17				
Long-term stock investments	18				
Long-term creditor investments	19				
TOTAL LONG-TERM INVESTMENTS	20				
FIXED ASSETS	21				
Fixed assets-cost	22	2,57,27,794.00	30,06,24,127.33	2,57,27,794.00	30,71,22,968.10
Less: Accumulated depreciations	23	2,36,11,627.74	27,58,97,147.82	2,35,74,782.26	28,14,21,605.75
Fixed assets-net value	24	21,16,166.26	2,47,26,979.51	21,53,011.74	2,57,01,362.35
Less: Fixed assets depreciation reserves	25				
Fixed assets-net equity	26	21,16,166.26	2,47,26,979.51	21,53,011.74	2,57,01,362.35
Construction Material	27				
Construction in process	28				
Disposal of fixed assets	29				
TOTAL FIXED ASSETS	30	21,16,166.26	2,47,26,979.51	21,53,011.74	2,57,01,362.35
INTANGIBLE ASSETS&OTHER ASSETS	31				
Intangible assets	32	10,04,193.75	1,17,33,803.13	10,45,181.25	1,24,76,746.65
Long-term anticipate expenses	33				
Other intangible assets	34				
TOTAL INTANGIBLE ASSETS&OTHER ASSETS	35	10,04,193.75	1,17,33,803.13	10,45,181.25	1,24,76,746.65
DEFERRED TAX	36				
Debit of deferred tax	37				
TOTAL ASSETS	38	2,34,51,378.61	27,40,24,668.78	2,21,52,235.67	25,31,50,820.70
CURRENT LIABILITIES :	39				
Short term loans	40				
Notes payable	41				
Accounts payable	42				
Advances from customers	43	20,000.00	2,33,696.00		
Salary Payable	44	1,21,836.87	14,23,639.46	1,48,374.97	17,71,211.37
Welfare Payable	45			15,221.80	
Dividends payable	46				
Interest payable	47				
Tax payable	48	57,214.87	6,68,544.31	28,565.71	3,41,000.31
Other payables	49	1,70,735.12	19,95,005.73	44,136.70	5,26,877.44
Expenses in advance	50				
Anticipated Liabilities	51				
Deferred income	52				
Long-term liabilities due within one year	53				
Other current liabilities	54				
TOTAL CURRENT LIABILITIES	55	3,69,786.86	43,20,885.50	2,36,299.18	26,39,089.12

BALANCE SHEET AS ON 31ST DECEMBER, 2023 (Contd.)

Printed by Technico Horticultural (Kunming) Co. Ltd.

ITEMS	LINE NO.	31-Dec-23		31-Dec-22	
		CNY	INR	CNY	INR
LONG-TERM LIABILITIES	56				
Debtor of Investors	57				
Debentures payable	58				
Long-term accounts payable	59				
Specific accounts payable	60				
Other long-term liabilities	61				
TOTAL LONG-TERM LIABILITIES	62				
DEFERRED TAX	63				
Credit of deferred tax	64				
TOTAL LIABILITIES	65	3,69,786.86	43,20,885.50	2,36,299.18	26,39,089.12
OWNERS' EQUITY :	66				
Registered capital	67	1,90,13,598.02	22,21,70,090.14	1,90,13,598.02	22,69,72,925.00
Capital surplus	68				
Surplus	69	42,666.57	4,98,550.34	42,666.57	5,09,327.91
Retained Earning	70	40,25,327.16	7,29,21,255.82	28,59,671.90	5,91,53,584.98
Including: appropriation of profit after balance sheet day	71				
Translation reserve	72				
*Margin of Translation of Foreign Currency Financial Statements	73		-2,58,86,113.02		-3,61,24,106.31
TOTAL OWNER'S EQUITY	74	2,30,81,591.75	26,97,03,783.28	2,19,15,936.49	25,05,11,731.59
TOTAL LIABILITIES AND OWNERS' EQUITY	75	2,34,51,378.61	27,40,24,668.78	2,21,52,235.67	25,31,50,820.70

Income statement and profit appropriation 2023

Printed by Technico Horticultural (Kunming) Co. Ltd.

ITEMS	LINE	2023		2022	
		CNY	INR	CNY	INR
Income for main business	1	42,45,750.09	5,01,46,978.89	48,28,581.95	5,64,26,325.81
Less: cost of main business	2	32,38,234.99	3,82,47,117.29	30,21,550.52	3,53,09,537.22
Taxation and additional of main	3				
Main business profit	4	10,07,515.10	1,18,99,861.60	18,07,031.43	2,11,16,788.59
Add: other profit	5				
Less: Operating expenses	6	2,48,485.07	29,34,882.01	2,51,482.30	29,38,797.01
Management expenses	7	1,47,323.95	17,40,057.91	2,08,460.34	24,36,046.69
Including : Business entertainment	8				
Research and development expense	9				
Financial Expenses	10	-5,47,829.73	-64,70,471.72	-4,03,604.24	-47,16,478.79
Including: Interest exchange	11				
Operation Profit	12	11,59,535.81	1,36,95,393.41	17,50,693.03	2,04,58,423.68
Add: Investment income	13				
Including: for the investment benefits from the invested business and the united business and joint venture	14				
Subsidy Income	15				
Non-operating income	16	6,119.45	72,277.44	17,779.10	2,07,764.78
Including: income from disposal of long term assets	17				
Income from non-monetary assets exchange	18				
Government grants (subsidy income)	19				
Income from debt restructuring	20				
Less: Non-operating expenses	21				
Including: Loss on disposal of long-term assets	22				
Loss on non-monetary assets exchange	23				
Loss on debt restructuring	24				
Total Profit	25	11,65,655.26	1,37,67,670.84	17,68,472.13	2,06,66,188.46
Less: Income tax	26				
Net Profit	27	11,65,655.26	1,37,67,670.84	17,68,472.13	2,06,66,188.46
Add: Undistributed Profit at the beginning of year	28	28,59,671.90	3,37,75,870.78	10,91,199.77	1,27,51,651.39
Other transfer-in	29				
Profit available for distribution	30	40,25,327.16	4,75,43,541.62	28,59,671.90	3,34,17,839.86
Less: Appropriation of statutory surplus reserves	31				
Appropriation of Company expand fund	32				
Appropriation of staff incentive and welfare fund	33				
Capital redemption	34				
Profit available for owners' distribution	35	40,25,327.16	4,75,43,541.62	28,59,671.90	3,34,17,839.86
Less: Appropriated profit	36				
Common stock turn to capital	37				
Undivided Profit	38	40,25,327.16	4,75,43,541.62	28,59,671.90	3,34,17,839.86
Supplementary Information:	40				
Gains on disposal of operating divisions or investments	41				
Losses from natural disaster	42				
Increase (decrease) in profit due to changes in accounting policies	43				
Increase (decrease) in profit due to changes in accounting estimates	44				
Losses from debt restructuring	45				
Other	46				

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

Printed by Technico Horticultural (Kunming) Co. Ltd.

ITEMS	LINE NO	2023		2022	
		RMB	INR	RMB	INR
1. Cash Flow from Operating Activities	1				
Cash from selling commodities or offering labor	2	47,10,878.17	5,56,40,653.15	54,91,949.11	6,41,78,368.10
Refund of tax and fee received	3	-	-	17,779.10	2,07,764.78
Other cash received related to operating activities	4	3,43,168.25	40,53,194.52	1,23,145.91	14,39,070.79
Cash Inflow Subtotal	5	50,54,046.42	5,96,93,847.67	56,32,874.12	6,58,25,203.68
Cash paid for commodities or labor	6	10,18,942.02	1,20,34,826.09	10,31,419.91	1,20,53,069.93
Cash paid to and for employees	7	23,06,832.29	2,72,46,226.86	22,28,084.00	2,60,37,166.82
Taxes and fees paid	8	1,79,910.32	21,24,938.78	1,49,961.14	17,52,430.89
Other cash paid related to operating activities	9	3,688.93	43,570.32	5,14,054.91	60,07,194.27
Cash Outflow Subtotal	10	35,09,373.56	4,14,49,562.05	39,23,519.96	4,58,49,861.90
Cash flow generated from operating activitiesNet Amount	11	15,44,672.86	1,82,44,285.62	17,09,354.16	1,99,75,341.78
2. Cash Flow from Investing Activities	12				
Cash from investment withdrawal	13				
Cash from investment income	14				
Net cash from disposing fixed assets, intangible assets and other long-term assets	15				
Net cash inflows of disposal of subsidiaries and other business entities	16	-		-	
Other cash received related to investing activities	17				
Cash Inflow Subtotal	18	-	-	-	-
Cash paid for buying fixed assets: intangible assets and other long-term investment	19	-		-	
Cash paid for investment	20				
Net cash outflows of procurement of subsidiaries and other business units	21				
Other cash paid related to investing activities	22				
Cash Outflow Subtotal	23	-	-	-	-
Cash flow generated from investing activities Net Amount	24	-	-	-	-
3. Cash Flow from Financing Activities	25				
Cash received from accepting investment	26				
Including: cash inflows from minority investment in subsidiaries	27				
Borrowings	28				
Other cash received related to financing activities	29				
Cash Inflow Subtotal	30				
Cash paid for debt	31				
Cash paid for dividend : profit or interest	32				
Including: dividends and earnings paid to minorities by subsidiaries	33				
Other cash paid related to financing activities	34				
Cash Outflow Subtotal	35				
Cash flow from financing activitiesNet Amount	36				
4. Foreign Currency Translation Gains (Losses)	37	-	-	53.37	623.68
5. Net Increase Of Cash and Cash Equivalents	38	15,44,672.86	1,82,44,285.62	17,09,407.53	1,99,75,965.45
Add: cash and cash equivalents beginning bal.	39	1,46,67,113.66	16,37,97,925.22	1,29,57,706.13	15,14,22,458.06
Add : Non Cash Exchange Gain / (Loss) Translation	40	-	73,89,272.29	-	-
6. Cash and cash equivalents ending bal.	41	1,62,11,786.52	18,94,31,483.13	1,46,67,113.66	17,13,98,423.52

STATEMENT OF CASH FLOW (II) 2023

Printed by Technico Horticultural (Kunming) Co. Ltd.

RX UNIT : RMB YUNAN

ITEMS	LINE	2023		2022	
		CNY	INR	CNY	INR
Supplementary Information:	1				
1.Reconciliation of Net Profit to Cash Flow from Operating Activities:	2				
Net Profit	3	11,65,655.26	1,37,67,670.84	17,68,472.13	2,06,72,554.96
Add:Impairment losses on assets	4	1,12,418.25	13,27,783.19		
Depreciation of fixed assets	5	36,845.48	4,35,185.65	55,953.56	6,54,069.14
Amortisation of intangible assets	6	40,987.50	4,84,107.46	40,987.50	4,79,123.38
Amortisation of long-term deferred expenses	7	-21.78	-257.25	16,081.62	1,87,986.10
Decrease (increase) in deferred expenses	8				
Increase (decrease) in accrued expenses	9				
Losses (gains) on disposal of fixed assets, intangible assets and other long-term assets	10				
Losses on write-off of fixed assets	11				
Finance expense (income)	12	-2,14,200.32	-25,29,941.40		
Losses (gains) arising from investments	13				
Deferred tax credit (debit)	14				
Decrease (increase) in inventories	15	1,52,700.29	18,03,558.40	-85,973.00	-10,04,981.38
Decrease (increase) in receivables under operating activities	16	3,67,939.42	43,45,769.28	-1,45,825.69	-17,04,629.40
Increase (decrease) in payables under operating activities	17	1,26,598.42	14,95,266.60	59,658.04	6,97,372.66
Others	18	-2,44,249.66	-28,84,857.16		
Net cash flow from operating activities	19	15,44,672.86	1,82,44,285.62	17,09,354.16	1,99,81,495.45
2. Investing and Financing Activities that do not Involve Cash Receipts and Payments:	20				
Conversion of debt into capital	21				
Fixed assets acquired under finance leases	22				
3. Net Increase in Cash and Cash Equivalents:	23				
Cash at the end of the period	24	1,62,11,786.52	18,94,31,483.13	1,46,67,113.66	17,14,51,225.13
Less: Cash at the beginning of the year	25	1,46,67,113.66	16,37,97,925.22	1,29,57,706.13	15,14,69,105.81
Less : Non Cash Exchange Gain / (Loss) Translation	26		73,89,272.29		
Add: Cash equivalents at the end of the period	27				
Less: Cash equivalents at the beginning of the period	28				
Net increase in cash and cash equivalents	29	15,44,672.86	1,82,44,285.62	17,09,407.53	1,99,82,119.32

NOTES TO THE FINANCIAL STATEMENTS

1. Brief information on the Company

Technico Horticultural (Kunming) Co., Ltd. (the "company") was established as a wholly foreign-owned enterprise invested by Technico Asia Holdings Pty Limited., under the "laws of the People's Republic of China (the "PRC") on Enterprises Operated Exclusively with Foreign Capital" and through the approval by the Foreign Economic and Trade Department of Yunnan province in the certification Dian zi (1997) No.0049. The Company of the registered capital USD2,300,000.00 was registered, with the business license number of Qi Du Zong zi No.000716, on 8 December 1997. The tenure of the Company is 50 years and may be extended upon application by the Company and approval of the relevant government authorities. The principal activities of the Company are the development, production and supply of microtuber potato.

2. Significant accounting policies and accounting estimates

The financial statements of the company are based on the assumption of going concern, based on actual transactions and events, it is recognized and measured in accordance with the "Accounting Standards for Small Businesses" (Cai Kuai [2011] No. 17) issued by the Ministry of Finance. For transactions or events that occur that are not regulated by the "Accounting Standards for Small Businesses", they shall be handled with reference to the relevant provisions in the

"Accounting Standards for Business Enterprises", and prepared in accordance with the important accounting policies and accounting estimates as described below.

(1) Accounting regulations

The Company implements the "Accounting Standards for Small Businesses".

(2) Fiscal year

The fiscal year for the Company is from 1 January to 31 December of each calendar year.

(3) Accounting currency

The Company's financial records are maintained and the financial statements are stated in Renminbi ("RMB").

(4) Accounting basis and principle

The accounting basis of The Company is accrual principle, and the accounting principle is historical cost principle.

(5) Foreign currency transactions

All foreign currency transactions have been translated into RMB at the market rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the market rates of exchange ruling at that date. The resulting exchange gains or losses are capitalized if they

have relation to acquiring fixed assets before the fixed assets intended-use have been commenced; or are accounted as long-term prepaid expense in the preparative duration, or are dealt with in the profit and loss account in the operating duration, if they have not relation to acquiring fixed assets.

(6) Cash equivalents

Cash equivalents are the short-term investments, which are held by the Company at the short-term (generally within 3 months from the purchasing date to the date due), are easy to convert into currency and their value does not fluctuate significantly.

(7) Allowances for uncollectible accounts

The Company uses the allowance method in which the allowances for uncollectible accounts for the receivable items (including the accounts receivable and other receivable) are recognized in the aging receivable account method and are dealt with in the profit and loss account and the balance sheet. The aging receivable account method is made as follows:

- Within 1 year, provision created at 0.5 percent of the receivable value;
- 1-2 year, provision created at 10 percent part of the receivable value;
- 2-3 year, provision created at 30 percent the receivable value.

If any receivable is evidently different from the others, the specific identification method is made for such receivable item.

(8) Inventories

Inventories, which are recorded at actual cost, include finished goods, work-in-progress and raw material.

For the unrecoverable inventory cost due to the damage, partly or wholly obsolescent, or where market price is lower than the cost, the provision for decline in value of inventories is determined according to the difference of the actual cost lower than net realizable value on an item-by-item basis, at the end of the period, and accounted for in the books.

(9) Fixed assets and depreciation

Fixed assets are recorded based on the actual cost. At the inception of a lease, the fixed assets used by a lessee under a finance lease are recorded at an amount equal to the lower of the carrying amount of the leased asset originally recorded in the books of the lessor and the present value of the minimum lease payments. (If the proportion of the recorded amount of the leased assets to the total amount of assets is lower than 30 percent, the leased assets are recorded at an amount equal to the total minimum lease payments.)

The standard about fixed asset: House and building, machinery and equipment, Motor vehicle and so on of the useful life more than one year, and non-principle operating equipment of the unit value over 2000 RMB with useful life more than two years

Depreciation is calculated on the straight-line basis to write off the cost of each asset over its estimated useful life after deducting the estimated residual value. The categories, useful life, residual value and annual depreciation rate are as follows:

Category	Estimated useful life	Annual depreciation rate	Residual value
House and building	20years	4.50%	10.00%
Production equipment	10years	9.00%	10.00%
Motor vehicle	5years	18.00%	10.00%
Office equipment and other	5years	18.00%	10.00%

Provision for impairment: At the end of each period, The Company examines its fixed assets and if market value of the fixed asset has declined continually, become obsolete in technology, been not in use in the long term, or has been damaged, and the recoverable amount of the fixed asset is less than its carrying amount, the provision for impairment is determined according to the difference between the recoverable amount of the fixed asset and its carrying amount, on an item-by-item basis.

(10) Intangible assets

An intangible asset, which is acquired separately, is recorded based on the actual purchase price paid.

The cost of an intangible asset is amortized evenly over its expected useful life starting in the month in which it is obtained.

If the expected useful life exceeds the beneficial period

stipulated in the relevant contract or the effective period stipulated by law, the amortization period of an intangible asset is determined in accordance with the following rules:

- If the relevant contract stipulates the beneficial period but the law does not stipulate the effective period, the amortization period is not longer than the beneficial period stipulated by the relevant contract;
- If the relevant contract does not stipulate the beneficial period but the law stipulates the effective period, the amortization period is not longer than the effective period stipulated by law;
- If the relevant contract stipulates the beneficial period but the laws also stipulate the effective period, the amortization period is not longer than the shorter of the beneficial period and the effective period.
- If the relevant contract does not stipulate the beneficial period and the law does not stipulate the effective period, the amortization period does not exceed 10 years.
- If an intangible asset is no longer expected to be able to generate any economic benefits that flow to the enterprise, the carrying amount of the intangible asset is written off and is recognized in the books as gain or loss of the current period.

The Company reviews the carrying amount of the intangible asset at the end of each period. The difference between the expected receivable amount and the carrying amount of the intangible asset is recognized in the books as provision for impairment, on an item-by-item basis.

(11) Long-term prepaid expense

Long-term prepaid expenses are recorded based on the actual payments and amortized on the straight-line basis over the beneficial period.

The expenses (except for acquiring fixed assets), which occur in the preparative duration, are recorded as long-term expense, and are amortized over a period of five years starting from the month in which operations commence.

(12) Principle for recognition of revenue

a. Revenue from the sale of goods

The revenue is recognized when all the following conditions have been satisfied: the Company has transferred to the buyer significant risks and rewards of ownership of the goods; the enterprise retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; it is probable that the economic benefits will flow to the Company; the relevant amount of revenue and costs can be measured reliably.

b. Revenue from rendering of services

When the provision of services is started and completed within the same accounting year, revenue is recognized at the time of completion of the services, and receipt of money or holding the qualification of acquiring money;

When the provision of services is started and completed in different accounting years, the total income and the completion degree involving the service contract can be estimated reliably, it is probable that the economic benefits will flow to the Company and the outcome of a transaction involving the rendering of services can be estimated reliably, the service revenue is recognized at the balance sheet date by the use of the percentage of completion method.

The revenue referred to above is recognized when all the following conditions have been satisfied:

- It is probable that the economic benefits will flow to the Company;
- The amount of the revenue can be measured reliably.

(13) Corporation income tax

Corporation income tax is accounted on the tax payable basis.

3. Tax

VAT: According to the relevant tax laws in the PRC, the Company is exempted from VAT for the sales of the agricultural produce harvested by the Company.

Corporation income tax is accounted on the tax payable basis at a rate of 25% on its taxable income. However, according to the new income tax-laws in the PRC, the Company is an agricultural production company which is exempted from corporate income tax.

4. Notes to significant items in the financial statements

(1) Cash

Items	Ending Balance	Beginning Balance
Cash on hand	32,287.06	1,569.18
Cash in bank	16,179,499.46	14,665,544.48
Total	16,211,786.52	14,667,113.66

(2) Account receivable

Ageing	Ending Balance			Beginning Balance		
	Amount	Percentage (%)	Provision for bad debts	Amount	Percentage (%)	Provision for bad debts
Within 1 year	3,055,492.00	100.00	15,277.46	3,174,437.52	100.00	15,872.19
Total	3,055,492.00	100.00	15,277.46	3,174,437.52	100.00	15,872.19

(3) Inventories and provision for loss on realization of inventory

Item	Ending balance	Beginning balance
Work-in-progress	326,291.82	326,291.82
Finished goods	229,215.95	381,916.24
Total	555,507.77	708,208.06
Less: Provision for loss on realization of inventory		
Total	555,507.77	708,208.06

(4) Fixed assets

Item	Beginning balance	Increase of this year	Decrease of this year	Ending book balance
(1) Total original book value	25,727,794.00	0.00		25,727,794.00
Including: Houses and building	11,705,911.00			11,705,911.00
Production equipment	13,512,126.72			13,512,126.72
Transportation	168,499.12			168,499.12
Office and other equipment	341,257.16			341,257.16
(2) Total accumulated Depreciation	23,574,782.26	36,845.48		23,611,627.74
Including: Houses and building	10,987,557.68	0.00		10,987,557.68
Production equipment	12,157,419.86	5,078.60		12,162,498.46
Transportation	123,215.02	28,434.24		151,649.26
Office and other equipment	306,589.70	3,332.64		309,922.34
(3) Total net book value	2,153,011.74			2,116,166.26
Including: Houses and building	718,353.32			718,353.32
Production equipment	1,354,706.86			1,349,628.26
Transportation	45,284.10			16,849.86
Office and other equipment	34,667.46			31,334.82
(4) Total impairment provision				0.00
Including: Houses and building				0.00
Production equipment				0.00
Transportation				0.00
Office and other equipment				0.00
(5) Total book value	2,153,011.74			2,116,166.26
Including: Houses and building	718,353.32			718,353.32
Production equipment	1,354,706.86			1,349,628.26
Transportation	45,284.10			16,849.86
Office and other equipment	34,667.46			31,334.82

Office and other equipment are fixed assets that have been fully depreciated and are still in use.

(5) Intangible assets

Item	Beginning balance	Increase of this year	Decrease of this year	Ending balance
(1) Total original price	2,049,375.00	–	–	2,049,375.00
Including: Land use rights	20,49,375.00	–	–	20,49,375.00
(2) Total accumulated amortization	1,004,193.75	40,987.50	–	1,045,181.25
Land use rights	1,004,193.75	40,987.50	–	1,045,181.25
(3) Total impairment provision				
Including: Land use rights				
(4) Total book value	1,045,181.25	–	–	1,045,193.75
Including: Land use rights	1,045,181.25	–	–	1,045,193.75

(6) Other payables

Ageing	Ending balance	Beginning balance
Within 1 year (including 1 year)	170,735.12	44,136.70
1-2 years (including 2 years)		
2-3 years (including 3 years)		
Over 3 years		
Total	170,735.12	44,136.70

(7) Paid-in capital

Investors	Beginning balance		Ending balance	
	Shareholding percentage	Contributed amount	Shareholding percentage	Contributed amount
Technico Asia Holdings Pty Limited	100.00	19,013,598.02	100.00	19,013,598.02
Total	100.00	19,013,598.02	100.00	19,013,598.02

(8) Capital surplus

Item	Beginning balance	Increase of this year	Decrease of this year	Ending balance	Change reason
Translation reserve	42,666.57			42,666.57	
Total	42,666.57			42,666.57	

(9) Retained Earning

Items	Ending balance
Undistributed Profit at the beginning of year	2,859,671.90
Add: Net Profit	1,165,655.26
Other	
Less: Appropriation of statutory surplus reserves	
Appropriation of Company expand fund	
Appropriation of staff incentive and welfare fund	
Capital redemption	
Appropriated profit	
Common stock turn to capital	
Undivided Profit	4,025,327.16

(10) Primary operating profit

Item	Operating revenue		Operating cost	
	Amount incurred this year	Amount incurred last year	Amount incurred this year	Amount incurred last year
Sales income TT	4,245,750.09	4,828,581.95	3,238,234.99	3,021,550.52
Total	4,245,750.09	4,828,581.95	3,238,234.99	3,021,550.52

(11) Finance expense

Item	Amount incurred this year	Amount incurred last year
Interest expense		
Less: Interest income	337,048.79	284,527.85
Foreign exchange loss	69,715.72	53,829.90
Less: Foreign exchange gain	283,916.04	175,602.09
Bank fee	3,419.38	2,695.80
Total	-547,829.73	-403,604.24

5. Contingencies

Up to 31 December 2023, there are no material contingencies for the Company.

6. Promised events

Up to 31 December 2023, there are no material promised events for the Company.

7. Non-adjusting events subsequent to the balance sheet date

There are no material non-adjusting events subsequent to the balance sheet date for the Company.

8. Other material events stated

Up to 31 December 2023, there are no other material matters specially stated for the Company.

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

Your Board of Directors ('Board') hereby submit their Report for the financial year ended 31st March, 2024.

OPERATING ENVIRONMENT

Your Company's leadership in production of early generation seed potatoes and strength in agronomy continues to support the seed potato requirements of the farmer base and also the Bingo! range of potato chips of ITC Limited, the parent entity.

During the year under review, potato production in India was 60 million metric tons (MT), up by approx. 8% compared to the previous year. Availability of seed potatoes was also up by 15% due to favourable weather in the crop year 2022-23. The surplus situation led to piling up of seed inventory in cold stores, which led to drop in prices of seed potatoes.

Leveraging its institutional strengths, your Company took concrete steps to consolidate its relationship with farmers, explored new geographic markets and expanded distribution in secondary and tertiary markets recording its highest ever seed sales during the year.

Your Company's Revenue from Operations stood at ₹ 323.95 crores (previous year ₹ 257.77crores) with Net Profit of ₹ 37.81 crores (previous year ₹ 41.39 crores). Total Comprehensive Income for the year stood at ₹ 37.82 crores (previous year ₹ 41.42 crores).

Your Company continues to build a strong foundation for the future and remains confident of effectively leveraging its deep domain expertise to fortify its market standing in the seed potato industry.

SEEDS BUSINESS**(a) Growing of TECHNITUBER® Seed Potatoes**

During the year under review, your Company harvested higher quantum of TECHNITUBER® seed potatoes at 295.62 lakhs (previous year: 250.08 lakhs) at its facility in Manpura, Himachal Pradesh, facilitated by the addition of 7 new green houses during the year.

(b) Field agricultural operations

Your Company achieved an all time high production of 126,806 MT (previous year: 121,825 MT) for early generation seed potatoes, aided by higher planting area of 12,531 acres, (previous year: 12,033 acres) and further supported by conducive weather during the entire crop period from October, 2023 to March, 2024. Your Company continued to conduct trials and introduce new varieties of potatoes that improve farm yields and augment farmer incomes on one hand, while supporting the requirements of the processing industry on the other. Your Company also continued to promote farm & storage mechanisation processes and showcase benefits of soil health and the latest technology to farmers in the said areas for knowledge dissemination and adoption.

Your Company is exposed to the inherent risk of crop losses due to weather conditions and diseases. Your Company seeks to address these risks by widening the geographical spread of farms and farmers, coupled with the use of multiple varieties of seed potatoes that carry resistance traits to frost, blight, rotting and so on.

(c) Marketing

Your Company also achieved an all time high sales of 1,02,278 MT of early generation seed potatoes as against 70,739 MT in the previous year. TECHNITUBER® seed potato sales volume were higher at 81.16 lakhs as against 61.53 lakhs in the previous year. Your Company also, achieved an all-time high sales of 49,633 MT of Chipstock Potatoes, as against 39,232 MT in the previous year.

Your Company is exposed to market risks arising from fluctuations in the demand and price environment in potato markets. While it has no control over the market behaviour, your Company seeks to continually reinforce its market standing on the strength of its brand supported by proprietary technology, package of agronomy practices and farmer relationships, and by diversifying the geographies in which it operates.

Your Company is confident of its competitive edge in the market place and its capacity to deliver superior product performance, premised on the strong demand for its seed potatoes from loyal customer and farmer base, fuelled by its superior technology and the expertise of its employees.

FRUITS AND VEGETABLE BUSINESS

Your Company has been building capabilities for growing and sourcing fruits and vegetables for edible purpose and processing industry from its farmer base and supplying to processors and retailers. Your Company continued providing back-end sourcing support to the 'Farmland' brand of potatoes for edible purpose and regularly supplying chipstock potatoes for Bingo! range of potato chips of its parent entity.

FINANCIAL PERFORMANCE

The summarised financial results of your Company, are as under:

	(₹ in lakhs)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profits		
a. Profit Before Tax	5013.46	4883.33
b. Less : Tax Expense	1232.32	744.95
c. Profit After Tax	3781.14	4138.38
d. Add : Other Comprehensive Income / (Loss)	1.13	3.53
e. Total Comprehensive Income	3782.27	4141.91

RETAINED EARNINGS

The movement in Retained Earnings is summarised below:

	(₹ in lakhs)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Retained Earnings		
a. At the beginning of the year	10598.96	6457.05
b. Add : Profit for the year	3781.14	4138.38
c. Add : Other Comprehensive Income / (Loss)	1.13	3.53
d. Less: Interim Dividend paid	2467.58	—
e. At the end of year	11913.65	10598.96

DIVIDEND

During the year, an interim dividend of 6.50 per share on 3,79,62,800 Equity Shares of Rs. 10/- each, aggregating 24.68 Crores approximately, was declared by the Board of Directors of the Company ("Board") on 19th September, 2023 and thereafter paid. The Board has recommended that the said interim dividend be confirmed as the final dividend for the financial year ended 31st March, 2024.

DIRECTORS AND KEY MANAGERIAL PERSONNEL**(a) Changes in Directors during the year**

Mr. Rajnikant Rai (DIN: 02539763) was appointed as Non-Executive Director of the Company with effect from 22nd June, 2023 in the 24th Annual General Meeting ('AGM') of the Company held on 22nd June, 2023.

The Board of Directors of your Company appointed Ms. Kavita Chaturvedi (DIN: 10659795) as Additional Director of the Company with effect from 10th June, 2024. In accordance with Section 161 of the Companies Act, 2013 ('the Act') and Article 109 of the Articles of Association of the Company, Ms. Chaturvedi will vacate office at the ensuing Annual General Meeting ('AGM') and is eligible for appointment as Director of the Company.

The Board at the meeting held on 10th June, 2024, has recommended for the approval of the Members, the appointment of Ms. Chaturvedi as Non-Executive Director of your Company, liable to retire by rotation. Requisite Notice under Section 160 of the Act has been received by the Company for the appointment of Ms. Chaturvedi as Non-Executive Director who has given her consent to act as Director of your Company, if appointed.

Appropriate resolution seeking your approval to the aforesaid appointment is appearing in the Notice convening the ensuing AGM of the Company.

Mr. David McDonald (DIN: 00419180) stepped down as Non-Executive Director of your Company with effect from 4th May, 2024. Your Directors placed on record their appreciation for the contribution made by Mr. McDonald during his tenure with the Company.

During the year under review, there was no other change in the composition of the Board of Directors.

(b) Retirement of Directors by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 (Act) read with Article 123 of the Articles of Association of the Company, Messrs. Sundararaman Ganesh Kumar (DIN: 02782447) and Sivakumar Surampudi (DIN: 00341392), Directors of the Company will retire by rotation at the ensuing AGM of the Company, and being eligible, offer themselves for re-election. Your Board has recommended their re-election.

(c) Changes in Key Managerial Personnel during the year

Mr. Soundararadjane S., resigned as Chief Executive Officer of the Company with effect from close of work on 20th March, 2024. The Board at its Meeting held on 16th March, 2024 appointed Mr. Nripendra Kumar Jha as the Chief Executive Officer, with effect from 21st March, 2024, in terms of the provisions of Section 203 of the Act read with Rules made thereunder.

(d) Board Evaluation

The Board carried out annual performance evaluation of its own performance and that of the individual Directors and also functioning of the CSR Committee, as required under Section 134 of the Act, based on the criteria approved by the Board. A report on the functioning of the CSR Committee was placed before the Board by the Chairman of the Committee after discussion with the Committee members.

BOARD & BOARD COMMITTEE**Board of Directors**

The composition of the Board of Directors as on 31st March, 2024 is given below:

Mr. S. Sivakumar	– Chairman & Non Executive Director
Mr. D. Ashok	– Non Executive Director
Mr. David McDonald*	– Non Executive Director
Mr. S. Ganesh Kumar	– Non Executive Director
Mr. Rajnikant Rai	– Non Executive Director

*Ceased to be a Director w.e.f 4th May, 2024.

Nine meetings of the Board were held during the year ended 31st March, 2024.

CSR Committee

Your Company is not required to constitute any Board Committee under the Act except the CSR Committee. The composition of the CSR Committee as on 31st March, 2024 is given below:

Mr. S. Sivakumar	– Chairman
Mr. D. Ashok	– Member
Mr. David McDonald*	– Member

* Ceased to be a member w.e.f. 4th May, 2024

Two meetings of the CSR Committee of the Board were held during the year ended 31st March, 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Corporate Governance Policy of your Company that delineates the roles, responsibilities and authorities of the key functionaries involved in governance, coupled with the Code of Conduct that commits management to your Company's financial and accounting policies, systems and processes together with the Risk Management framework, provide the foundation for your Company's Internal Financial Controls with reference to the Financial Statements.

The Financial Statements of your Company are prepared on the basis of the Material Accounting Policies that are selected by the management and approved by the Board. The tenets of these Policies are implemented through the Accounting Manual, Standard Operating Procedures and pre-determined authority levels for executing transactions. These, along with the transactional controls built into the IT systems, ensure appropriate segregation of duties and approval mechanisms commensurate with the level of responsibility. Management periodically reviews the aforesaid regime of controls and its operating effectiveness. Internal Audits are conducted and the findings and recommendations arising from such audits are reviewed by the Board and tracked thoroughly for implementation.

Your Company has in place adequate Internal Financial Controls with reference to the Financial Statements, commensurate with its size and nature of its operations. Such controls have been tested during the year, taking into consideration the essential components of internal controls as applicable. Based on the results of such assessment carried out by the management, no reportable material weakness or significant deficiency in the design or operation of internal financial controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes are undertaken to ensure that such systems are reinforced on an ongoing basis.

RISK MANAGEMENT

The Risk Management Policy of your Company, as approved by the Board, is designed to assess, mitigate and monitor risks arising out of the overall strategy of your Company and its regulatory environment. The Internal Auditor of the Company is mandated to carry out risk focused audits that enable review of risk management processes by the Board.

While your Company has no control over market behaviour, the management and mitigation of market risk is rooted in your Company's strategy of continually reinforcing its competitive edge in the market place premised on its proprietary technology and the expertise of its employees and farmers on one hand, and its loyal customer base on the other. Your Company also recognises that its business is subject to climatic, agricultural and cyclical risks and accordingly seeks to diversify across growing zones and expand its customer base.

Your Company will continue to focus on strengthening its risk management framework to protect business value from uncertainties and risks, through measures that are embedded in its business strategies, policies and processes to the extent practical and effective in the long-term.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Company does not have any subsidiary, associate or joint venture.

PARTICULARS OF EMPLOYEES

The details of employee(s) who had drawn remuneration more than the limit specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with the details of top ten employees of your Company in terms of remuneration drawn, as required under the said Rule, are provided in **Annexure 1** to this Report.

Your Company seeks to provide equal opportunities for men and women and is committed to a gender-friendly workplace. To ensure a safe and progressive work environment, Internal Complaints Committees have been constituted by the Company as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaint for sexual harassment was received by the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Annual Report on the CSR Activities of your Company in terms of Sections 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure 2** to this Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2024, your Company has neither given any loan or guarantee nor made any investment under Section 186 of the Act.

RELATED PARTY TRANSACTIONS

During the year ended 31st March, 2024, all the related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis. The details of material related party transactions in the prescribed Form AOC-2 are enclosed as **Annexure 3** to this Report.

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

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

COST RECORDS

Your Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

DEPOSITS

Your Company has not accepted any deposit from the public / members under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

EXTRACT OF ANNUAL RETURN

In terms of Sections 92(3) and 134 of the Act, the annual return of the Company is available on the website of the Company and the same can be accessed at: <https://technituberindia.com/compliance>.

STATUTORY AUDITORS

The Company's Auditors, Messrs. S R B C & CO LLP, Chartered Accountants ('SRBC'), who were appointed with your approval at the 20th AGM for a period of five years, will complete their present term on conclusion of the ensuing 25th AGM.

The Board has recommended for approval of the Members, the re-appointment of Messrs. S R B C & CO LLP, Chartered Accountants ('SRBC'), as the Auditors of your Company for a further period of five years from the conclusion of the ensuing AGM till the conclusion of the 30th AGM. SRBC has given their consent to act as the Auditors of the Company and has confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act. The Board has also recommended for the approval of the Members, the remuneration of SRBC for the financial year 2024-25. Appropriate resolution in respect of the above is appearing in the Notice convening the ensuing AGM of the Company.

There were no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors in their Report on the Financial Statements of the Company for the year ended 31st March, 2024.

SECRETARIAL AUDITORS

Your Board appointed Messrs. S.K. Sikka & Associates, Practicing Company Secretaries, as the Secretarial Auditors of the Company for the financial year

ended 31st March, 2024. The Report of the Secretarial Auditors pursuant to Section 204 of the Act, is enclosed under **Annexure 4** to this Report.

There were no qualification, reservation, adverse remark or disclaimer made by the Secretarial Auditors in the Secretarial Audit Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

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

The information with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is enclosed under **Annexure 5** to this Report.

ACKNOWLEDGEMENT

Your Board acknowledges the assistance and support rendered to the Company by the Government, Banks, Customers and Business Associates and the hard work of Employees.

Your Directors look forward to the future with confidence.

On behalf of the Board

S. Sivakumar
Chairman

Dated : 10th June, 2024

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2024

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

Name of employees	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment/Deputation	Previous Employment/Position held
1	2	3	4	5	6	7	8	9
Soundararadjane S *	54	Chief Executive Officer (Till 20th March, 2024)	2,38,60,095	1,08,79,935	M.Sc. (Agriculture)	31	28.11.2020	Monsanto Holdings Private Limited Commercial Lead – Asia Africa Region
S. Pal Singh *	62	Vice President – Supply Chain	1,56,85,463	85,63,987	M.Sc. (Agriculture)	38	01.04.2012	Russell Credit Limited – on deputation to Technico Agri Sciences Limited
N. K. Jha *	49	Business Head – Seed & F&V (Till 20th March, 2024) Chief Executive Officer (From 21st March, 2024)	1,51,74,970	74,61,088	M.Sc. (Agriculture), M.S. (IT in Agriculture), M.B.A. (Marketing)	20	16.08.2007	Reliance Retail Limited – State Head - Planning & MIS
S. Madan	58	Chief Financial Officer	76,95,768	56,26,693	B.Com. (Hons.), F.C.A.	31	01.08.2005	Saboo Coatings Limited – Chief Finance Officer
A. Aggarwal	45	General Manager - Finance	46,69,720	34,20,529	B.Com., A.C.A.	22	03.03.2006	Satyam Computer Services Limited – Sr. Associate
N. Rohela	45	Business Manager-Chipstock	45,24,489	33,24,969	M.Sc. (Agriculture)	20	27.06.2022	Pepsico India Holdings Private Limited – Regional Manager
S. K. Das	48	Head Channel Sales	42,22,000	32,41,655	B.Sc. (Agriculture)	21	15.04.2022	Utkal Tubers India Private Limited – National Sales Manager
T. Pant	57	Head - Seed Production	42,03,348	31,44,700	M.Sc. (Agriculture)	29	01.08.2001	Indomint Agriproducts Private Limited – Area Manager
D. K. Suman	48	Head – Contract Farming	38,00,614	28,45,660	M.Sc. (Breeding & Genetic Resources)	24	23.08.2021	Mc Cain Foods India Private Limited – Sr. Manager Agriculture Operations
Girish Gautam	48	Head -Corporate Farms	22,74,294	17,38,810	PhD - Vegetable Science	22	05.07.2023	Mahindra HZPC

* On deputation from ITC Limited, holding company (ITC).

Notes:

- Gross remuneration includes salary, variable pay / performance bonus, long-term incentives, allowances & other benefits / applicable perquisites borne by the Company, except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less income tax, education cess deducted at source and employee's own contribution to provident fund.
- Certain employees (including deputed employees) have been granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since these Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Options, and accordingly the said grant has not been considered as remuneration.
- All appointments (except deputed employees) are contractual in accordance with terms and conditions as per your Company's rules.
- The aforesaid employees are / were neither relative of any Director of your Company nor hold any equity share in your Company.

For and On behalf of the Board

S. Sivakumar
Chairman

Dated : 10th June, 2024

Annexure 2 to the Report of the Board of Directors**Annual Report on CSR Activities of the Company for the Financial Year ended 31st March, 2024**

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

1. A brief outline on CSR Policy of the Company:

Technico Agri Sciences Limited (TASL), a wholly owned subsidiary of ITC Limited (ITC), discharges its Corporate Social Responsibilities (CSR) by aligning itself with the CSR Policy of ITC.

TASL, accordingly, undertakes CSR activities:

- as listed in Schedule VII to the Companies Act, 2013 (Act), in line with the CSR initiatives of ITC and as approved by the CSR Committee of the Board of the Company;
- directly or through a registered trust or a registered society or a company established under Section 8 of the Act; TASL may also contribute to the corpus of a registered trust or a registered society or a company under Section 8 of the Act, established by ITC or otherwise, provided (i) such trust / society / company is created exclusively for undertaking CSR activities or (ii) the corpus of such trust / society / company is created exclusively for a purpose directly relatable to a subject covered in Schedule VII to the Act. Such trust / society / company should also have an established track record of undertaking CSR activities for three years.

TASL may collaborate with ITC or other companies for undertaking CSR activities.

2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. S. Sivakumar (Chairman of the Committee)	Chairman & Non-Executive Director	2	2
2.	Mr. D. Ashok	Member - Non- Executive Director		2
3.	Mr. David McDonald*	Member - Non- Executive Director		2

* Ceased to be a member w.e.f. 4th May, 2024

- The web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: www.technituberindia.com.
- Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable: **Not Applicable**
- Average net profit of the Company as per Sub-section (5) of Section 135: ₹ 6429.12 lakhs
 - Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 128.58 lakhs
 - 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 [(b)+(c)-(d)]: ₹ 128.58 lakhs
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 134.19 lakhs
 - Amount spent in Administrative Overheads: Nil
 - Amount spent on Impact Assessment, if applicable: **Not Applicable**
 - Total amount spent for the financial year [(a)+(b)+(c)]: ₹ 134.19 lakhs
 - CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (₹)	Date of transfer	Name of the Fund	Amount (₹)	Date of transfer
₹ 134.19 lakhs	Not Applicable				

f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	128.58
(ii)	Total amount spent for the financial year	134.19
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5.61
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	–
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5.61

The total CSR expenditure during the financial year 2023-24 amounts to ₹ 134.19 lakhs against an obligation of ₹ 128.58 lakhs. The Company does not propose to carry forward and set-off such excess expenditure in the succeeding financial years.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2020-21	Not Applicable						
2	2021-22							
3	2022-23							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

☐ Yes

☒ No

If Yes. Enter the number of Capital assets created/ acquired: **Not applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number if applicable	Name	Registered Address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of Section 135: **Not Applicable**

On behalf of the Board

Dharmarajan Ashok
Director

S. Sivakumar
Chairman CSR Committee

Dated : 10th June, 2024

**Annexure 3 to the Report of the Board of Directors for the Financial Year
ended 31st March, 2024**

FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

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

a)	Name(s) of the related party and nature of relationship	ITC Limited, the Holding Company (ITC)
b)	Nature of contracts / arrangements / transactions	Sale of potatoes (Chipstock) and seed potatoes to ITC.
c)	Duration of the contracts / arrangements / transactions	1st April, 2023 to 31st March, 2024
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The Company sold Chipstock for processing and potatoes for edible purposes to ITC having aggregate sale value of ₹ 6733.26 lakhs.
e)	Date(s) of approval by the Board, if any	23rd March, 2023
f)	Amount paid as advances, if any	Nil

For and On behalf of the Board

Dated : 10th June, 2024

**S. Sivakumar
Chairman**

Annexure 4 to the Report of the Board of Directors for the Financial Year ended 31st March, 2024

SECRETARIAL AUDIT REPORT (Form No. MR-3)

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

For the financial year ended 31st March 2024

To
The Members
Technico Agri Sciences Limited
(CIN U01111DL1999PLC098646)
25, Community Centre Basant Lok,
Vasant Vihar, South West Delhi, 110057

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TECHNICO AGRI SCIENCES LIMITED** (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, registers, papers, minute books, forms and returns filed and other records maintained by the Company and available on MCA portal and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2024, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, registers, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Depositories Act, 2018 and the Regulations and bye-laws framed thereunder;
- 3) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 4) Specific laws applicable as mentioned hereunder:
(a) The Seeds Act, 1966.

The Company is an unlisted public company and wholly owned subsidiary of a listed company.

I have also examined compliance with the applicable clauses of the Secretarial Standards pursuant to Section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

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

I further report that the Board of Directors of the Company is duly constituted. 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.

- Adequate notices were given to all Directors to schedule the Board Meetings, including committees thereof, along with agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions are carried unanimously.
- During the period under review, the Company has spent Rs. 134.19 lakhs towards the CSR activities covered under Schedule VII of the Act as against the minimum spending requirement of Rs. 128.58 lakhs in terms of Section 135 of the Act read with the Rules made thereunder.

I further report that there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there was no event / action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

I further report that during the audit period, there were no instances of:

- i. Public / Rights / Preferential Issue of Shares /Sweat Equity.
- ii. Redemption / Buy-Back of Securities.
- iii. Merger / Amalgamation / Reconstruction etc.
- iv. Foreign Technical Collaborations.

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

For S. K. SIKKA & ASSOCIATES
Company Secretaries

Place: Chandigarh
Date: 23.04.2024

(Sushil K. Sikka)
Prop.

FCS 4241, CP 3582
Peer Review Cert. No. 1057/2021
UDIN: F004241F000216961

Annexure –A to Secretarial Auditors’ Report

To
The Members
Technico Agri Sciences Limited
(CIN U01111DL1999PLC098646)
25, Community Centre Basant Lok,
Vasant Vihar, South West Delhi, 110057

My Secretarial Audit Report for Financial Year ended on 31st March 2024 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
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 procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. K. SIKKA & ASSOCIATES
Company Secretaries

(Sushil K. Sikka)
Prop.

Place: Chandigarh
Date: 23.04.2024

Annexure 5 to the Report of the Board of Directors for the Financial Year ended
31st March, 2024

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

i. Conservation of Energy:

Your Company continued to make efforts to improve its energy usage efficiencies. Various key performance indicators like energy consumed per unit of production, trends in total energy consumed over the years etc. are constantly tracked to monitor energy consumption. However, the total cost of energy in your Company's operations is quite small. Some of the measures adopted include:

1. Installation of energy efficient cooling systems.
2. Replacement of conventional light bulbs etc. with higher efficiency Light Emitting Diodes (LEDs), for efficient energy usage by lighting systems.
3. Installation of large glass windows at Facility and Company's office for utilising natural sunlight, thereby reducing the electricity consumption.

Given the overall operations and present as well as future energy requirements, your Company is considering an active proposal for using alternate energy sources.

ii. Research and Development

Your Company continues to be engaged in Research and Development activities in both TECHNITUBER® seed potato production as well as field generated seed potato production with the objectives of reducing consumption of water and fertilisers, experiencing with new climate/disease resilient varieties of seed potatoes, using new chemicals to minimise disease pressure, thereby, reducing agricultural risk to its farmers, enhancing farm yields etc.

iii. Technology Absorption

During the year under review, no specific knowhow or technology was imported by the Company. However, the Company continues to adopt and use the latest technologies to improve the efficiency and effectiveness of its business operations leading to product improvement, cost reduction, product development and import substitution.

iv. Foreign Exchange Earnings and Outgo (₹ in lakhs)

Foreign Exchange Earnings	: 68.66
Foreign Exchange Outgo	: 17.19

On behalf of the Board

Dated : 10th June, 2024

S. Sivakumar
Chairman

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF TECHNICO AGRI SCIENCES LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Technico Agri Sciences Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 financial statements under the provisions of the Act 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 audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director report, but does not include the 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 conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - a) The management has represented that, to the best of its knowledge and belief, 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;
 - b) The management has represented that, to the best of its knowledge and belief, 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
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.
 - vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Ajay Bansal

Partner

Membership Number: 502243

UDIN: 24502243BKCEWV3823

Place of Signature: Gurugram

Date: April 30, 2024

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT ON EVEN DATE"

Re: Technico Agri Sciences Limited ('the Company')

- (a) (A) The Company has maintained proper records showing full particulars, including situation and quantitative details of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3.1 to the financial statements included in property, plant and equipment are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory and biological assets has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed. Inventories and biological assets lying with third parties have been confirmed by them as at March 31, 2024 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.
- (b) As disclosed in note 11 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The monthly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.

- (vii) (a) The Company is regular in depositing with appropriate authorities 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 other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues of income-tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Period to which the amount relates	Amount involved (INR in lakhs)	Forum where dispute is pending
Income tax Act, 1961	Income tax demand	Assessment Year 2016-2017	1,066.85	Commissioner of Income tax (appeals)
Income tax Act, 1961	Income tax demand	Assessment Year 2017-2018	1,286.16	Commissioner of Income tax (appeals)
Income tax Act, 1961	Income tax demand	Assessment Year 2018-2019	982.03	Commissioner of Income tax (appeals)
Income tax Act, 1961	Income tax demand	Assessment Year 2020-2021	1,168.03	Commissioner of Income tax (appeals)
Income tax Act, 1961	Income tax demand	Assessment Year 2022-2023	1,953.23	Commissioner of Income tax (appeals)

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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

- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(e) of the Order is not applicable to the Company.

- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

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

- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) As represented to us by the management, the whistle blower policy is not applicable to the company.

- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order in so far as it relates to section 177 of the Act is not applicable to the Company.

- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business

- (b) The Company has an internal audit cycle commencing from October 01, 2022 and ending on September 30, 2023, for which report was considered by us.

- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

- (d) There is not more than one CIC as part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

- (xvii) The Company has not incurred cash losses during the year and in the immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

- (xix) On the basis of the financial ratios disclosed in note 44 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 31 to the financial statements.

- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 31 to the financial statements.

- (xxi) The company does not have any subsidiaries, associates, joint ventures. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Ajay Bansal

Partner

Membership Number: 502243

UDIN: 24502243BKCEWV3823

Place of Signature: Gurugram

Date: April 30, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TECHNICO AGRI SCIENCES LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Technico Agri Sciences Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the 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 ("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 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 with reference to these financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Ajay Bansal**

Partner

Membership Number: 502243

UDIN: 24502243BKCEWV3823

Place of Signature: Gurugram

Date: April 30, 2024

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2024

(Amount in ₹ lakhs)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3.1	4109.57	2370.84
(b) Capital work-in-progress	3.1	95.63	–
(c) Intangible assets	3.2	185.50	4.17
(d) Intangible assets under development	3.3	14.38	1.06
(e) Right-of-use assets	3.4,33	151.88	190.37
(f) Financial assets			
(i) Other financial assets	6	12.67	11.87
(g) Deferred tax assets (net)	7	–	8.42
(h) Other non-current assets	8	125.52	25.22
Total non-current assets		4695.15	2611.95
Current assets			
(a) Inventories	9	7106.85	6165.62
(b) Biological assets other than bearer plants	4	14748.73	14064.73
(c) Financial assets			
(i) Investments	5	7089.43	–
(ii) Trade receivables	10	223.83	116.78
(iii) Cash and cash equivalents	11	465.94	108.96
(iv) Other bank balances	12	1050.00	4525.00
(v) Other financial assets	6	34.77	201.54
(d) Other current assets	8	191.65	115.88
Total current assets		30911.20	25298.51
Total assets		35606.35	27910.46
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	3796.28	3796.28
(b) Other equity	14	11913.65	10598.96
Total equity		15709.93	14395.24
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	33	154.24	194.02
(ii) Other financial liabilities	17	7.54	34.98
(b) Provisions	15	27.14	22.97
(c) Deferred tax liabilities (net)	7	0.64	–
Total non-current liabilities		189.56	251.97
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	33	39.78	34.38
(ii) Trade payables			
– total outstanding dues of micro enterprises and small enterprises	16	0.20	0.02
– total outstanding dues of creditors other than micro enterprises and small enterprises	16	8020.24	6781.23
(iii) Other financial liabilities	17	514.24	519.90
(b) Contract liabilities	18	6356.03	2324.68
(c) Other current liabilities	19	86.96	67.95
(d) Liabilities for current tax (net of advance income tax including TDS recoverable)		4592.49	3455.17
(e) Provisions	15	96.92	79.92
Total current liabilities		19706.86	13263.25
Total liabilities		19896.42	13515.22
Total equity and liabilities		35606.35	27910.46

The accompanying notes 1 to 47 are an integral part of the standalone financial statements

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

For SRBC & Co LLP

Firm registration number: 324982E/E300003

Chartered Accountants

Ajay Bansal

Partner

Membership no.: 502243

For and on behalf of the Board of Directors of Technico Agri Sciences Limited**S. Sivakumar**

Chairman

DIN : 00341392

Hyderabad

Sanjeev Madan

Chief Financial Officer

Chandigarh

Dharmarajan Ashok

Director

DIN : 00463007

Kolkata

Vanshika Kapur

Company Secretary

Chandigarh

Nripendra Kumar Jha

Chief Executive Officer

Chandigarh

Place: Gurugram

Date: 30 April, 2024

Date: 30 April, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2024

		(Amount in ₹ lakhs)	
Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
I Revenue from operations	20	32395.38	25776.57
II Other income	21	800.13	600.88
III Total Income (I+II)		33195.51	26377.45
IV Expenses			
Cost of raw material and components consumed	22	1466.36	1382.22
Purchases of stock-in-trade and biological assets	23	7896.80	8794.53
Changes in inventories of finished goods, stock-in-trade and biological assets	24, 4	(1634.52)	(6233.98)
Employee benefits expense	25	2119.71	1822.62
Finance costs	26	16.22	18.69
Depreciation and amortisation expense	27	330.74	262.63
Other expenses	28	17986.74	15447.41
Total expenses (IV)		28182.05	21494.12
V Profit before tax (III-IV)		5013.46	4883.33
VI Tax expenses :			
(1) Current tax	29	1223.99	749.66
(2) Deferred tax	7, 29	8.33	(4.71)
Total tax expenses		1232.32	744.95
VII Profit for the year (V-VI)		3781.14	4138.38
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of net defined benefit liability	35	1.86	4.71
(ii) Tax relating to items that will not be reclassified to profit or loss		(0.73)	(1.18)
Total other comprehensive income/(loss) (i + ii)		1.13	3.53
IX Total comprehensive income for the year (VII+VIII)		3782.27	4141.91
Earnings per share (in ₹) [(Face value ₹ 10 each (31 March 2023 : ₹ 10)]	30		
(1) Basic		9.96	10.90
(2) Diluted		9.96	10.90

The accompanying notes 1 to 47 are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

For SRBC & Co LLP

Firm registration number: 324982E/E300003
Chartered Accountants

Ajay Bansal

Partner
Membership no.: 502243

Place: Gurugram
Date: 30 April, 2024

For and on behalf of the Board of Directors of Technico Agri Sciences Limited

S. Sivakumar
Chairman
DIN : 00341392
Hyderabad

Sanjeev Madan
Chief Financial Officer
Chandigarh

Date: 30 April, 2024

Dharmarajan Ashok
Director
DIN : 00463007
Kolkata

Vanshika Kapur
Company Secretary
Chandigarh

Nripendra Kumar Jha
Chief Executive Officer
Chandigarh

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2024

Particulars	For the year ended 31 March 2024	(Amount in ₹ lakhs) For the year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	5013.46	4883.33
Adjustments for :		
Depreciation and amortization expense	330.74	262.63
Write-down of Inventories	578.56	1086.69
Gain on sale of property, plant and equipment	(1.65)	(12.86)
Gain on sale of current investments	(197.75)	(46.01)
Gain on fair value measurement of investments	(37.91)	–
Interest expense	16.22	18.69
Interest income	(437.48)	(415.88)
Operating profit before changes in working capital	5264.19	5776.59
Changes in operating assets and liabilities		
Trade receivables	(107.05)	426.62
Inventories	(1519.79)	(3927.66)
Biological assets other than bearer plants	(684.00)	(3372.40)
Other financial assets	56.68	(53.80)
Other non-current assets	(1.36)	(2.49)
Other current assets	(75.77)	3.23
Trade payables	1239.19	865.98
Provisions	21.17	4.92
Other financial liabilities	(40.92)	192.98
Other current liabilities	4050.36	(895.32)
Cash generated/(used in) from operations	8202.70	(981.35)
Taxes paid (Including TDS recoverable)	(86.67)	(59.93)
Net cash generated/(used in) from operating activities (A)	8116.03	(1041.28)
Cash flows from investing activities		
Purchase of property, plant and equipment & Intangibles	(2419.92)	(1061.38)
Purchase of current investments	(62118.89)	(14434.28)
Proceeds from sale/redemption of current investments	55265.12	18100.80
Investment in bank deposits	(13655.00)	(14850.00)
Redemption/maturity of bank deposits	17130.00	12758.00
Proceeds from sale of property, plant and equipment	11.46	18.88
Interest received	546.36	324.67
Net cash (used in)/from investing activities (B)	(5240.87)	856.69
Cash flows from financing activities		
Interest paid (Refer Note 33)	(16.22)	(18.69)
Interim dividend paid	(2467.58)	–
Principal payment of lease liabilities (Refer Note 33)	(34.38)	(29.49)
Net cash (used in) financing activities (C)	(2518.18)	(48.18)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	356.98	(232.77)
Cash and cash equivalents at the beginning of the financial year	108.96	341.73
Cash and cash equivalents at end of the year (Refer Note 11)	465.94	108.96
Cash and cash equivalents as per above comprise of the following		
(a) Balances with Banks		
- In current account	465.74	108.96
(b) Cash on hand	0.20	–
Total Cash and cash equivalents (Refer Note 11)	465.94	108.96

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 "Statement of cash flows".
- The Company does not have any significant cash and cash equivalents that are not available for use.
- The accompanying notes 1 to 47 are an integral part of the standalone financial statements.

This is the cash flow statement referred to in our report of even date.

For SRBC & Co LLP

Firm registration number: 324982E/E300003
Chartered Accountants

Ajay Bansal

Partner
Membership no.: 502243

For and on behalf of the Board of Directors of Technico Agri Sciences Limited

S. Sivakumar

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DIN : 00463007
Kolkata

Vanshika Kapur
Company Secretary
Chandigarh

Nripendra Kumar Jha

Chief Executive Officer
Chandigarh

Place: Gurugram
Date: 30 April, 2024

Date: 30 April, 2024

A. Equity Share Capital

(Amount in ₹ lakhs)

Particulars	Number of Shares	Amount
For the year ended 31 March 2024		
Equity shares of ₹ 10 each issued, subscribed and fully paid At 1 April 2023	37962800	3796.28
Changes in Equity Share Capital due to prior period errors	—	—
Restated balance at 1 April 2023	37962800	3796.28
Changes in Equity Share Capital during the year	—	—
At 31 March 2024	37962800	3796.28
For the year ended 31 March 2023		
Equity shares of ₹ 10 each issued, subscribed and fully paid At 1 April 2022	37962800	3796.28
Changes in Equity Share Capital due to prior period errors	—	—
Restated balance at 1 April 2022	37962800	3796.28
Changes in Equity Share Capital during the year	—	—
At 31 March 2023	37962800	3796.28

B. Other Equity

(Amount in ₹ lakhs)

For the year ended 31 March 2024

Particulars	Retained Earnings
As at 1 April 2023	10598.96
Changes in accounting policy or prior period errors	-
Restated balance as at 1 April 2023	10598.96
Profit for the period	3781.14
Other Comprehensive income (net of tax)	1.13
Total comprehensive income for the current year	3782.27
Interim dividend paid	(2467.58)
At 31 March 2024	11913.65

For the year ended 31 March 2023

Particulars	Retained Earnings
As at 1 April 2022	6457.05
Changes in accounting policy or prior period errors	-
Restated balance as at 1 April 2022	6457.05
Profit for the period	4138.38
Other Comprehensive income (net of tax)	3.53
Total comprehensive income for the previous year	4141.91
Interim dividend paid	-
At 31 March 2023	10598.96

The accompanying notes 1 to 47 are an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our report of even date.

For SRBC & Co LLP

Firm registration number: 324982E/E300003
Chartered Accountants

Ajay Bansal

Partner
Membership no.: 502243

For and on behalf of the Board of Directors of Technico Agri Sciences Limited

S. Sivakumar

Chairman
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Chandigarh

Sanjeev Madan

Chief Financial Officer
Chandigarh

Vanshika Kapur

Company Secretary
Chandigarh

Place: Gurugram
Date: 30 April, 2024

Date: 30 April, 2024

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

1. Nature of Operations

Technico Agri Sciences Limited (CIN No U01111DL1999PL09646) is a Company limited by shares, incorporated in India. Its registered office is situated at 25 Community Centre, Basant Lok, Vasant Vihar, Delhi and principal place of business is at SCO - 835, First and Second Floor, NAC, Sector 13 (Manimajra), Chandigarh. The Company is a wholly owned subsidiary of ITC Limited. The Company is primarily in the Agricultural Bio-Technology business of growing and selling TECHNITUBER® Seed Potatoes and Field Generated Seed Potatoes and also engaged in trading in Field Generated Seed Potatoes and Fruits & Vegetables. (Refer note 4 for further details of operations of the Company).

2. Material Accounting Policies

a. Statement of Compliance

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

The Company adopted Ind AS from 1st April, 2016 with the date of transition being 1 April, 2015.

b. Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair values, as explained in the accounting policies. The financial statements are presented in Rupees Lakhs.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 – Share based Payment, leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In case of biological assets, cost approximates fair value when little biological transformation has taken place since initial cost incurrence or the impact of the biological transformation on price is not expected to be material.

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

c. Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d. Revenue

Revenue is recognized based on the transaction price that the Company receives or expects to receive as consideration, net of estimated returns, credit notes and discounts. Revenue excludes Goods & Services Tax, where applicable on the supply of goods and services.

The Company recognises revenue when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable and specific criteria have been met for each of the company's activities as described below:

(i) Sale of Goods and Services

Sales are recognised when the control over goods are transferred to the customer, which is mainly upon dispatch / delivery. Revenue from services is recognised in the periods in which the services are rendered.

(ii) Rental income

Rental income is recognised in the Statement of Profit and Loss as per lease terms.

e. Property, Plant and Equipment

Property, plant & equipment (PP&E) are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

For this purpose, cost includes deemed cost which represents the carrying value of PP&E recognised as at 1 April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP).

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of PP&E are depreciated in a manner that amortises the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of other PP&E of the Company are as follows:

Buildings	30-60 Years
Leasehold Improvements	Shorter of lease/license period or estimated useful life.
Plant and Equipment	8 – 15 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers and Servers	3 – 6 Years
Office Equipment	5 Years

PP&E's residual values and useful lives of property, plant and equipment are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

f. Intangible Assets

Intangible assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination or by way of a government grant, at fair value on the date of acquisition / grant.
- for separately acquired assets, at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP.

After initial recognition, an intangible asset is carried at cost less accumulated amortization and / or impairment losses.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., patents, licenses, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes) or commercial obsolescence (e.g., lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized. However, it is annually tested for impairment.

Amortization expenses and impairment losses and reversal of impairment losses are included in the 'Depreciation and amortization expense' in the Statement of Profit and Loss.

The estimated useful lives of intangible assets of the Company with finite lives are as follows:

Trademarks / Know how, Business and Commercial Rights	10 years (unless shorter useful life is required based on contractual terms or legal terms)
Computer Software	5 years
Customer Relationships	8 years

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

g. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

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

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

h. Biological Assets and Agricultural Produce

The Company's operations include activities which are agricultural in nature and are subject to the recognition, measurements and disclosure requirements of Ind AS 41 - Agriculture. Biological Assets are recognised when the Company controls the assets as a result of past events and it is probable that the future economic benefits associated with the asset will flow to the Company and fair value can be measured reliably. On initial recognition and at the end of each reporting period, the biological assets are measured at fair value less cost to sell. Cost to sell includes the incremental cost to sell including commission to traders, brokers and dealers and estimated cost to transport to the market but excludes finance

costs and income taxes. Harvested biological assets (i.e. agriculture produce) are transferred to inventory at fair value less costs to sell when harvested.

Cost approximates fair value when little biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material. Gains and losses arising on initial recognition of both biological asset and agricultural produce and any subsequent changes in fair value are recognised in the statement of Profit and Loss in the period in which they arise.

Cost for this purpose includes all direct costs incurred up to the stage of production of the respective inventories.

i. Inventories

Inventories are valued as follows:

(i) Raw materials & components and Stores & Spares

At cost, arrived at on FIFO basis or net realizable value, whichever is lower. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition.

(ii) Traded goods

At cost arrived at on FIFO basis or net realizable value, whichever is lower. Costs are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and sale.

(iii) Agricultural Produce

Agricultural produce is recognized at fair value less costs to sell at the date of harvest. Once harvested, these goods are subsequently accounted for under Ind AS 2 in the same manner as other inventories purchased from third parties.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

j. Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.

Gains / losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

k. Financial Instruments, Financial Assets, Financial Liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

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

Financial assets are classified as those measured at:

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

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

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

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

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

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

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

Offsetting Financial Instruments

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

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

I. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. In the event that the proceeds have been drawn down or is likely to be drawn down in its entirety, any difference between the proceeds (net of transaction costs, including fees paid on establishing the loan facility) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. To the extent that it is probable that some or all of the facility will not be drawn down, the fee is capitalised as prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

m. Employee Benefits

(i) **Short Term Employee Benefits:** Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognized for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

(ii) **Provident Fund and Employee State Insurance Scheme:** Contribution towards provident fund and employee state insurance scheme for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The contributions are charged to the statement of Profit and Loss of the year, when the contributions to the respective funds are due.

(iii) **Gratuity:** Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or loss on account of remeasurement are recognised immediately through Other Comprehensive Income in the period in which

The Company has taken a Policy with Life Insurance Corporation of India (LIC) to cover the gratuity liability with respect to the employees and the premium paid to LIC is charged to Statement of Profit & Loss. The difference between the actuarial valuation of the gratuity with respect to employees at the year-end and the contribution paid to LIC is further adjusted in the books of accounts.

(iv) **Compensated Absences:** Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. Actuarial gains / losses are recognised in the Statement of Profit and Loss in the year in which they arise. The benefit is unfunded and is categorized as 'other long term benefit' in the financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

n. Employee Share Based Compensation

The cost of stock options and stock appreciation units granted by ITC Limited, the Holding Company, to certain employees of the company / holding company on deputation is recognized at fair value. These Schemes are in the nature of equity settled / cash settled share based compensation and are assessed, managed / administered by the Holding Company.

In case of stock options, the fair value of stock options at the grant date is amortised on a straight line basis over the vesting period and cost recognized as employee benefits expenses in the Statement of Profit and Loss with a corresponding credit in equity, net of reimbursements, if any.

In case of stock appreciation units, the fair value of stock appreciation units at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognized as employee benefits expenses in the Statement of Profit and Loss with a corresponding increase in other financial liabilities.

o. Taxes on Income

Taxes on income comprise current taxes and deferred taxes.

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted or substantively enacted, if applicable during the period, together with any adjustment to tax payable in respect of previous years.

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

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

Income tax, insofar as it relates to items disclosed under Other Comprehensive Income or Equity, are disclosed separately under Other Comprehensive Income or Equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

p. Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Right of Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease unless the receipts increase in line with expected general inflation to compensate for expected inflationary cost increases, in which case, the same is recognised in accordance with the terms of the lease.

The Company recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on

lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities are also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease unless the receipts increase in line with expected general inflation to compensate for expected inflationary cost increases, in which case, the same is recognised in accordance with the terms of the lease.

q. Provisions

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

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

r. Claims

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

s. Dividend Distribution

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

t. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. (Refer Note - 42)

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

"Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives / costs attributable to the Company as a whole and are not attributable to segments.

u. Cash and cash equivalents

Cash and cash equivalents in the Statement of Cash Flows include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

v. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

3.1. Property, plant and equipment

(Amount in ₹ lakhs)

Particulars	Land (Freehold)	Buildings	Plant and equipment	Furniture and fixtures	Leasehold properties - Building improvements	Office equipment	Computers, servers & other IT equipments	Vehicles	Total
Gross carrying amount									
At 1 April 2022	149.13	250.09	1669.17	7.21	23.35	10.75	104.78	71.26	2285.74
Additions	-	474.53	533.46	12.61	30.51	3.22	33.59	15.17	1103.09
Disposals	-	-	(18.52)	(0.19)	-	(0.12)	(3.35)	-	(22.18)
At 31 March 2023	149.13	724.62	2184.11	19.63	53.86	13.85	135.02	86.43	3366.65
Additions	1298.73	-	615.40	6.84	-	0.22	55.30	44.16	2020.65
Disposals	-	-	(22.75)	-	-	-	-	-	(22.75)
At 31 March 2024	1447.86	724.62	2776.76	26.47	53.86	14.07	190.32	130.59	5364.55
Accumulated Depreciation									
At 1 April 2022	-	84.01	600.94	3.59	20.89	2.45	57.56	19.98	789.42
Charge for the year	-	12.77	168.07	0.96	4.01	2.20	25.33	9.21	222.55
Disposals	-	-	(13.96)	(0.14)	-	(0.10)	(1.96)	-	(16.16)
At 31 March 2023	-	96.78	755.05	4.41	24.90	4.55	80.93	29.19	995.81
Charge for the year	-	20.04	198.51	1.55	4.97	2.59	35.54	11.19	274.39
Disposals	-	-	(15.22)	-	-	-	-	-	(15.22)
At 31 March 2024	-	116.82	938.34	5.96	29.87	7.14	116.47	40.38	1254.98
Net carrying amount									
At 31 March 2023	149.13	627.84	1429.06	15.22	28.96	9.30	54.09	57.24	2370.84
At 31 March 2024	1447.86	607.80	1838.42	20.51	23.99	6.93	73.85	90.21	4109.57
Capital work-in-progress									
At 31 March 2023	-	-	-	-	-	-	-	-	-
At 31 March 2024	-	-	-	-	-	-	-	-	95.63

Note :

- In respect of land admeasuring (01-04) bighas amounting to ₹ 0.88 lakh, the Company has received favorable order dated 28th March, 2018 passed by the court of Civil Judge, Nalagarh, Distt. Solan, Himachal Pradesh. The statutory time limit for filing an appeal and other remedial measures as permitted under law has elapsed and the execution proceedings in favour of the Company are in process. Accordingly, it has been concluded that the land is held in the name of the Company.
- Land amounting ₹101.99 lakhs (Previous Year ₹101.99 lakhs) has been given to holding company on operating lease.

Capital work in progress (CWIP) Ageing Schedule

(Amount in ₹ lakhs)

As at 31 March 2024					
Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	95.63	-	-	-	95.63
Projects temporarily suspended	-	-	-	-	-
Total	95.63	-	-	-	95.63
As at 31 March 2023					
Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

3.2 Intangible assets

(Amount in ₹ lakhs)

Particulars	Technical know how*	Computer software	Trademarks	Total
Gross carrying amount				
At 1 April 2022	-	21.51	0.50	22.01
Additions	-	-	-	-
At 31 March 2023	-	21.51	0.50	22.01
Additions	-	199.19	-	199.19
At 31 March 2024	-	220.70	0.50	221.20
Accumulated amortization				
At 1 April 2022	-	15.83	0.30	16.13
Charge for the year	-	1.66	0.05	1.71
At 31 March 2023	-	17.49	0.35	17.84
Charge for the year	-	17.82	0.04	17.86
At 31 March 2024	-	35.31	0.39	35.70
Net carrying amount	-	-	-	-
At 31 March 2023	-	4.02	0.15	4.17
At 31 March 2024	-	185.39	0.11	185.50

* Gross block of ₹ 938.37 lakhs, accumulated depreciation ₹ 938.37 lakhs has been shown as ₹ Nil as the Company had elected to consider carrying value as deemed cost at the date of transition to Ind AS.

3.3 Intangible assets under development

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Computer software	14.38	1.06
	14.38	1.06

Intangible Assets under development Ageing Schedule

(Amount in ₹ lakhs)

As at 31 March 2024

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	14.38	-	-	-	14.38
Projects temporarily suspended	-	-	-	-	-
Total	14.38	-	-	-	14.38

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

As at 31 March 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.06	–	–	–	1.06
Projects temporarily suspended	–	–	–	–	–
Total	1.06	–	–	–	1.06

3.4 Right-of-use assets

(Amount in ₹ lakhs)

Particulars	Building	Total
Gross carrying amount		
At 1 April 2022	202.95	202.95
Additions	93.89	93.89
Disposals	–	–
At 31 March 2023	296.84	296.84
Additions	–	–
Disposals	–	–
At 31 March 2024	296.84	296.84
Accumulated amortization		
At 1 April 2022	68.09	68.09
Charge for the year	38.38	38.38
Disposals	–	–
At 31 March 2023	106.47	106.47
Charge for the year	38.49	38.49
Disposals	–	–
At 31 March 2024	144.96	144.96
Net carrying amount		
At 31 March 2023	190.37	190.37
At 31 March 2024	151.88	151.88

4. Biological assets other than bearer plants

(Amount in ₹ lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening value of biological assets	14064.73	10692.33
Biological assets acquired during the year	155.10	169.66
Cost Incurred during the year	17466.89	14917.95
Changes in fair value*	6064.37	6367.13
Biological assets sold during the year	(21748.76)	(16844.02)
Harvested potatoes transferred to inventories and sold during the year	(314.74)	(798.99)
Harvested potatoes transferred to inventories on 31st March (Refer Note 9)	(938.86)	(439.33)
Closing value of biological assets	14748.73	14064.73

* Represents aggregate gain/(loss) arising on account of change in fair value less costs to sell during the year.

As at 31 March 2024, the Company had 16096110 Nos. TECHNITUBER® Seed Potatoes (31 March 2023 - 12816751 Nos.).

As at 31 March 2024, there were 102762 MT of field generated seed potatoes (31 March 2023 - 102486 MT). During the year, output of agricultural produce (potatoes) is 13390 MT (31 March 2023 - 14522 MT).

In October 2023 - 20827 MT (October 2022 - 20210 MT) of seed potatoes were planted and in February/March 2024 - 126806 MT (February/March 2023 - 121825 MT) of seed potatoes were harvested as a result of quantitative biological transformation.

Estimated amount of contracts remaining to be executed for acquisition / development of biological assets as at 31 March 2024 ₹ Nil (31 March 2023- ₹ 5.95 lakhs).

Groups of Biological Assets : The Company's biological assets comprise– TECHNITUBER® Seed and Field Generated Seed Potatoes under Ind AS 41 – Agriculture.

TECHNITUBER® Seed: The TECHNITUBER® seed i.e. Generation – 0 (G-0) are produced by the Company in the greenhouse/nurseries maintained at the facility situated at village Manpura, District Solan (HP). These seeds are produced through TECHNITUBER® Technology in greenhouses/nurseries under controlled environment which involves a complex series of integrated processes being applied to pathogen tested tissue culture plantlets.

Field Generated Seed Potatoes : TECHNITUBER® seed produced through TECHNITUBER® technology are multiplied by growing high yielding early generation seed potatoes in farms. TECHNITUBER® seed (G-0) are planted in farms for further growing to the next stage i.e. G-1. These G-1 Seeds are again multiplied next year into G-2 and so

on till it is ready for sale. The multiplication of G-0 to G-1 takes place in Company leased farms and the entire agricultural activity is conducted by the Company's agronomy team. The Company also grows early generation seed potatoes of G-2 onwards on leased land under a Seed Multiplication Agreement with select growers supervised by the Company's agronomy team as per strict agronomy protocols.

The Company manages the biological transformation of its seed potatoes and monitors multiplication of the cycle(s) / generation(s) of such seed potatoes, which falls within the ambit of agricultural activity in accordance with Ind AS 41-Agriculture. This agricultural activity leads to the harvest of biological assets for sale or for conversion into agricultural produce or into additional biological assets. As these biological assets are consumable in nature, the operating cycle of biological transformation is less than one year for each stage of multiplication and hence the biological assets have been classified as current. During the process of managing the biological change based on certain attributes, the Company groups its biological assets depending on whether significant biological transformation has taken place since initial incurrence of cost. The marketability as a biological asset is dependent on various attributes including the potential to take the product to subsequent cycle(s) of biological transformation. The financial year end of the Company coincides with the harvest and at harvest, only quantitative biological transformation takes place, which is considered insignificant. Seed potatoes when harvested in February/March need to undergo the process of physiological ageing which takes place inside the cold stores under prescribed conditions before they are sold/transferred for further planting. Hence, as on 31 March, 2024, due to insignificant biological transformation till balance sheet date, the biological assets of the Company are valued at cost, which approximates fair value.

Agricultural Produce : Agricultural produce is the harvested product of the entity's biological assets. Where the attributes of the biological asset attain the characteristics of agricultural produce, i.e., to be used for consumption, the same is fair valued on such date and is considered as inventory thereafter.

Risk Management Strategy : The Company is exposed to market risks arising from fluctuations in the demand and price environment in potato markets. While it has no control over market behaviour, the Company seeks to continually reinforce its market standing on the strength of its proprietary technology, package of agronomy practices and farmer relationships and by diversifying the geographies in which it operates. It also aligns its production to anticipated demand and recognises and disposes excess stocks to the extent practical. Early generations of the Company's field produced seed potatoes are also exposed to the inherent risk in agriculture of crop losses due to weather or disease that it seeks to address by widening the geographical spread of farms and farmers, multiple varieties of crop (with each one of them having some resistance to virus, other diseases and climatic conditions) and expertise in agronomy. Accordingly, the Company employs its wide-ranging processes, procedures and protocols developed on the basis of its long experience, including regular inspection of crops and monitoring of weather conditions during the growing phase and preventive pest and disease sprays, to mitigate such risks.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

5. Current investments

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in mutual funds (measured at fair value through profit or loss)		
Unquoted		
Nippon India Liquid Fund	1567.62	-
26,530 (2023- Nil) Units of face value ₹ 1000.00 each		
Axis Liquid Fund	2003.22	-
74,643 (2023- Nil) Units of face value ₹ 1000.00 each		
HDFC Liquid Fund	2016.23	-
42,504 (2023- Nil) Units of face value ₹ 1000.00 each		
ICICI Prudential Liquid Fund		
420,351 (2023- Nil) Units of face value ₹ 100.00 each	1502.36	-
Total unquoted investments	7089.43	-
Total Current Investments	7089.43	-
Total current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	7089.43	-
Aggregate amount of impairment in the value of investments	-	-

6. Other Financial assets

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-Current		
Security deposits	12.67	11.87
Total	12.67	11.87
Current		
Interest accrued on fixed deposits	34.77	144.06
Other receivables*	-	57.48
Total	34.77	201.54

*Comprise receivables on account of claims etc.

7. Deferred tax assets/(liabilities) (net)

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	12.31	9.60
Deferred tax liabilities	(12.95)	(1.18)
Total	(0.64)	8.42

Movement in deferred tax assets/(liabilities) balances

FY 2023-24

(Amount in ₹ lakhs)

Particulars	Opening Balance	Recognized in profit or loss	Recognized in OCI	Closing Balance
Deferred tax assets in relation to:				
Others	9.60	2.71	-	12.31
Total Deferred tax assets (I)	9.60	2.71	-	12.31
Deferred tax liabilities in relation to :				
Gain on financial assets designated at FVTPL	-	11.04	-	11.04
Remeasurements of net defined benefit liability	1.18	-	0.73	1.91
Total Deferred tax liabilities (II)	1.18	11.04	0.73	12.95
Deferred tax assets/(liabilities) (net) (II - I)	8.42	(8.33)	(0.73)	(0.64)

FY 2022-23

(Amount in ₹ lakhs)

Particulars	Opening Balance	Recognized in profit or loss	Recognized in OCI	Closing Balance
Deferred tax assets in relation to:				
Others	7.37	2.23	-	9.60
Total Deferred tax assets (I)	7.37	2.23	-	9.60
Deferred tax liabilities in relation to :				
Gain on financial assets designated at FVTPL	2.48	(2.48)	-	-
Remeasurements of net defined benefit liability	-	-	1.18	1.18
Total Deferred tax liabilities (II)	2.48	(2.48)	1.18	1.18
Deferred tax assets/(liabilities) (net) (II - I)	4.89	4.71	(1.18)	8.42

8. Other assets

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Capital Advances	109.91	10.97
Unsecured considered good		
- Prepaid expenses	0.60	1.20
- Security deposits	15.01	13.05
Total	125.52	25.22
Current		
Unsecured considered good		
- Advances to suppliers	115.52	23.26
- Advances to employees	0.78	0.20
- Prepaid expenses	64.46	47.28
- Balance with government authorities	10.89	45.14
Total	191.65	115.88

9. Inventories

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Inventories (valued at lower of cost and net realisable value)		
Raw materials and components (Refer Note 22)	256.45	260.41
Finished goods (Agricultural Produce)*	938.86	439.33
Traded goods	5892.45	5441.46
Stores & Spares	19.09	24.42
Total	7106.85	6165.62

Note : Agricultural produce has been valued at fair value less cost to sell at the time of harvest.

* Agricultural produce has been written down by ₹578.56 lakhs (31 March 2023 ₹1086.69 lakhs) to arrive at fair value less cost to sell.

10. Trade receivables

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Unsecured, considered good (Refer Note 39,41)	223.83	116.78
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	1.40	1.40
Less : Allowance for Credit Impairment	(1.40)	(1.40)
Total	223.83	116.78

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

Trade receivables Ageing Schedule

(Amount in ₹ lakhs)

As at 31 March 2024						
Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	223.83	-	-	-	-	223.83
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	1.40	1.40
Total (A)	223.83	-	-	-	1.40	225.23
Less : Allowance for credit impairment	-	-	-	-	1.40	1.40
Total (B)	-	-	-	-	1.40	1.40
Net (A-B)	223.83	-	-	-	-	223.83

(Amount in ₹ lakhs)

As at 31 March 2023						
Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	116.78	-	-	-	-	116.78
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	1.40	1.40
Total (A)	116.78	-	-	-	1.40	118.18
Less : Allowance for credit impairment	-	-	-	-	1.40	1.40
Total (B)	-	-	-	-	1.40	1.40
Net (A-B)	116.78	-	-	-	-	116.78

11. Cash and cash equivalents

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Balances with Banks		
- In current account	465.74	108.96
(b) Cash on hand	0.20	-
Total	465.94	108.96

Other information :

The Company has been sanctioned Working Capital facilities of ₹ 4700 lakhs. These are secured by way of exclusive charge on current assets. The monthly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

12. Other bank balances

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
In deposit accounts*	1050.00	4525.00
Total	1050.00	4525.00

*Represents deposits with original maturity of more than 3 months and less than 12 months.

13. Equity share capital

Authorised Equity Share capital

(Amount in ₹ lakhs)

Particulars	Number of Shares	Amount
As at 1 April 2022	40000000	4000.00
Increase during the year	-	-
As at 31 March 2023	40000000	4000.00
Increase during the year	-	-
As at 31 March 2024	40000000	4000.00
Issued, subscribed and fully paid-up		
As at 1 April 2022	37962800	3796.28
Increase during the year	-	-
As at 31 March 2023	37962800	3796.28
Increase during the year	-	-
As at 31 March 2024	37962800	3796.28

13.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

(Amount in ₹ lakhs)

Particulars	Number of Shares	Share Capital Amount
Balance at 1 April 2022	37962800	3796.28
Shares issued/(bought back) during the year	-	-
Balance at 31 March 2023	37962800	3796.28
Shares issued/(bought back) during the year	-	-
Balance at 31 March 2024	37962800	3796.28

13.2 Right, preferences and restrictions attached to share

The equity shares of the company, having par value of ₹ 10 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

13.3 Details of shares held by the Holding Company

Out of equity shares issued by the Company, shares held by its Holding Company are as below :

(Amount in ₹ lakhs)

Particulars	Numbers	Amount
As at 31 March 2024		
Equity shares of ₹ 10 each fully paid		
ITC Limited, Holding Company	37962794	3796.28
ITC Limited, Holding Company, jointly with other shareholders	6	*
As at 31 March 2023		
Equity shares of ₹ 10 each fully paid		
ITC Limited, Holding Company	37962794	3796.28
ITC Limited, Holding Company, jointly with other shareholders	6	*

* Amount is below the rounding off norm adopted by the company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

13.4 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Equity Shares of ₹ 10 each fully paid				
ITC Limited, holding company	37962794	99.99%	37962794	99.99%

13.5 Details of shares held by promoters

As at 31 March 2024						
Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares held at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 10 each fully paid	ITC Limited, Holding Company	37962794	–	37962794	99.99%	–
	ITC Limited, Holding Company, jointly with other shareholders	6	–	6	0.00%	–
Total		37962800	0	37962800	100%	–
As at 31 March 2023						
Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares held at the end of the year	% of Total Shares	% change during the year
Equity shares of 10 each fully paid	ITC Limited, Holding Company	37962794	–	37962794	99.99%	–
	ITC Limited, Holding Company, jointly with other shareholders	6	–	6	0.00%	–
Total		37962800	–	37962800	100%	–

14. Other equity

Retained Earnings

(Amount in ₹ lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at beginning of year	10598.96	6457.05
Add : Profit for the year	3781.14	4138.38
Add : Other comprehensive income/(loss) arising from remeasurement of net defined benefit obligation (net of income tax)	1.13	3.53
Less : Less : Payment of interim dividend (₹ 6.5 per share, 2023 : Nil)	(2467.58)	–
Balance at end of year	11913.65	10598.96

15. Provisions

(Amount in ₹ lakhs)

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits (refer note 35)				
Provision for gratuity	27.14	22.97	–	–
Provision for leave benefits	–	–	96.92	79.92
Total	27.14	22.97	96.92	79.92

16. Trade payables

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
- Dues to micro enterprises and small enterprises	0.20	0.02
- Dues to creditors other than micro enterprises and small enterprises	8020.24	6781.23
Total	8020.44	6781.25

Notes :

The Trade payables generally become due in 15 to 30 days and settled accordingly.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

Trade payables Ageing Schedule

(Amount in ₹ lakhs)

As at 31 March 2024							
Particulars	Outstanding for following periods from due date of payment						
	Not Due	Unbilled Payables	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	0.20	–	–	–	–	–	0.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	1280.63	2771.85	3967.76	–	–	–	8020.24
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–	–
Total	1280.83	2771.85	3967.76	–	–	–	8020.44

(Amount in ₹ lakhs)

As at 31 March 2023							
Particulars	Outstanding for following periods from due date of payment						
	Not Due	Unbilled Payables	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	0.02	–	–	–	–	–	0.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	3480.07	2107.06	1194.10	–	–	–	6781.23
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–	–
Total	3480.09	2107.06	1194.10	–	–	–	6781.25

17. Other financial liabilities

(Amount in ₹ lakhs)

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Employee related payables	–	–	432.94	376.10
Deposit from dealers	–	–	1.70	1.70
Payable for fixed assets	–	–	46.90	19.08
Payable to holding company (Refer Note 41)	7.54	34.98	32.70	103.02
Total	7.54	34.98	514.24	519.90

18. Contract liabilities

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Contract liabilities	6356.03	2324.68
Total	6356.03	2324.68

Note : Out of balance as on 31 March 2023, ₹ 2226.24 lakhs (previous year ₹ 2698.79 lakhs) was recognised as revenue during the year.

19. Other current liabilities

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues including provident fund and tax deducted at source	86.96	67.95
Total	86.96	67.95

20. Revenue from operations

(Amount in ₹ lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products		
Biological assets	21748.76	16844.02
Agricultural Produce	924.45	1232.36
Traded Goods	9559.17	7505.05
	32232.38	25581.43
Other operating revenues		
Sale of old empty bags	124.30	131.90
Others*	38.70	63.24
	163.00	195.14
Total	32395.38	25776.57

* Comprise incentives from suppliers etc.

Notes :

- a) Generally the goods are dispatched against advance payment. However, in certain cases credit is allowed based on market requirements which is generally less than one year. Accordingly, there is no significant financing component.
- b) The Company primarily deals in biological assets and agricultural produce, where performance depends on germination / edible quality of product. The customer claims, if any, are generally settled within the same financial year.

21. Other income

(Amount in ₹ lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income on Bank Deposits and Others	437.48	415.88
Other non-operating income :		
Lease rental income [Refer Note 33(ii)]	124.79	123.34
Gain on disposal of property, plant and equipment	1.65	12.86
Exchange differences (net)	0.55	2.79
Gain on sale of current investments	197.75	46.01
Gain on fair value measurement of investments	37.91	–
Total	800.13	600.88

22. Cost of raw material and components consumed

(Amount in ₹ lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory at the beginning of the year	260.41	282.07
Add: purchases	1462.40	1360.56
	1722.81	1642.63
Less: inventory at the end of the year	256.45	260.41
Cost of raw material and components consumed	1466.36	1382.22

Details of raw material and components consumed

(Amount in ₹ lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Chemicals and fertilizers	275.19	217.47
Packing stores	1191.17	1164.75
Total	1466.36	1382.22

Details of inventory

(Amount in ₹ lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials and components		
Chemicals and fertilizers	29.15	35.78
Packing stores	227.30	224.63
Total	256.45	260.41

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

23. Purchases of stock-in-trade and biological assets

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Biological assets		
- Field generated seed potatoes	155.10	74.01
- Banana Tissue Culture Plantlets	-	95.65
Stock-in-trade		
- Potatoes	7741.70	8624.87
Total	<u>7896.80</u>	<u>8794.53</u>

24. Changes in inventories of finished goods, stock-in-trade and biological assets

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening Inventories (A)		
Finished goods		
- Traded goods	5441.46	2603.32
- Agricultural Produce	439.33	415.89
Biological assets	14064.73	10692.33
Closing Inventories (B)		
Finished goods		
- Traded goods	5892.45	5441.46
- Agricultural Produce	938.86	439.33
Biological assets	14748.73	14064.73
Changes in inventories of finished goods, stock-in-trade and biological assets (A)-(B)	<u>(1634.52)</u>	<u>(6233.98)</u>

25. Employee benefits expense

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	1928.17	1600.06
Contribution to provident and other funds (Refer Note 35)	73.16	62.65
Share-based payments to employees (Refer Note 36)	52.00	103.63
Staff welfare expenses	66.38	56.28
Total	<u>2119.71</u>	<u>1822.62</u>

26. Finance costs

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense :		
- Interest on lease liabilities (Refer Note 33(i))	16.22	18.69
Total	<u>16.22</u>	<u>18.69</u>

27. Depreciation and amortisation expense

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment (Refer Note 3.1)	274.39	222.54
Amortisation of intangible assets (Refer Note 3.2)	17.86	1.71
Depreciation of Right-of-use assets (Refer Note 3.4, 33(i))	38.49	38.38
Total	<u>330.74</u>	<u>262.63</u>

28. Other expenses

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	25.44	38.59
Farming Charges	7357.77	7167.67
Power and fuel	245.60	179.03
Freight and forwarding charges	2725.22	2345.76
Lease rent [Refer Note 33(i)]		
- Agricultural land	1781.11	1505.12
- Office and Others	45.35	42.31
Storage and handling cost	4118.98	3181.02
Rates and taxes	9.30	5.32
Insurance	69.60	56.27
Repairs and maintenance		
- Plant and machinery	78.20	71.64
- Buildings	9.65	31.79
- Others	34.52	58.11
Advertising and sales promotion	3.55	18.18
Sales commission	4.83	15.13
Travelling and conveyance	332.20	231.79
Telephone, postage and telegram expenses	21.66	20.93
Printing and stationery	11.27	11.09
Legal and professional fees	31.32	124.52
Information technology services	63.56	-
Payment to auditors including taxes (Refer Note 28.1 below)	13.49	13.23
Expenditure towards corporate social responsibility (CSR) (Refer Note 31)	134.19	118.48
Contribution under section 181 of the Companies Act, 2013	150.00	-
Miscellaneous expenses*	719.93	211.43
Total	<u>17986.74</u>	<u>15447.41</u>

* Miscellaneous expenses include the following contribution made to political parties during the year : Bharatiya Janata Party ₹ 360 lakhs (2023 : Nil) and Indian National Congress ₹ 40 lakhs (2023 : Nil).

28.1. Payment to auditors including taxes

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
As Auditor:		
Audit fee	10.62	10.62
Tax audit fee	1.77	1.77
Re-imbursement of expenses	1.10	0.84
Total	<u>13.49</u>	<u>13.23</u>

29. Income taxes

29.1 Tax expenses recognised in Statement of Profit and Loss (Refer Note 32)

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax		
In respect of the current year	724.88	749.66
In respect of the prior year	499.11	-
Total (a)	<u>1223.99</u>	<u>749.66</u>
Deferred tax		
In respect of the current year	8.33	(4.71)
Total (b)	<u>8.33</u>	<u>(4.71)</u>
Grand Total (a+b)	<u>1232.32</u>	<u>744.95</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

29.2 Reconciliation of effective tax rate

The reconciliation between the income tax expenses and amount computed by applying the standard rate of income tax to profit before taxes is as follows:

(Amount in ₹ lakhs)		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	5013.46	4883.33
Income Tax expense calculated at the applicable tax rate	1459.92	1229.04
Effects of :		
- Agricultural income - exempt from Income tax in determining taxable profit	(822.11)	(521.14)
- Adjustments for current tax of prior periods	499.11	-
- Others	95.40	37.05
Income Tax expenses recognised in Statement of Profit and Loss	1232.32	744.95

The tax rates used for the current period is 29.12% (25% + surcharge @ 12% and education cess @ 4%) and 25.168% (22% + Surcharge @ 10% and Education Cess 4%) for 2022-23, for calculation of tax under the Income Tax Act, 1961.

30. Earnings per share (EPS)

(Amount in ₹ lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit after tax	3781.14	4138.38
Net profit for calculation of basic EPS	3781.14	4138.38
Net profit as above	3781.14	4138.38
Net profit for calculation of diluted EPS	3781.14	4138.38
	Numbers	Numbers
Weighted average number of equity shares in calculating basic EPS	37962800	37962800
Weighted average number of equity shares in calculating diluted EPS	37962800	37962800
Earnings per share		
Basic [Nominal value of shares ₹10 (Previous Year : ₹10)]	9.96	10.90
Diluted [Nominal value of shares ₹10 (Previous Year : ₹10)]	9.96	10.90

31. CSR Expenditure

(₹ in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Gross amount required to be spent by the Company during the year	128.58	117.70
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	134.19	118.48
Yet to be paid in cash	-	-
(c) Details related to spent:		
(i) Safe drinking water (Schedule VII – i)	50.35	75.24
(ii) Promoting health care (Schedule VII – i)	62.34	-
(iii) Promoting education (Schedule VII – ii)	-	12.68
(iv) Conservation of natural resources and maintaining quality of soil (Schedule VII – iv)	21.50	-
(v) Rural development projects (Schedule VII – x)	-	30.56

32. During the year, the Company has reviewed its outstanding legal disputes and considering recent Courts / Tribunals decisions, have made appropriate provisions for the same.

33. Leases

i. As lessee

The Company has entered into cancellable operating lease arrangements primarily for office premises, guest house, godowns etc. Some of the significant terms and conditions for the arrangements are:

- agreements range for periods from 1 to 3 years except for lease of office which is for nine years and can be terminated by either party by serving one to three months notice or by paying the notice period rent in lieu thereof;
- the leases are generally renewable on the expiry of lease period subject to mutual agreement;

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation charge for right-of-use assets		
- Building	38.49	38.38
Interest expense on lease liabilities	16.22	18.69
Expense relating to short-term leases		
- Agriculture Land	244.89	169.89
- Office and others	45.35	42.31
Expense relating to variable lease payments		
- Agriculture Land	1536.22	1335.23
Carrying amount of right-of-use assets		
- Building	151.88	190.37
Lease liabilities	194.02	228.40

* Includes principal payment of lease liabilities amounting to ₹ 34.38 Lakhs (2023 : ₹ 29.49 Lakhs.

ii. **As lessor** - The Company has entered into cancellable operating lease agreement with its holding Company for its land at the Manpura facility. The lease can be terminated by lessee by serving three months notice or by paying the notice period rent in lieu thereof.

34. Estimated amount of contracts remaining to be executed on capital account and not provided for:

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital Commitment	1727.35	244.92

35. Employee benefit plans:

Defined Benefit Plan

Gratuity: The Company has a gratuity plan for its employees as per the Payment of Gratuity Act, 1972. Employees who have completed five years or more of service are eligible for gratuity on departure at 15 days last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Leave Encashment: The employees are entitled for leave for each year of service and part thereof and subject to the limits specified. The unavailed portion of such leaves can be accumulated or encashed during/at the end, of the service period. The plan is unfunded and is categorized as 'other long term benefit' in the financial statements. The Company presents the entire liability towards compensated absences as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement for 12 months after reporting date.

Defined Contribution Plan

The Company has defined contribution plans and contributions are made to provident fund and employee's state insurance scheme for employees as per regulations. The provident fund is being deposited with the Regional Provident Fund Commissioner, Chandigarh and Himachal Pradesh. The employee state insurance is being deposited with the Employee State Insurance Corporation, Chandigarh and Himachal Pradesh. The obligation of the Company is limited to the amount contributed.

Risk Management

The gratuity plan expose the Company to actuarial deficit arising out of investment risk, interest rate risk, salary cost inflation risk. The plan is not exposed to any unusual, entity specific or scheme specific risks but there are general risks. Investment risks may arise from volatility in asset values and losses arising due to impairment of assets. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the Government security yields. A decrease in yields will increase the fund liabilities, leading to accounting deficit in the funds. However, this may be partially offset by an increase in capital value of the scheme assets that have similar characteristics. Increase in salary due to adverse inflationary pressures may lead to higher liabilities. The gratuity scheme is funded with an insurance company in

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

the form of qualifying insurance policy. The plan liability are calculated using the discount rate with reference to bond yield, if plan asset underperform, these will create the deficit.

The following tables sets out the Defined Benefits Plan as per Actuarial Valuation as on 31 March 2024 and 31 March 2023 and recognised in the financial statements in respect of Employee Benefit Scheme.

(₹ in Lakhs)

	Particulars	For the year ended	
		31 March 2024	31 March 2023
I	Components of Employer Expense		
	(A) Recognised in Statement of Profit and Loss		
1	Current Service Cost	17.69	15.66
2	Past Service Cost	-	-
3	Net Interest Cost	1.23	1.27
4	Total expense recognised in the Statement of Profit and Loss	18.92	16.93
	(B) Re-measurements recognised in Other Comprehensive Income		
5	(Return) on plan assets (excluding amounts included in Net interest cost)	(1.05)	(0.29)
6	Effect of changes in demographic assumptions	(4.04)	(1.14)
7	Effect of changes in financial assumptions	5.14	(7.19)
8	Changes in asset ceiling (excluding interest income)	-	-
9	Effect of experience adjustments	(4.00)	3.33
10	Total re-measurements included in OCI	(1.86)	(4.71)
11	Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income (4+10)	17.06	12.22

The current service cost and net interest expense for the year pertaining to Gratuity expenses have been recognized in 'Contribution to provident and other fund' under Note 25. The remeasurement of the net defined benefit liability are included in Other Comprehensive Income.

(₹ in Lakhs)

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
II	Actual Returns	7.88	7.32
III	Net (Asset/Liability recognised in Balance Sheet)		
1	Present Value of Defined Benefit Obligation	155.76	140.26
2	Fair Value of Plan Assets	128.62	117.29
3	Status [(Surplus/Deficit)]	27.14	22.97

	Particulars	As at 31 March 2024		As at 31 March 2023	
		Current	Non-Current	Current	Non-Current
4	Net (Asset)/Liability recognised in Balance Sheet	-	27.14	-	22.97

(₹ in Lakhs)

	Particulars	For the year ended	
		31 March 2024	31 March 2023
IV	Change in Defined Benefit Obligation (DBO)		
1	Present Value of DBO at the beginning of the year.	140.26	124.28
2	Current Service Cost	17.69	15.66
3	Past Service Cost	-	-
4	Interest Cost	10.15	8.29
5	Re-measurement gains/(losses):		
	Effect of changes in demographic assumptions.	(4.04)	(1.14)
	Effect of changes in financial assumptions.	5.14	(7.19)
	Effect of experience adjustments.	(4.00)	3.33
6	Benefits Paid	(9.44)	(2.97)
7	Present Value of DBO at the end of the year.	155.76	140.26

		Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
V		Change in Fair Value of Assets		
1	Plan Assets at the beginning of the year		117.29	97.53
2	Return on Plan Assets		8.93	7.02
3	Re-measurement of Gains/(Losses) on plan assets		(1.05)	(0.29)
4	Actual Company Contributions		12.89	16.00
5	Benefits paid		(9.44)	(2.97)
6	Plan Assets at the end of the year		128.62	117.29

		Particulars	As at 31 March 2024	As at 31 March 2023
VI		Actuarial Assumptions		
1	Discount Rate (%)		7.00	7.50
2	Expected Return on plan Assets (%)		7.50	6.75
3	Attrition Rate (%)		9.31	8.00
4	Long term rate of compensation increase (%)		12.00	12.00

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Particulars	31 March 2024	31 March 2023
VII	Investments with insurer *	100%	100%

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

VIII Basis Used to determine the Expected Rate of return on Plan Assets.

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

(₹ in Lakhs)

		Particulars	For the year ended	
			31 March 2024	31 March 2023
IX		Net Asset/Liability recognised in Balance sheet (Including Experience adjustment impact)		
1	Present Value of Defined Benefits Obligations		155.76	140.26
2	Fair Value of Plan Assets		128.62	117.29
3	Status [(Surplus)/Deficit]		27.14	22.97
4	Experience Adjustment of Plan Assets [Gain/ (loss)]		(1.05)	(0.29)
5	Experience Adjustment of Obligation [Gain/ (loss)]		(4.00)	3.33

X Details of expected cash flows for following years is given below:

(₹ in Lakhs)

		Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
1	Expected employer contributions next year		36.79	30.72
2	Expected benefits payment			
	Year 1		29.52	9.24
	Year 2		26.39	26.19
	Year 3		10.69	23.42
	Year 4		13.37	9.43
	Year 5		9.37	11.86
	Next 5 years		55.96	54.12

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

XI Sensitivity Analysis

The sensitivity analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above.

(₹ in Lakhs)

	Particulars	DBO as at 31 March 2024	DBO as at 31 March 2023
1	Discount Rate + 100 basis points	146.08	131.99
2	Discount Rate - 100 basis points	165.30	149.61
3	Attrition Rate +1%	153.03	138.14
4	Attrition Rate -1%	158.79	142.61
5	Long term rate of Compensation Increase Rate +1%	165.03	148.82
6	Long term rate of Compensation Increase Rate -1%	147.38	132.51

Amount towards defined contribution plans have been recognised under 'Contribution to provident and other fund' in Note 25 - ₹ 47.46 lakhs (2023: ₹ 45.72 lakhs).

XII. Weighted Average Duration of Defined Benefit Obligations

The weighted average duration of defined benefit obligation is 8 years (2022: 8 years).

36. Share Based Payment

The eligible employees of the Company, including employees deputed from ITC Limited (ITC), are covered under the ITC Employee Stock Option Schemes (ITC ESOS) and the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan) in accordance with the terms and conditions of such schemes, details of which are as under:

ITC ESOS: Each Option entitles the holder thereof to apply for and be allotted ten ordinary shares of ₹ 1.00 each of ITC upon payment of the exercise price during the exercise period. These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting.

The options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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

The cost of stock options granted under ITC ESOS / SARs granted under ITC ESAR have been recognized as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of said deputation arrangement, the Company has accounted for the cost of the fair value of options / stock appreciation units granted to the deputed employees on-charge by ITC. The fair value of the options / SARs granted is determined, using the Black Scholes Option Pricing model, by ITC for all the grantees covered under ITC ESOS / ITC ESAR as a whole.

In accordance with Ind AS 102, an amount of ₹ 44.01 lakhs (2023 - ₹ 28.70 lakhs) towards ITC ESOS and ₹ 14.59 lakhs (2023 - ₹ 74.93 lakhs) towards ITC ESAR has been recognized as employee benefits expense (Refer Note 25). Such charge has been recognised as employee benefits expense with corresponding credit to current / non – current financial liabilities, as applicable. Out of the above ₹ 28.01 lakhs (2023- ₹ 20.58 lakhs) is attributable to key management personnel [Mr. Soundararadjane S. ₹ 24.40 lakhs (2023- ₹ 20.58 lakhs), Mr. Nripendra Kumar Jha ₹ 3.61 lakhs (2023- NIL)].

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

Particulars *	As at 31 March 2024	As at 31 March 2023
	No. of Options	No. of Options
Outstanding at the beginning of the year	38,719	59,198
Add: Granted during the year @	6,650	7,100
Less: Lapsed/Expired during the year	-	-
Less: Movement due to transfer of employees within the group	(11,660)	-
Less: Exercised during the year	13,717	27,579
Outstanding at the end of the year	19,992	38,719
Options exercisable at the end of the year	15,242	26,874

* The Weighted average exercise price of the options granted under the ITC ESOS to all Optionees covered under the Scheme is computed by ITC as a whole.

@ Includes 4,500 (2023 – 4,500) number of options granted to Key Management Personnel of the Company.

37. Capital Management

a. Risk Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return of the stakeholders through optimum fund utilization. The capital structure of the Company comprises of equity as detailed in the Statement of Changes in Equity as well as borrowings. The Company does not have any long-term debt obligation and funds its operations mainly through internal accruals and short term borrowings. The Company's objective while managing capital is to maintain an optimal structure so as to maximize shareholder value. Further, the Company is not exposed to any externally imposed capital requirements.

b. Dividend

(₹ in lakhs)

Particulars	31 March 2024	31 March 2022
Equity shares	2467.58	-
Interim dividend for the year ended 31 March 2024 of ₹ 6.5 for fully paid share (31 March 2023 of ₹ Nil)		

38. Categories of Financial Instrument

(₹ in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial Assets				
a) Measured at fair value through profit and loss (FVTPL)				
Investments in Mutual Funds	7089.43	7089.43	-	-
b) Measured at amortised cost				
Cash and Other Bank Balances	1515.94	1515.94	4633.96	4633.96
Trade Receivables	223.83	223.83	116.78	116.78
Other Financial Assets	47.44	47.44	213.41	213.41
B. Financial Liabilities				
Measured at amortised cost				
Trade Payables	8020.44	8020.44	6781.25	6781.25
Other Financial Liabilities	521.78	521.78	554.88	554.88
Lease Liabilities	194.02	194.02	228.40	228.40

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

39. Financial Risk Management Objectives

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

(a) Market risk

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

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

i) Foreign currency risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arise from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities which are not in the Company's functional currency (INR). Further, in view of low proportion of export/ imports, as compared to the overall operations, the exposure of the Company to foreign exchange risk is also not considered to be material. There are no unhedged foreign currency exposures as at the year end.

As the Company's foreign Currency exposure is Nil, no sensitivity analysis has been provided.

ii) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from short-term borrowings where the rate of interest is fixed. The Company's borrowings are carried at amortised cost, where applicable.

iii) Price risk

The Company invests its surplus funds primarily for short tenor in debt mutual funds measured at fair value through profit or loss. Aggregate value of such investments as at 31 March 2024 is ₹ 7089.43 (31 March 2023 - ₹ NIL). Being short term in nature, these do not pose any significant price risk, hence, no sensitivity analysis is given.

The deployment in fixed deposits are made with highly rated banks and stood at ₹ 1050.00 lakhs (2023 - ₹ 4525.00 lakhs), which does not expose the Company to price risk arising out of interest rate movement.

(b) Liquidity risk

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

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

(₹ in lakhs)

As at 31 March 2024						
Contractual cash flows *						
Particulars	Carrying Value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year	Total
Trade Payables	8020.44	6646.08	575.00	799.36	-	8020.44
Other Financial Liabilities	521.78	93.97	127.08	293.19	7.54	521.78
Lease Liability	194.02	13.25	13.25	26.63	172.36	225.49
Total	8736.24	6753.30	715.33	1119.18	179.90	8767.71

(₹ in lakhs)

As at 31 March 2023						
Contractual cash flows *						
Particulars	Carrying Value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year	Total
Trade Payables	6781.25	5542.63	592.95	645.67	-	6781.25
Other Financial Liabilities	554.88	129.74	158.27	231.89	34.98	554.88
Lease Liability	228.40	12.61	12.61	25.37	225.49	276.08
Total	7564.53	5684.98	763.83	902.93	260.47	7612.21

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

(c) Credit risk

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

The Company believes that credit risk is low at the reporting date as the customer base is diverse and the terms of trade with customers are generally in advance / cash payment. In certain circumstances credit is extended to customers, taking into account market conditions, general economic scenario etc. The Company's historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets.

Individual customer credit limits are imposed based on relevant factors such as market feedback, banker's introduction, business potential etc. All Customer balances which are overdue for more than 180 days are evaluated for provisioning and considered for impairment on an individual basis. The customer balances are written-off as bad debts, when legal remedies available to the Company are exhausted and / or it becomes certain that said balances will not be recovered. The Company has used practical expedient in computing allowance for doubtful receivables based on the ageing of the customer's balances, specific credit circumstances and Company's historical and forward looking information. Accordingly, no provision has been made during the year as there is no significant increase in credit risk / default.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

Movement in the provisions for impairment of trade receivables is as follows:

(₹ in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	1.40	1.40
Provided during the year	–	–
Adjusted during the year	–	–
Balance at the end of the year	1.40	1.40

Investment in mutual funds are made only with approved mutual funds and credit risk in such funds are limited because the underlying investments are diversified and the Company's investment framework considers the credit quality of the underlying investments made by the fund house.

40. Fair Value Measurement

Fair value hierarchy:

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

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

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which

maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

There are no assets or liabilities, the fair value of which has been benchmarked / derived with quoted benchmarks and accordingly, there are no assets / liabilities classified at Level 2.

The following table provides the fair value measurement hierarchy for financial assets measured at fair value:

(₹ in lakhs)

Financial Asset	Fair Value Hierarchy	Valuation Techniques	Fair Value as at	
			31 March 2024	31 March 2023
Investments in Mutual Funds	Level 1	Net Asset Value as declared by the Fund / quoted prices in active markets	7089.43	–

The fair value of trade receivables and payables, other bank balance, other financial assets and other financial liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature.

41. Related party disclosures

(a) Names of related parties and nature of relationship

Holding Company : ITC Limited

(b) Other related parties with whom transactions have taken place during the year

Enterprises under common control : Technico Pty Limited, Australia (TPL)

ITC Infotech India Limited

Associate of the Holding Company : International Travel House Limited

(c) Key Management Personnel (KMP)

Mr. Surampudi Sivakumar : Director

Mr. Dharmarajan Ashok : Director

Mr. Ganesh Kumar Sundararaman : Director

Mr. David Charles McDonald : Director

Mr. Rajnikant Rai : Director

Mr. Soundararadjane S. : Chief Executive Officer (up to 20th March 2024)

Mr. Nripendra Kumar Jha : Chief Executive Officer (w.e.f 21st March 2024)

Mr. Sanjeev Madan : Chief Financial Officer

Ms. Vanshika Kapur : Company Secretary

(d) Details of transactions carried out during the financial year ended 31 March, 2024 with related parties in the ordinary course of business:

(₹ in lakhs)

Particulars	Holding Company (ITC Limited)		Entities under Common Control		KMP		Associate of the Holding Company	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Sale of products								
- ITC Limited	6733.26	5486.04	–	–	–	–	–	–
- Technico Pty Limited	–	–	7.32	34.36	–	–	–	–
Lease rental income	124.79	123.34	–	–	–	–	–	–
Remuneration of managers on deputation reimbursed	524.15	462.19	–	–	–	–	–	–
Value of Share based payment								
- Reimbursement	52.00	103.63	–	–	–	–	–	–
Interim Dividend	2467.58	–	–	–	–	–	–	–
Purchase of services								
- ITC Limited	95.09	44.07	–	–	–	–	–	–
- ITC Infotech India Limited	–	–	160.48	18.12	–	–	–	–
- Mr. Sachidanand S. Madan	–	–	–	–	–	93.16	–	–
- International Travel House Limited	–	–	–	–	–	–	34.14	35.47
Expenses reimbursed								
- ITC Limited	33.33	11.61	–	–	–	–	–	–
Expenses recovered								
- Technico Pty Limited	–	–	1.34	6.37	–	–	–	–
Remuneration paid to key managerial personnel								
- Mr. Soundararadjane S.**	–	–	–	–	225.55	202.65	–	–
- Me. Nripendra Kumar Jha **	–	–	–	–	2.47	–	–	–
- Other KMP	–	–	–	–	105.21	110.51	–	–

** Paid by Holding Company and included in the figures of remuneration of managers on deputation reimbursed.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

(₹ in lakhs)

The remuneration of directors and other members of key managerial personnel #	For the year ended 31 March 2024	For the year ended 31 March 2023
Short term benefits	333.23	313.16

Post-employment benefits and other long term employee benefits are actuarially determined on overall basis and hence not separately provided. Also refer note 36 on share based payments. Since such Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by such grant of Options, and accordingly the said grant has not been considered as remuneration.

(e) Details of balances with the related parties :

(₹ in lakhs)

Particulars	Holding Company (ITC Limited)	
	31 March 2024	31 March 2023
Trade receivables	164.99	93.92
Other payables	40.24	138.00

Significant terms & conditions :

All the transactions with related parties are in ordinary course of business and on arm's length basis. The amount outstanding are unsecured and will be settled in cash.

42. Segment reporting

The operating segments are presented in a manner consistent with the internal reporting provided to the Board of Directors, which is the CODM.

Business segments comprises:

- I. **Seed Business:** TECHNITUBER® Seed and Field Produced seed potatoes.
- II. **Fruits and Vegetables Business:** Trading in table potatoes, Potatoes for processing industry etc.

A. Segment Results :

(₹ in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Segment Revenue:		
- Seed (Biological assets and Agricultural Produce)	22673.21	18076.38
- Fruits and Vegetables (Traded goods)	9559.17	7505.05
Gross Revenue from sale of products	32232.38	25581.43
Segment Results:		
- Seed	5279.67	4593.67
- Fruits and Vegetables	(497.92)	(276.01)
Segment Total	4781.75	4317.66
Unallocated Income	124.79	123.34
Unallocated Income	(550.00)	-
Profit before Interest etc. and taxation	4356.54	4441.00
Finance Costs	(16.22)	(18.69)
Gain on sale of current investments, interest earned on bank deposits, gain on fair value measurement of investments etc.	673.14	461.02
Profit before tax	5013.46	4883.33
Tax expenses	(1232.32)	(744.95)
Profit for the year	3781.14	4138.38

B. Segment Assets and Liabilities:

(₹ in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Assets	Liabilities	Assets	Liabilities
Seed	20825.35	12484.06	17555.48	6700.62
Fruits and Vegetables	6140.86	2732.27	5568.96	3291.49
Segment Total	26966.21	15216.33	23124.44	9992.11
Unallocated Assets and Liabilities	8640.14	4680.09	4786.02	3523.11
Total	35606.35	19896.42	27910.46	13515.22

Segment Assets and Liabilities are measured in the same way as in the financial statements. These assets are allocated based on the operations of the respective segment.

C. Geographical segment wise revenue:

(₹ in lakhs)

S. No.	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a)	Revenue from domestic market	32165.06	25547.07
(b)	Revenue from overseas market	67.32	34.36
	Total	32232.38	25581.43

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (Contd.)

D. Depreciation and Amortization :

(₹ in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Seed	328.39	261.26
Fruits and Vegetables	2.36	1.37
Total	330.74	262.63

Includes depreciation of Right of use assets (refer note 3.4, 33)

43. Use of Estimates and Judgements

The key estimates and assumptions used in the preparation of financial statements are set out below:

- The Company has ongoing litigations with income tax authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.
- The determination of Company's liability towards defined benefit

obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

- On initial recognition and at the end of each reporting period, the biological assets are measured at fair value less cost to sell. Gains and losses arising on initial recognition of both biological asset and agricultural produce and any subsequent changes in fair value are recognised in the statement of Profit and Loss in the period in which they arise.

45. Ratio Analysis:

Ratio	Numerator	Denominator	Type	31 March 2024	31 March 2023	% change	Reason
Current ratio	Current Assets	Current Liabilities	Times	1.57	1.91	(18)	
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	%	25.13	33.61	(8.48)	
Inventory Turnover ratio	Sales	Average Inventory	Times	1.53	1.49	3	
Trade Receivable Turnover Ratio	Sales	Average Trade Receivable	Times	189.26	77.50	144	a
Trade Payable Turnover Ratio	Sales	Average Trade Payables	Times	4.36	4.03	8	
Net Capital Turnover Ratio	Sales	Working capital	Times	2.88	2.13	35	b
Net Profit ratio	Net Profit	Sales	%	11.73	16.19	(4.46)	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	%	32.02	34.05	(0.72)	
Return on Investment	Income from Investment	Average Investment*	%	6.10	4.94	23.48	
*Average Investment (All time weighted basis)							
Reason of variance for more than 25%							
a) Trade receivables higher as at 31 March 2024 in comparison with previous year.							
b) Mainly due to higher sales and lower working capital.							

45. The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after 1 April 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the standalone financial statements.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases.

The Company previously recognised for deferred tax on leases on a net basis. Pursuant to the aforementioned amendment, the Company is required to gross-up the deferred tax assets and deferred tax liabilities recognised in relation to leases w.e.f. 1st April, 2022. However, impact of the same is not material. Accordingly, no restatement has been made in the financial statements for the same.

46. Figures for the previous year have been re-arranged, wherever necessary, to conform to the figures of the current year. The same does not have any material impact on the financial statements.

47. The financial statements were approved for issue by the Board of Directors on 30 April, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of the Companies Act, 2013.

For SRBC & Co LLP

Firm registration number: 324982E/E300003
Chartered Accountants

Ajay Bansal

Partner

Membership no.: 502243

For and on behalf of the Board of Directors of Technico Agri Sciences Limited

S. Sivakumar

Chairman

DIN : 00341392

Hyderabad

Sanjeev Madan

Chief Financial Officer

Chandigarh

Dharmarajan Ashok

Director

DIN : 00463007

Kolkata

Vanshika Kapur

Company Secretary

Chandigarh

Nripendra Kumar Jha

Chief Executive Officer

Chandigarh

Place: Gurugram
Date: 30 April, 2024

Date: 30 April, 2024

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their Fourth Report for the financial year ended 31st March, 2024.

2. PERFORMANCE OF THE COMPANY

As the Members are aware, the Company has been incorporated as a wholly owned subsidiary of ITC Limited ('ITC') primarily for manufacture, sale and export of nicotine & nicotine derivative products, which are meant to be used in the ANDS (Alternative Nicotine Delivery Systems) businesses comprising vapour products and nicotine pouches. In the recent years, this segment has witnessed significant growth globally and is expected to continue to grow at a robust pace.

During the year, construction of the Company's manufacturing facility at Nanjangud, Mysuru, Karnataka, was completed and the Plant was commissioned. The facility is geared to manufacture purest nicotine derivatives conforming to US and EU pharmacopoeia standards. Customer trials and approval of samples are underway.

The total expenditure on the Project representing capital work-in-progress, fixed assets and other intangible assets under development as at 31st March, 2024 was ₹ 31,531.84 lakhs, and the net loss for the year ended 31st March, 2024 stood at ₹ 3,112.27 lakhs.

The financial results of your Company, summarised, are as under:

	For the financial year ended 31st March, 2024 (₹ in lakhs)	For the financial year ended 31st March, 2023 (₹ in lakhs)
a. Total Income	118.56	1.29
b. Total Expenses	3,322.95	181.40
c. Profit Before Tax	(3,204.39)	(180.11)
d. Less: Tax Expense	92.12	11.89
e. Profit After Tax	(3,112.27)	(168.22)

3. SHARE CAPITAL

It may be recalled that the Members had approved issue of 2,20,00,000 Preference Shares of ₹ 100/- each, aggregating ₹ 220 crores, to ITC on private placement basis.

During the year under review, the Company raised funds through private placement to ITC aggregating ₹ 60 crores, divided into 60,00,000 Preference Shares of ₹ 100/- each. Consequently, the Issued and Paid-up Share Capital of the Company as on 31st March, 2024 stood at ₹ 340 crores comprising Equity Share Capital of ₹ 120 crores and Preference Share Capital of ₹ 220 crores.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Changes in Directors during the year

During the year under review, Mr. Sreedharan Sunil Nair (DIN: 09765785) completed his term as the Wholetime Director of your Company on 31st October, 2023.

The Board of Directors of your Company ('the Board') at the meeting held on 9th October, 2023 appointed Mr. Nair as an Additional Director and, subject to the approval of the Members, also as the Wholetime Director of the Company with effect from 1st November, 2023, in terms of the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 ('the Act'). By virtue of the provisions of the Articles of Association of your Company and Section 161 of the Act, Mr. Nair will vacate office at the ensuing Annual General Meeting ('AGM') of the Company. The Board at the meeting held on 2nd May, 2024 has recommended for the approval of the Members, appointment of Mr. Nair as a Director, liable to retire by rotation, and also as the Wholetime Director of your Company for a period of three years with effect from 1st November, 2023. Notice under Section 160 of the Act has been received by the Company for the appointment of Mr. Nair, who has filed his consent to act as a Director of your Company, if appointed.

Appropriate resolution seeking your approval to Mr. Nair's appointment, as stated above, is appearing in the Notice convening the ensuing AGM of the Company. The appointment of Mr. Nair will continue to be governed by the resolutions passed by the Board and the Members of the Company. The statutory provisions apply with respect to notice period and severance fee.

(b) Changes in Key Managerial Personnel during the year

The Board at the meeting held on 17th July, 2023, in terms of Section 203 of the Act, appointed Mr. Vagicharla Maruthi Lokanath as the Chief Financial Officer of the Company with effect from the said date.

(c) Directors - Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with the Articles of Association of the Company, Mr. Surampudi Sivakumar (DIN: 00341392) and Ms. Nidhi Bajaj (DIN: 02171721) will retire by rotation at the ensuing AGM of the Company and, being eligible, offer themselves for re-election. Your Board has recommended their re-election.

(d) Board Evaluation

The Board carried out annual performance evaluation of its own performance and that of the individual Directors, as required under Section 134 of the Act, based on the criteria approved by the Board.

5. BOARD MEETINGS

Five Meetings of the Board were held during the financial year ended 31st March, 2024.

6. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the loss of the Company for the year ended on that date;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

8. PARTICULARS OF EMPLOYEES

The details of top ten employees of the Company in terms of remuneration drawn, as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure 1** to this Report.

The Company seeks to enhance equal opportunities for men & women and is committed to a gender-friendly workplace. During the financial year ended 31st March, 2024, no complaint for sexual harassment was received. Your Company has constituted an Internal Complaints Committee in compliance with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

9. RISK MANAGEMENT

The Company has a Risk Management Policy which is designed to bring robustness to the risk management processes, and addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company. The risk management framework of the Company is commensurate with its size and nature of business. Management of risks vests with the executive management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board.

The Internal Auditors of the Company, appointed by the Board, carry out risk focused audits with the objective of identifying areas where risk management processes could be strengthened. The Board annually reviews the effectiveness of the Company's risk management systems and policies.

A combination of policies and processes as outlined above adequately addresses the various risks associated with the Company's operations.

10. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the Financial Statements, commensurate with its size and scale of operations. The Corporate Governance Policy of the Company (including Standard Operating Procedures and Policies) approved by the Board, delineates the roles, responsibilities and authorities of the key functionaries involved in governance, and provides foundation for the Company's internal financial controls with respect to the Financial Statements.

The Financial Statements of the Company are prepared on the basis of Material Accounting Policies that are carefully selected by the management and approved by the Board. This, along with the transactional controls built into the systems, ensure appropriate segregation of duties and approval mechanisms commensurate with the level of responsibility.

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

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

12. RELATED PARTY TRANSACTIONS

During the year ended 31st March, 2024, the Company has neither entered into any contract or arrangement with its related parties which is not at arm's length nor has the Company entered into any material contract or arrangement with them, in terms of Section 188 of the Act.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

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

14. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

15. AUDITORS

(a) Statutory Auditors

Messrs. S. R. Batliboi & Associates LLP ('SRBA'), Chartered Accountants, were appointed as the Auditors of your Company at the 1st AGM held on 13th July, 2021 to hold such office till the conclusion of the 6th AGM (up to financial year 2025-26). Pursuant to Section 142 of the Act, the Board has recommended for the approval of the Members, remuneration of SRBA for the financial year 2024-25. Appropriate resolution in respect of the same is being placed for your approval at the ensuing AGM of the Company.

(b) Secretarial Auditors

Your Board appointed Messrs. Mamta Binani & Associates, Company Secretaries, to conduct secretarial audit of the Company for the financial year ended 31st March, 2024. The Secretarial Auditors have confirmed that your Company has complied with the applicable laws and that there are adequate systems and processes in your Company commensurate with its size and scale of operations to monitor and ensure compliance with the applicable laws.

The Report of Messrs. Mamta Binani & Associates, in terms of Section 204 of the Act, is enclosed as **Annexure 2** to this Report.

16. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The design of the Company's manufacturing facility incorporates maximisation of natural lighting, insulation for minimal wastage of heat energy and use of energy efficient lighting fixtures. The Plant has 100% condensate recovery system and is designed to maximise the reuse / reduce the usage of chemical / solvents and water. The equipment & process flow design and technology selection are aimed at achieving high efficiencies with optimal energy utilisation. The complete process is operated through DCS (Distributed Control System) ensuring reproducibility, repeatability and reliability with utmost control over processes and its parameters, thereby ensuring quality of the product. Advanced technology like intelligent electrical modules have been used in the electrical control panels to have seamless integration with the centralised DCS system. Entire manufacturing control system has been validated in line with the latest regulatory requirements and Good Automated Manufacturing Practices (GAMP5). While efforts are being undertaken to harvest wind energy and maximise power, the Company is also generating steam in its boilers through agro-waste. After evaluating multiple processes, a novel extraction process for manufacture of nicotine / nicotine salts has been developed in the lab.

During the year under review, while there were no foreign exchange earnings, the foreign exchange outflow by the Company aggregated ₹ 193.05 lakhs.

On behalf of the Board

(S. Sivakumar)
Chairman

(A. Kumar)
Director

DIN: 00341392

DIN: 08786753

Dated: May 02, 2024

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2024

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

Names of employees	Age (Years)	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of deputation / Date of joining	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
Sreedharan Sunil Nair	53	Wholetime Director	96,15,649/-	51,00,952/-	B.E. (Mechanical) and M.B.A. (Finance)	28	01.11.2020	Factory Manager - Anaparti Green Leaf Threshing Plant, ITC Limited
Chandrakant Minz	40	Senior Manager - Operations	80,68,765/-	50,57,893/-	B.Tech. and M.Tech. (Mechanical)	15	01.05.2022	Manager Operations – ESPB, ITC Limited
Ajay Mahendrakar	38	Manager - Projects	34,75,825/-	25,02,573/-	DECE, B.E. (Electrical & Commn. Engg)	17	01.01.2021	Assistant Manager - Quality Control, ITC Limited
K V Vandana	41	Manager - HR	31,58,132/-	22,93,432/-	Diploma in Civil Engg., B.B.M., M.H.R.M.	18	01.05.2021	Assistant Manager - HR, ITC Limited
Repalle Sai Nischal	33	Manager - Projects	29,24,413/-	21,18,145/-	PGP in PE & Mgmt., B.Tech. (Mechanical)	13	01.11.2020	Assistant Manager - Projects, ITC Limited
Debanjan Sarkar	35	Company Secretary	29,71,575/-	20,53,963/-	A.C.S. and B.Com. (H)	12	01.01.2022	Assistant Manager - Secretarial, ITC Limited
B Thirupathi Rao	40	Associate Scientist	26,22,092/-	19,57,934/-	M.Sc. (Organic Chemistry)	18	01.11.2020	Assistant Manager - QC, ITC Limited
G Venkata Ramana Rao	56	Deputy General Manager - Production	24,97,939/-	16,57,726/-	B.E. (Chemical Engineering)	30	30.09.2022	Assistant General Manager - Production, Hikal Limited
Chiriki Harish Kumar	33	Manager - Projects	23,38,625/-	17,11,605/-	B.Tech. (Chemical Engg.)	12	01.11.2020	Associate Manager - Projects, ITC Limited
Nikhil Brijlal Kadam	36	Manager - Quality Assurance	22,08,721/-	17,15,060/-	M.Sc. (Life Science)	13	01.11.2020	Associate Manager - Projects, ITC Limited

All the above employees are / were on deputation from ITC Limited, the Holding Company ('ITC'), except for Mr. G. Venkata Ramana Rao.

Notes:

- (a) Gross remuneration includes salary, variable pay / performance bonus, long-term incentives, allowances & other benefits / applicable perquisites borne by the Company, except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- (b) Net remuneration comprises cash income less income tax, education cess deducted at source and employee's own contribution to provident fund.
- (c) The Wholetime Director has been granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since these Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Options, and accordingly the said grant has not been considered as remuneration.
- (d) The aforesaid employees are / were neither relative of any Director of the Company nor hold any equity share in the Company.

Dated: May 02, 2024

On behalf of the Board
(S. Sivakumar) **(A. Kumar)**
Chairman **Director**
DIN: 00341392 **DIN: 08786753**

Annexure 2 to the Report of the Board of Directors for the financial year ended 31st March, 2024

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To
The Members
ITC IndiVision Limited
Virginia House
37, Jawaharlal Nehru Road
Kolkata 700071

We have conducted secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ITC INDIVISION LIMITED** (hereinafter called "the Company"), bearing CIN: U16007WB2020PLC237915. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024, to the extent applicable, according to the provisions of:

- (i) Companies Act, 2013 ('the Act') and the Rules made thereunder; and
- (ii) Specific laws applicable - Drugs and Cosmetics Act, 1940 and the Rules made thereunder.

We have also examined compliance with applicable clauses of the Secretarial Standards 1 and 2, issued by the Institute of Company Secretaries of India under Section 118 of the Act.

During the period under review, the Company has complied with the provisions of the Act, Rules, Standards, etc. mentioned hereinabove.

We further report that:

- (a) The Board of Directors of the Company is duly constituted in compliance with the applicable provisions of law. There were no changes in the composition of the Board of Directors during the period under review.
- (b) Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and therefore there were no dissenting views that were required to be recorded.

We further report that 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 in this respect.

We further report that during the period of audit, the Company has not undertaken any specific events / actions that can have a bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards etc., except issue and offer of 35,00,000 Preference Shares of ₹ 100/- each by way of Private Placement to ITC Limited, and allotment of 60,00,000 Preference Shares of ₹ 100/- each, fully paid-up, to ITC Limited.

For Mamta Binani & Associates
Practising Company Secretaries
ICSI Unique Code: P2016WB060900

CS Ankita Dutta
Partner
CP No.: 22416
Membership No: A59356
Peer Review Certificate No.: 722/2020
UDIN: A059356F000155751

Date: 17.04.2024
Place: Kolkata

INDEPENDENT AUDITOR'S REPORT

To the Members of ITC Indivision Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of ITC Indivision Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 financial statements under the provisions of the Act 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 audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors Report, but does not include the 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 conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, as amended, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends

to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021, as amended, specified under section 133 of the Act;
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.a) The management has represented that, to the best of its knowledge and belief, no funds 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;

- b) The management has represented that, to the best of its knowledge and belief, 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
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Atin Bhargava

Partner

Membership Number: 504777

UDIN: 24504777BKDHKV5158

Place of Signature: Hyderabad

Date: May 02, 2024

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date Re: ITC IndiVition Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate.

- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without

- specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions of sales-tax, service tax, duty of excise and value added tax are not applicable to the Company.
- (b) There are no dues of goods and services tax, duty of customs, provident fund, employees' state insurance, income tax, cess and other statutory dues which have not been deposited on account of any dispute. The provisions of sales-tax, service tax, duty of excise and value added tax are not applicable to the Company.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses in the current year amounting to Rs. 2,441.16 Lakhs. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 139.40 Lakhs.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 32 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 (1) of the Companies Act, 2013 are not applicable to the Company. Accordingly, the requirement to report on clause (xx) of the Order is not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 24504777BKDHKV5158

Place of Signature: Hyderabad
Date: May 02, 2024

Annexure – 2 to the Independent Auditor's Report of even date on the financial statements of ITC IndiVision Limited

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

We have audited the internal financial controls with reference to financial statements of **ITC IndiVision Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the 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 ("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 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 with reference to these financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Atin Bhargava
Partner

Membership Number: 504777
UDIN: 24504777BKDHKV5158

Place of Signature: Hyderabad
Date: May 02, 2024

ITC IndiVision Limited

Balance Sheet as at March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3A	31,015.25	162.11
Other Intangible Assets	3D	473.03	-
Capital work-in-progress	3B	3.56	25,833.98
Right-of-use assets	3C	690.70	716.83
Intangible assets under development	3B	40.00	344.99
Deferred tax assets (net)	9	105.43	13.31
Non-Current tax assets	9A	58.65	-
Other non-current assets	4	114.78	235.66
		<u>32,501.40</u>	<u>27,306.88</u>
Current assets			
Inventory	8	3,474.57	2,031.68
Financial assets			
Investments	5	1227.53	1,076.35
Trade Receivables	5A	32.49	-
Cash and cash equivalents	6	151.64	170.14
Others	7	2.87	6.09
Other current assets	4	3,600.76	2,909.28
		<u>8,489.86</u>	<u>6,193.54</u>
Total assets		<u>40,991.26</u>	<u>33,500.42</u>
Equity and liabilities			
Equity			
Equity share capital	10	12,000.00	12,000.00
Other equity	11	(3,535.60)	(423.33)
		<u>8,464.40</u>	<u>11,576.67</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Long term borrowings	13	22,000.00	16,000.00
Lease Liability	3C	861.64	837.98
Other financial liabilities	14	1.77	7.92
Provisions	16	14.24	3.51
		<u>22,877.65</u>	<u>16,849.41</u>
Current liabilities			
Financial liabilities			
Trade payables	12	-	13.40
- Total outstanding dues to micro enterprises and small enterprises			
- Total outstanding dues to creditors other than micro enterprises and small enterprises		273.04	187.11
Borrowings	13	4,550.00	1,250.00
Other financial liabilities	14	4,780.20	3,542.77
Other current liabilities	15	45.97	81.06
		<u>9,649.21</u>	<u>5,074.34</u>
Total equity and liabilities		<u>40,991.26</u>	<u>33,500.42</u>
Summary of material accounting policies	2	-	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

Atin Bhargava

Partner

Membership No.: 504777

Place : Hyderabad

Date : May 02, 2024

For and on behalf of the Board of Directors of

ITC IndiVision Limited

CIN: U16007WB2020PLC237915

S. Sivakumar

Chairman

DIN No.: 00341392

Place: Hyderabad

Date : May 02, 2024

Ashit Kumar

Director

DIN No.: 08786753

Place: Guntur

Date : May 02, 2024

Debanjan Sarkar

Company Secretary

M. No.: A31527

Place: Kolkata

Date : May 02, 2024

Maruthi Lokanath Vagicharla

Chief Financial Officer

Place : Mysore

Date : May 02, 2024

ITC IndiVision Limited

Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	17	76.09	—
Other income	17A	42.47	1.29
Total income		118.56	1.29
Expenses			
Cost of Material Consumed		666.93	—
Changes in inventories of finished goods, work in progress, stock-in-Trade and intermediates	18	(1,045.56)	—
Employee benefit expenses	19	933.33	24.64
Finance Costs	20	929.73	7.40
Depreciation and amortisation expenses	21	763.23	40.71
Other expenses	22	1,075.29	108.65
Total expenses		3,322.95	181.40
Loss before tax		(3,204.39)	(180.11)
Tax expenses			
Current tax		—	—
Deferred tax	23	(92.12)	(11.89)
Total tax expenses		(92.12)	(11.89)
Loss for the year		(3,112.27)	(168.22)
Other comprehensive income (OCI)		—	—
Total comprehensive Loss for the year		(3,112.27)	(168.22)
Earnings per equity share (Face value of share ₹ 10)	24		
Basic and Diluted		(2.59)	(0.14)
Summary of material accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

Atin Bhargava

Partner

Membership No.: 504777

Place : Hyderabad

Date : May 02, 2024

For and on behalf of the Board of Directors of

ITC IndiVision Limited

CIN: U16007WB2020PLC237915

S. Sivakumar

Chairman

DIN No.: 00341392

Place: Hyderabad

Date : May 02, 2024

Ashit Kumar

Director

DIN No.: 08786753

Place: Guntur

Date : May 02, 2024

Debanjan Sarkar

Company Secretary

M. No.: A31527

Place: Kolkata

Date : May 02, 2024

Maruthi Lokanath Vagicharla

Chief Financial Officer

Place : Mysore

Date : May 02, 2024

ITC IndiVision Limited

Statement of Cash Flows for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

Particulars		For the year ended March 31, 2024		For the year ended March 31, 2023
A. Cash flow (used in) / from operating activities				
Loss before tax		(3,204.39)		(180.12)
Adjustment for				
Depreciation and amortisation		763.23		40.72
Interest on borrowings		929.73		7.40
Net gain arising on financial assets mandatorily measured at FVTPL		(42.31)		(1.21)
Unrealised Exchange Gain		(0.16)		-
Operating loss before working capital changes		(1,553.90)		(133.21)
Adjustment for working capital changes				
Decrease in other financial assets		3.22		(2.60)
Increase in other non-current and current assets		(715.69)		(1,559.58)
Increase in inventory		(1,442.89)		(1,167.59)
Increase in provisions		10.73		2.81
Increase in non-current and current other financial liabilities		(543.15)		124.32
Increase in trade payables		72.53		62.83
Decrease in other current liabilities		(35.09)		17.46
Net cash flow (used in) / from operation		(4,204.24)		(2,655.56)
Taxes paid		(58.65)		-
Net cash flow (used in) / from operating activities	(A)	(4,262.89)		(2,655.56)
B. Cash flow used in investing activities				
Purchase of property, plant and equipment, including capital work in progress, intangible under development and capital advances		(4,679.37)		(11,256.76)
(Investments in) / redemption from units of mutual funds (net)		(108.87)		(170.18)
Net cash used in investing activities	(B)	(4,788.24)		(11,426.94)
C. Cash flow from financing activities				
Proceeds from issue of preference shares		6,000.00		13,000.00
Proceeds from borrowings		3,300.00		1,250.00
Payment of interest on borrowings		(214.58)		(7.40)
Payment of lease liability		(52.80)		-
Net cash flow from financing activities	(C)	9,032.62		14,242.60
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	(18.50)		160.10
Cash and cash equivalents at the beginning of the year		170.14		10.04
Cash and cash equivalents at the end of the year		151.64		170.14
Components of cash and cash equivalents				
Balances with banks				
On current accounts		151.64		170.14
Total cash and cash equivalents (refer note 6)		151.64		170.14
Reconciliation of liabilities from financing activities for the year ended 31 March 2024				
	As at March 31, 2023	Cash flows (net)	Interest charge	As at March 31, 2024
Borrowings - non-current	16,000.00	6,000.00	-	22,000.00
Non- current lease liabilities (Refer note 3C)	837.98	(52.80)	76.46	861.64
Borrowings - current	1,250.00	3,085.42	214.58	4,550.00
	18,087.98	9,032.62	291.04	27,411.64
Reconciliation of liabilities from financing activities for the year ended 31 March 2023				
	As at March 31, 2022	Cash flows (net)	Interest charge	As at March 31, 2023
Borrowings - non-current	3,000.00	13,000.00	-	16,000.00
Non- current lease liabilities (Refer note 3C)	814.29	(50.69)	74.38	837.98
Borrowings - current	-	1,250.00	-	1,250.00
	3,814.29	14,199.31	74.38	18,087.98

Summary of material accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

Atin Bhargava

Partner

Membership No.: 504777

Place : Hyderabad

Date : May 02, 2024

For and on behalf of the Board of Directors of

ITC IndiVision Limited

CIN: U16007WB2020PLC237915

S. Sivakumar

Chairman

DIN No.: 00341392

Place: Hyderabad

Date : May 02, 2024

Debanjan Sarkar

Company Secretary

M. No.: A31527

Place: Kolkata

Date : May 02, 2024

Ashit Kumar

Director

DIN No.: 08786753

Place: Guntur

Date : May 02, 2024

Maruthi Lokanath Vagicharla

Chief Financial Officer

Place : Mysore

Date : May 02, 2024

ITC IndiVision Limited

Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

a) Equity share capital

Equity shares of Rs. 10 each, issued, subscribed and fully paid up	No. of shares	Amount
As at April 01, 2022	12,00,00,000	12,000.00
Issued during the year	—	—
As at March 31, 2023	12,00,00,000	12,000.00
As at April 01, 2023	12,00,00,000	12,000.00
Issued during the year	—	—
As at March 31, 2024	12,00,00,000	12,000.00

b) Other equity

	Retained earnings	Amount
As at April 01, 2022	(255.10)	(255.10)
Loss for the year	(168.22)	(168.22)
Total Other comprehensive income for the year	—	—
As at March 31, 2023	(423.32)	(423.32)
As at April 01, 2023	(423.32)	(423.32)
Loss for the year	(3,112.27)	(3,112.27)
Total Other comprehensive income for the year	—	—
As at March 31, 2024	(3,535.59)	(3,535.59)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

Atin Bhargava

Partner

Membership No.: 504777

Place : Hyderabad

Date : May 02, 2024

For and on behalf of the Board of Directors of

ITC IndiVision Limited

CIN: U16007WB2020PLC237915

S. Sivakumar

Chairman

DIN No.: 00341392

Place: Hyderabad

Date : May 02, 2024

Ashit Kumar

Director

DIN No.: 08786753

Place: Guntur

Date : May 02, 2024

Debanjan Sarkar

Company Secretary

M. No.: A31527

Place: Kolkata

Date : May 02, 2024

Maruthi Lokanath Vagicharla

Chief Financial Officer

Place : Mysore

Date : May 02, 2024

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

1. Corporate Information:

ITC Indivision limited ("IIVL" or "the Company") [CIN: U16007WB2020PLC237915] is a public limited company incorporated in India on July 09, 2020 under the provisions of Companies Act 2013 ("Act") with its registered office at Virginia house, 37 Jawaharlal Nehru Road, Kolkata, West Bengal-70071, India.

The Company is the wholly owned subsidiary of ITC Limited. The Company is carrying out business activities relating to manufacturing and dealing in nicotine in liquid or other forms, including nicotine salts such as nicotine bitartrate (NiBt).

2. Material accounting policies

2.1 Basis of preparation

The Financial Statements for the period ended March 31, 2024 comprising of Balance Sheet as at March 31, 2024, Statement of Profit and Loss for the period ended March 31, 2024, including the Statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity for the period then ended, and a summary of explanatory notes (together hereinafter referred to as "Financial Statements") have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) 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 and presentation requirements of Division II of Schedule III of Companies act, 2013.

The financial statements are prepared in accordance with the historical cost basis, except for certain items that are measured at amortised cost or fair value, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102. Share-based Payment, leasing

transactions that are within the scope of Ind AS116 - Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

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

2.2 Summary of Material accounting policies

a. Operating Cycle

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar Material additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss. Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Buildings	30-60 Years
Leasehold Improvements	Shorter of lease period or estimated useful lives
Plant and Equipment	8 – 20 Years
Furniture and Fixtures	10 Years
Vehicles	8 – 10 Years
Office Equipment	5 Years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

c. Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination at fair value on the date of acquisition.
- for separately acquired assets, at cost comprising the purchase price (including import duties and non refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes) or commercial obsolescence (e.g., lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite. The estimated useful life of intangible assets of the Company with finite lives are as follows:

Trademarks / Know How, Business and Commercial Rights	10 Years (unless shorter useful life is required based on contractual or legal terms)
Computer Software	5 Years

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

d. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

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

e. Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

f. Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gain/Losses arising out of fluctuations in the exchange rates are recognized in the Profit & Loss in the period in which they arise except in respect of Fixed Assets where exchange variance is adjusted in the carrying amount of the respective Fixed Assets.

To account for Profit/loss arising on cancellation or renewal of forward exchange contracts as income/ expense for the period, except in case of forward exchange contracts relating to liabilities incurred for acquiring Fixed Assets, in which case such profit / loss are adjusted in the carrying amount of the respective Fixed Assets.

To account for gain/losses on foreign exchange rate fluctuations relating to current assets and liabilities at the year end. / (Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss).

g. Financial instrument, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

- Financial assets are classified as those measured at:

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

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

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

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

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

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

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

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption/settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

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

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

h. 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 are capitalised as part of the cost of the 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.

i. Revenue

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods excludes Goods and Services Tax.

Revenue from the sale of goods and services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the periods in which such services are rendered.

j. Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

- a. related to or used for assets are deducted from the carrying amount of the asset.
- b. related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

k. Dividend Distribution

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

l. Employee Benefits

Provident Fund and Employee State Insurance Scheme: Contribution towards provident fund and employee state insurance scheme for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The contributions are charged to the statement of Profit and Loss of the year, when the contributions to the respective funds are due.

Gratuity: Gratuity liability is a defined benefit obligation and is provided for on the basis of an independent actuarial valuation on projected unit credit method made at the end of each financial year. Service costs and net interest expense or

income is reflected in the Statement of Profit and Loss. Gain or loss on account of re-measurement are recognised immediately through Other Comprehensive Income in the period in which they occur

Compensated Leave: The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Short Term Employee Benefits: Liability is recognised during the period when the employee renders the services.

m. Leases

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

Company as a Lessee

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude Rs.5 Lakhs or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

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

Company as a Lessor

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

n. Taxes on Income

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

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

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

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

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

o. Claims

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

p. Provisions

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

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

q. Financial and Management Information Systems

The Company's Accounting System is designed to unify the Financial and Cost Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

ITC IndiVision Limited
Notes to the Financial Statements for the year ended March 31, 2024
(All amounts in Indian Rupees in Lakhs except as otherwise stated)

3A. Property, plant and equipment

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Total
Gross carrying amount					
As at March 31, 2022	–	98.73	18.42	89.80	206.95
Additions during the year	–	8.02	2.08	–	10.10
Disposals during the year	–	–	–	–	–
As at March 31, 2023	–	106.75	20.50	89.80	217.05
Additions during the year	10,015.08	21,138.29	218.49	205.81	31,577.67
Disposals during the year	–	–	–	–	–
As at March 31, 2024	10,015.08	21,245.04	238.99	295.61	31,794.72
Depreciation and amortisation					
As at March 31, 2022	–	5.12	1.78	7.33	14.23
Charge for the year	–	9.37	1.90	29.44	40.71
Disposals	–	–	–	–	–
As at March 31, 2023	–	14.49	3.68	36.77	54.94
Charge for the year	175.02	498.21	11.15	40.15	724.53
Disposals	–	–	–	–	–
As at March 31, 2024	175.02	512.70	14.83	76.92	779.47
Net block					
As at March 31, 2024	9,840.06	20,732.34	224.16	218.69	31,015.25
As at March 31, 2023	–	92.26	16.82	53.03	162.11

3B. Capital Work-in-Progress and Intangible Assets under development

Particulars	Capital Work-in-Progress		Intangible Assets under development	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Opening Balance	25,833.98	13,003.91	344.99	324.99
Additions	5,747.25	12,830.07	193.67	20.00
Capitalised during the year	(31,577.67)	–	(498.66)	–
Total	3.56	25,833.98	40.00	344.99

Borrowing Cost Capitalised during the FY 2023-24 ₹1,097.77 Lakhs

Ageing schedule

Particulars	Capital Work-in-Progress		Intangible Assets under development	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Less than 1 Year	3.56	12,830.06	40.00	20.00
1 - 2 Years	–	10,583.89	–	–
2 - 3 Years	–	2,420.03	–	324.99
More than 3 years	–	–	–	–
Total	3.56	25833.98	40.00	344.99

During the previous year, project was under progress and there are no projects which were temporarily suspended.

3C. Right-of-use assets

The Company has lease contract for land for which Right of use assets has been created

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount		
Opening Balance	783.73	783.73
Additions	–	–
Disposals	–	–
Total	783.73	783.73
Accumulated amortization		
Opening Balance	66.90	40.78
Charge for the year*	26.13	26.12
Disposals	–	–
Total	93.03	66.90
Net block		
Total	690.70	716.83

*₹ 13.06 Lakhs Transferred to Capital Work-in-Progress

Set out below are carrying amounts of lease liabilities and movements during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	837.98	814.29
Additions	–	–
Accretion of interest	76.46	74.38
Payments	(52.80)	(50.69)
Closing Balance	861.64	837.98
Current	–	–
Non - Current	861.64	837.98

The effective interest rate for lease liabilities is 9.01% with maturity of Financial year 2050-51.

ITC IndiVision Limited
Notes to the Financial Statements for the year ended March 31, 2024
(All amounts in Indian Rupees in Lakhs except as otherwise stated)

The maturity analysis of lease liabilities is disclosed below:

Maturity analysis of contractual undiscounted cash flow	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at 31 March 2024					
Lease liabilities	13.20	42.56	321.06	2,494.91	2,871.73
Total undiscounted lease liabilities	13.20	42.56	321.06	2,494.91	2,871.73
As at 31 March 2023					
Lease liabilities	13.20	39.60	306.54	2,565.19	2,924.53
Total undiscounted lease liabilities	13.20	39.60	306.54	2,565.19	2,924.53

3D. Other Intangible Assets

Particulars	Computer Software	Know How, Business and Commercial Rights	Total
Gross carrying amount			
As at March 31, 2022	—	—	—
Additions during the year			
Disposals during the year	—	—	—
As at March 31, 2023	—	—	—
Additions during the year	193.15	305.51	498.66
Disposals during the year	—	—	—
As at March 31, 2024	193.15	305.51	498.66
Depreciation and amortisation			
As at March 31, 2022	—	—	—
Charge for the year	—	—	—
Disposals	—	—	—
As at March 31, 2023	—	—	—
Charge for the year	10.88	14.75	25.63
Disposals	—	—	—
As at March 31, 2024	10.88	14.75	25.63
Net block			
As at March 31, 2024	182.27	290.76	473.03
As at March 31, 2023	—	—	—

4. Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Capital Advances	45.01	157.61
Prepaid expenses	69.77	78.05
	114.78	235.66
Current		
Balance with government authorities	3,564.35	2,888.47
Advance to Vendors	0.34	—
Prepaid Expenses	36.07	20.81
	3,600.76	2,909.28

5. Current investments

Particulars	As at March 31, 2024	As at March 31, 2023
In units of mutual funds		
6,854.962 (March 31, 2023: NIL)		
Units of UTI Liquid Fund-Direct Growth	271.32	—
12,718.212 (March 31, 2023: 34,997.078)		
Units of Axis Liquid Fund-Direct Growth	341.32	875.24
1,72,042.363 (March 31, 2023: 60,358.38)		
Units of ICICI Prudential Liquid Fund-Direct Growth	614.89	201.11
	1,227.53	1,076.35
Aggregate amount of unquoted investments	1,227.53	1,076.35

5A. Trade Receivable

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good	32.49	—
	32.49	—

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

Trade receivables ageing schedule

Particulars	Not Due	Less Than 6 Months	6 Months to 1 year	1-2 Year	2-3 Year	More Than 3 Years	Total
Undisputed Trade Receivables – considered good	-	32.49	-	-	-	-	32.49
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Sub Total	-	32.49	-	-	-	-	32.49
Less: Allowance for Credit impairment	-	-	-	-	-	-	-
Total	-	32.49	-	-	-	-	32.49

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- There are no trade receivables due from related party.
- There are no unbilled receivables.

6. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
On current accounts	151.64	170.14
	<u>151.64</u>	<u>170.14</u>

7. Financial assets - Others

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Security deposits	2.87	6.09
	<u>2.87</u>	<u>6.09</u>

Breakup of Financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Carried at Fair value		
Investments in units of mutual fund	1,227.53	1,076.35
Carried at amortised cost		
Balances with banks	151.64	170.14
Security deposits	2.87	6.09
Trade Receivables	32.49	-
	<u>1,414.53</u>	<u>1,252.58</u>

8. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
(At lower of cost and net realisable value)		
Raw material	2,412.75	2,031.68
Finished goods	1,045.56	-
Stores and Spares	16.26	-
	<u>3,474.57</u>	<u>2,031.68</u>

9. Deferred tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax asset arising on account of timing differences relating to:		
On unabsorbed depreciation	574.60	11.82
On unabsorbed losses	301.28	9.15
On Lease Liability	147.86	-
On preliminary expenses	0.31	0.61
Deferred tax liability arising on account of timing differences relating to:		
On written down value difference of property, plant and equipment between tax and financial books	(793.17)	(3.89)
On ROU Asset	(118.52)	-
On gain on mutual fund	(6.93)	(4.38)
	<u>105.43</u>	<u>13.31</u>

ITC IndiVision Limited
Notes to the Financial Statements for the year ended March 31, 2024
 (All amounts in Indian Rupees in Lakhs except as otherwise stated)

Break up of deferred tax asset (net)

Particulars	Opening Balance	Recognised in the statement of profit and loss	Recognised in OCI	Closing balance
For the year ended 31 March 2024:				
Unabsorbed depreciation	11.82	(562.78)	-	574.60
Unabsorbed losses	9.15	(292.13)	-	301.28
Preliminary expenses	0.61	0.30	-	0.31
On Lease Liability	-	(147.86)	-	147.86
Written down value difference of property, plant and equipment between tax and financial books	(3.89)	789.28	-	(793.17)
On ROU Asset	-	118.52	-	(118.52)
Gain on mutual fund	(4.38)	2.55	-	(6.93)
	13.31	(92.12)	-	105.43
For the year ended 31 March 2023:				
Unabsorbed depreciation	4.61	(7.21)	-	11.82
Unabsorbed losses	0.07	(9.08)	-	9.15
Preliminary expenses	0.91	0.30	-	0.61
Written down value difference of property, plant and equipment between tax and financial books	(3.74)	0.15	-	(3.89)
Gain on mutual fund	(0.43)	3.95	-	(4.38)
	1.42	(11.89)	-	13.31

9A Non-current tax assets

Particulars

**As at
March 31, 2024**

**As at
March 31, 2023**

Advance Tax

58.65

-

58.65

-

10. Equity share capital

March 31, 2024

March 31, 2023

Particulars	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity Shares of ₹ 10 each	12,00,00,000	12,000.00	12,00,00,000	12,000.00
Preference Shares of ₹ 100 each	2,20,00,000	22,000.00	2,20,00,000	22,000.00
		<u>34,000.00</u>		<u>34,000.00</u>

Issued, subscribed and fully paid up shares

March 31, 2024

March 31, 2023

Particulars	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 10 each	12,00,00,000	12,000.00	12,00,00,000	12,000.00
9% Cumulative, Non Convertible, Redeemable Preference Shares of ₹ 100 each ("Preference Shares")	2,20,00,000	22,000.00	1,60,00,000	16,000.00
Less: Disclosed under Long term borrowing (refer note no. 13)		(22,000.00)		(16,000.00)
		<u>12,000.00</u>		<u>12,000.00</u>

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

March 31, 2024

March 31, 2023

Particulars	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the beginning of the year	12,00,00,000	12,000.00	12,00,00,000	12,000.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>12,00,00,000</u>	<u>12,000.00</u>	<u>12,00,00,000</u>	<u>12,000.00</u>
Preference Shares				
At the beginning of the year	1,60,00,000	16,000.00	30,00,000	3,000
Issued during the year	60,00,000	6,000.00	1,30,00,000	13,000
Outstanding at the end of the year	<u>2,20,00,000</u>	<u>22,000.00</u>	<u>1,60,00,000</u>	<u>16,000.00</u>

b) Rights, preferences and restrictions attached to shares

Equity shares

The equity shares of the Company, having par value of ₹ 10 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

9% Cumulative, non convertible, redeemable Preference share

The Preference shares of the Company, are entitled to dividend at the rate of 9% p.a. payable cumulatively. The Preference shares are redeemable at par within 7 years from the date of subscription of shares. The Company can exercise the call option at any time. The Preference shares shall not be converted into equity shares. The Preference shares are non-participating in nature and the voting rights shall be in accordance with Section 47 of the Act. In the event of winding up, the Preference shares shall be entitled to rank, as regards repayment of capital, in priority to the Equity Shares.

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

c) Details of shares held by Holding Company

Out of shares issued by the Company, shares held by its Holding Company are as below:

Particulars	March 31, 2024 Amount	March 31, 2023 Amount
ITC Limited, Holding Company		
120,000,000 (March 31, 2023: 120,000,000) Equity Shares of ₹ 10/- each fully paid	12,000.00	12,000.00
22,000,000 (March 31, 2022: 16,000,000) Preference Shares of ₹ 100/- each fully paid	22,000.00	16,000.00

d) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	March 31, 2024		March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
ITC Limited, Holding Company				
Equity Shares of ₹ 10 each fully paid	12,00,00,000	100.00%	12,00,00,000	100.00%
9% Cumulative, Non Convertible, Redeemable Preference Shares of ₹ 100 each	2,20,00,000	100.00%	1,60,00,000	100.00%

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership.

e) Details of promoter shareholding in the company

Name of the shareholder	March 31, 2024		March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
ITC Limited, Holding Company				
Equity shares of ₹ 10 each fully paid	12,00,00,000	100.00%	12,00,00,000	100.00%
9% Cumulative, Non Convertible, Redeemable Preference Shares of ₹ 100 each	2,20,00,000	100.00%	1,60,00,000	100.00%

11. Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Balance, at the beginning of the year	(423.33)	(255.10)
Add: Loss for the year	(3,112.27)	(168.23)
Total Other comprehensive income for the year	—	—
Balance at the end of the year	(3,535.60)	(423.33)

Retained earnings:

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013

12. Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
- Total outstanding dues to micro enterprises and small enterprises	—	13.40
- Total outstanding dues to creditors other than micro enterprises and small enterprises	273.04	187.11
	273.04	200.51
- Trade Payable	81.07	70.94
- Trade Payables to related parties (refer note 27)	191.97	129.57
	273.04	200.51

Aging schedule as at March 31, 2024

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	—	—	—	—	—	—
(ii) Others	—	273.04	—	—	—	273.04
(iii) Disputed dues - MSME	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total	—	273.04	—	—	—	273.04

Aging schedule as at March 31, 2023

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	—	—	—	—	—	—
(ii) Others	—	200.51	—	—	—	200.51
(iii) Disputed dues - MSME	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total	—	200.51	—	—	—	200.51

Micro, Small and Medium enterprises ("MSME")

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	—	—
Principal amount due to micro and small enterprises	—	13.40
Interest due on above	—	13.40

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006

The amount of interest accrued and remaining unpaid at the end of each accounting year

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

13. Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Long term		
9% Cumulative, Non Convertible, Redeemable Preference Shares of Rs. 100 each (refer note no. 10)	22,000.00	16,000.00
	<u>22,000.00</u>	<u>16,000.00</u>
Short term		
Loan from Financial institutions and banks	4,550.00	1,250.00
	<u>4,550.00</u>	<u>1,250.00</u>

The '9% Cumulative, Non Convertible, Redeemable Preference Shares of ₹100 each' have been considered as borrowing in view of the presentation requirement under Ind AS 32 on Financial Instruments - Presentation

Summary of Borrowing Arrangements

Particulars	Term of Repayment	Security	Rate of Interest	Sanctioned limit	Outstanding as on	
					March 31, 2024	March 31, 2023
Russell Credit Limited	Within 2 Years of first disbursement	Unsecured	8%	4,500.00	3,750.00	1,250.00
Hongkong & Shanghai Banking Corporation	Within 1 year of disbursement	Unsecured	8.43%.*	5,000.00	800.00	–

*Interest rates are floating in nature and are benchmarked with market rates.

14. Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Payable to holding company (Refer note 27)	1.77	7.92
	<u>1.77</u>	<u>7.92</u>
Current		
Employee related payables	332.44	118.96
Payable to capital creditors	1,675.44	2,425.92
Provision for preference dividend	2,772.32	997.89
	<u>4,780.20</u>	<u>3542.77</u>

Breakup of Financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
at Amortised cost		
Employee related payables	332.44	118.96
9% Cumulative, Non Convertible, Redeemable Preference Shares of Rs. 100 each	22,000.00	16,000.00
Loan from Financial institutions / Banks	4,550.00	1,250.00
Payable to capital creditors	1,675.44	2,425.92
Trade Payables	273.04	200.51
Provision for preference dividend	2,772.32	997.89
Lease Liability	861.64	837.98
	<u>32,466.65</u>	<u>21,839.18</u>

15. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Liabilities	45.97	81.06
	<u>45.97</u>	<u>81.06</u>

16. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Gratuity (Refer Note 25)	5.50	3.51
Leave Encashment	8.74	–
	<u>14.24</u>	<u>3.51</u>

17. Revenue From Operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Products	32.72	–
Other Operating Revenue		
Sale of by-product	35.51	–
Sale of Scrap	7.86	–
	<u>76.09</u>	<u>–</u>

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

17A. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain arising on financial assets mandatorily measured at Fair value through profit and loss	42.31	1.21
Unrealised Exchange Gain	0.16	–
Interest income	–	0.08
	<u>42.47</u>	<u>1.29</u>

18. Changes in Inventories of finished goods, work in progress, Stock-in-Trade and intermediates

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Inventories (A)		
Finished Goods	–	–
Stock-In-Trade	–	–
Work-In-Progress	–	–
Intermediates	–	–
Total	<u>–</u>	<u>–</u>
Closing Inventories (B)		
Finished Goods	1,045.56	–
Stock-In-Trade	–	–
Work-In-Progress	–	–
Intermediates	–	–
Total	<u>1,045.56</u>	<u>–</u>
Changes in inventories of finished goods, work in progress, Stock-in-Trade and intermediates (A-B)	<u>(1,045.56)</u>	<u>–</u>

19. Employee benefit expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages (including salaries of deputation from Holding Company)	832.43	24.64
Contribution to provident fund and other funds	21.28	–
Share based payments to employees	2.71	–
Staff welfare expenses	76.91	–
	<u>933.33</u>	<u>24.64</u>

20. Finance Cost

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on short term borrowings	214.58	7.40
Dividend on 9% Cumulative, Non Convertible, Redeemable Preference Shares	676.65	–
Unwinding of interest on lease liabilities	38.50	–
	<u>929.73</u>	<u>7.40</u>

21. Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense on Property, plant and equipment (Refer note- 3A)	724.53	40.71
Depreciation expense on Right -of -use asset (Refer note-3C)	13.07	–
Amortisation expense (Refer note-3D)	25.63	–
	<u>763.23</u>	<u>40.71</u>

22. Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	240.14	–
Rent	11.80	0.58
Rates and Taxes	11.53	3.08
Insurance	30.26	8.60
Repairs and Maintenance		
– Buildings	7.41	–
– Machinery	37.82	–
– Others	124.47	18.54
Outward Freight and Handling Charges	5.79	–
Warehouse Charges	67.73	26.93
Advertisement/Sales Promotion	16.14	1.32
Bank and Credit Card Charges	0.28	0.26
Information technology services	43.80	1.95
Travelling and conveyance	86.45	1.71
Training & Development	2.48	–
Consultancy/Professional Fees	12.07	11.50
Postage, Telephone, etc	1.69	–
Printing & Stationery	8.38	–
Auditors Fee		
– Statutory audit	6.00	5.00
– Tax audit	1.25	1.00
Miscellaneous expenses	359.80	28.18
	<u>1,075.29</u>	<u>108.65</u>

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

23. Tax expense

Particulars

For the year ended
March 31, 2024For the year ended
March 31, 2023

A. Current tax

B. Deferred tax

(92.12)

(11.89)

(92.12)

(11.89)

Reconciliation for effective tax rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

For the year ended
March 31, 2024For the year ended
March 31, 2023

Loss before tax

(3,204.39)

(180.11)

Income Tax expense *

(549.87)

(30.91)

Effect of Expenses not allowed / Income considered

475.73

16.93

Others

(17.98)

2.09

Income tax recognised in profit or loss

(92.12)

(11.89)

Effective tax rate

2.87%

6.60%

* Company has opted for taxation under Section 115BAB. Tax rate is 17.16% (including surcharge and cess).

24. Earnings per share (EPS)

The following reflects the Loss and share data used in the basic EPS computations:

For the year ended
March 31, 2024For the year ended
March 31, 2023

Loss after tax

(3,112.27)

(168.22)

Weighted average number of equity shares of Rs. 10 each outstanding during the year

12,00,00,000

12,00,00,000

Earning per share - Basic and Diluted (Rs.)

(2.59)

(0.14)

25. Gratuity and other post-employment benefit plans

(a) Defined contribution plan

The following amount recognised as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

31 March 2024

31 March 2023

Contribution to provident fund and other funds recognised as expense in the Statement of Profit and Loss

-

-

(b) Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on retirement at 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following table summarises the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

31 March 2024

31 March 2023

Statement of profit and loss

Net employee benefit expense recognised in the employee cost

Current service cost

0.43

-

Past service cost

5.07

-

Interest cost on defined benefit obligation

-

-

Interest on plan assets

-

-

Net benefit expense

5.50

-

Re measurement during the period/year due to :

Actuarial loss / (gain) arising from change in financial assumptions

-

-

Actuarial loss / (gain) arising from change in demographic assumptions

-

-

Actuarial loss / (gain) arising on account of experience changes

-

-

Return on plan assets excluding interest income

-

-

Amount recognised in OCI outside profit and loss statement

-

-

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation

-

-

Current service cost

0.43

-

Past service cost

5.07

-

Interest cost

-

-

Re measurement during the period due to:

Actuarial loss/(gain) arising from change in financial assumptions

-

-

Actuarial loss/(gain) arising from change in demographic assumptions

-

-

Actuarial loss/(gain) arising on account of experience changes

-

-

Benefits paid

-

-

Closing defined benefit obligation

5.50

-

Change in fair value of plan assets during the year

Opening fair value of plan assets

-

-

Contributions paid by the employer

-

-

Return on plan assets (Excluding interest income)

-

-

Benefits paid

-

-

Interest income on plan assets

-

-

Others (Employee contribution, taxes, expenses)

-

-

Closing fair value of plan assets

-

-

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

	31 March 2024	31 March 2023
Balance Sheet		
Reconciliation of net liability / asset		
Closing present value of defined benefit obligation	5.50	—
Closing fair value of plan assets	—	—
Closing net defined benefit liability	5.50	—
Net liability is bifurcated as follows:		
Current	—	—
Non-current	5.50	—
Net liability (net of plan assets)	5.50	—
The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:		
	31 March 2024	31 March 2023
Discount rate (p.a.)	7.00%	—
Salary escalation rate (p.a.)	6.00%	—
Mortality rate (as % of IALM (2012-14) (Mod.) Ult. Mortality Table)	Indian Assured Lives Mortality (2006-08) Ultimate	—
Withdrawal rate	2.00%	—
Normal retirement age (in years)	60.00	—
A quantitative analysis for significant assumptions is as shown below:	31 March 2024	31 March 2023
Assumptions - Discount rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 100 bps on defined benefit obligation	(0.87)	—
Impact of Decrease in 100 bps on defined benefit obligation	1.09	—
Assumptions - Salary Escalation rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 100 bps on defined benefit obligation	1.09	—
Impact of Decrease in 100 bps on defined benefit obligation	(0.88)	—
Assumptions - Withdrawal rates		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 100 bps on defined benefit obligation	(0.01)	—
Impact of Decrease in 100 bps on defined benefit obligation	0.08	—
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
The following payments are expected contributions to the defined benefit plan in future years:		
Maturity Profile for defined benefit obligation:	31 March 2024	31 March 2023
Expected cashflows for following years		
Within the next 12 months (next annual reporting period)	0.01	—
Between 2 and 5 years	0.96	—
Between 6 and 10 years	0.96	—
Total expected payments	1.93	—
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (based on discounted cash flows) is 18.00 years.		
26. Capital commitments		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	64.64	336.80
	64.64	336.80
27. Related party disclosures		
Names of related parties and description of relationship:		
(a) Holding Company	ITC Limited	
(b) Enterprises under common control	Russell Credit Limited	
	International Travel House Limited	
	ITC Infotech India Limited	
(c) Key Management Personnel	Mr. Sivakumar Surampudi - Chairman & Non - Executive Director	
	Ms. Nidhi Bajaj - Non-Executive Director	
	Mr. Ashit Kumar - Non-Executive Director	
	Mr. Habbela Narasimhaiah Ramaprasad - Non-Executive Director	
	Mr. Kurakula Nageswara Rao-Non Executive Director	
	Mr. S. Sunil Nair - Wholetime Director	
	Mr. Debanjan Sarkar - Company Secretary	
	Mr. Vagicharla Maruthi Lokanath - Chief Financial Officer (from July 17, 2023)	

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

(d) Transactions during the year

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Holding Company		
ITC Limited		
Allotment of preference shares	6,000.00	13,000.00
Purchase of products	702.09	143.18
Lease rental paid	68.33	62.92
Purchase of Services	213.63	530.93
Enterprises under common control		
Russell Credit Limited		
Loan Taken	2,500.00	1,250.00
Interest on Loan	214.03	7.40
International Travel House Limited		
Purchase of Services	6.28	7.29
ITC Infotech India Limited		
Purchase of Services	45.52	56.46
Key Management Personnel		
Salaries	146.61	167.31

e) Closing balances:

Particulars	As at March 31, 2024	As at March 31, 2023
Others payables		
ITC Limited	191.28	137.49
ITC Infotech India Limited	0.69	—

Significant terms & conditions:

All the transactions with related parties are in ordinary course of business and on arm's length basis. The amount outstanding is unsecured and will be settled in cash.

28. Financial instruments and related disclosures

a. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return of the stakeholders through optimum fund utilization. The capital structure of the Company comprises of equity and preference share capital as detailed out in note 10. The Company's objective when managing capital is to maintain an optimal structure so as to maximise shareholder value. The Company is not exposed to any externally imposed capital restriction. Refer to note number 32 for the Company's Debt Equity Ratio.

b. Categories of Financial Instrument

Particulars	As at March 31, 2024	As at March 31, 2023
A. Financial Assets		
a) Measured at fair value through profit and loss (FVTPL)		
Investments in Mutual Funds	1,227.53	1,076.35
b) Measured at amortised cost		
Cash and cash equivalents	151.64	170.14
Other Financial Assets	2.87	6.09
Trade Receivables	32.49	—
B. Financial Liabilities		
Measured at amortised cost		
Other Financial Liabilities	4,781.97	3,550.69
Lease Liabilities	861.64	837.98
Long term borrowings	22,000.00	16,000.00
Short term borrowings	4,550.00	1,250.00
Trade payables	273.04	200.51

c. Financial Risk Management Objectives

i) Market risk

The Company is not an active investor in Equity market. The Company's investments are predominantly held in debt mutual funds. The Company invest in mutual fund schemes of leading fund houses. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested such price risk are not significant.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at 31 March 2024, the Company's entire long term borrowings are at a floating rate of interest.

ITC IndiVision Limited
Notes to the Financial Statements for the year ended March 31, 2023
(All amounts in Indian Rupees in Lakhs except as otherwise stated)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit or loss and other equity
As at 31 March 2024	+50	(4.00)
	-50	4.00
As at 31 March 2023	+50	-
	-50	-

iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. In the normal course of business the Company enters into transactions denominated in Indian Rupees and few transactions in foreign currencies. As a result, the Company is subject to exposure from fluctuations in foreign currency exchange rates. The Company's exposure to unhedged foreign currency changes is not significant.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows:

	US dollars lacs	INR lacs
As at 31 March 2024		
Trade receivables	0.39	32.32
As at 31 March 2023		
Trade receivables	-	-

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Effect on profit before tax and other equity		
	Change by	As at 31 March 2024	As at 31 March 2023
Change in USD rate	5%	2	-
	-5%	(2)	-

The Company has not taken any currency forwards for hedging the exposure risk and hence no forward contracts are designated as cash flow hedge instruments.

iv) Liquidity risk

The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due.

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

Particulars	Other Financial Liabilities	Lease Liability	Total
Carrying Value	4,781.97	861.64	5,643.61
Less than 3 months	1,470.43	-	1,470.43
More than 3 months up to 6 months	134.45	-	134.45
More than 6 months up to 1 year	1,478.27	-	1,478.27
More than 1 year	1,697.05	861.64	2,558.69
Total	4,780.20	861.64	5,641.84

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

v) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company.

There is no significant credit risk in the year as the Company has not started sales operations.

Investment in mutual funds are made only with mutual funds and credit risk in such funds are limited because the underlying investments are diversified and the Company's investment framework considers the credit quality of the underlying investments made by the fund house.

29. Fair Value Measurement

Fair value hierarchy:

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

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

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

There are no assets or liabilities, the fair value of which has been benchmarked / derived with quoted benchmarks and accordingly, there are no assets / liabilities classified at Level 2.

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

The following table provides the fair value measurement hierarchy for financial assets measured at fair value:

Financial Asset	Fair Value Hierarchy	Valuation Techniques	Fair Value as at March 31, 2024	Fair Value as at March 31, 2023
Investments in Mutual Funds	Level 1	Net Asset Value as declared by the Fund / quoted prices in active markets	1,227.53	1,076.35

30. Share Based Payment

The eligible employees deputed from ITC Limited (ITC) are covered under the ITC Employee Stock Option Schemes (ITC ESOS) and the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan) in accordance with the terms and conditions of such schemes, details of which are as under:

ITC ESOS: Each Option entitles the holder thereof to apply for and be allotted ten ordinary shares of ₹ 1.00 each of ITC upon payment of the exercise price during the exercise period. These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting. The options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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

The cost of stock options granted under ITC ESOS / ESARs granted under ITC ESAR have been recognized as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of said deputation arrangement, the Company has accounted for the cost of the fair value of options / stock appreciation units granted to the deputed employees on-charge by ITC. The fair value of the options / SARs granted is determined, using the Black Scholes Option Pricing model, by ITC for all the grantees covered under ITC ESOS / ITC ESAR as a whole.

In accordance with Ind AS 102, an amount of ₹ 11.41 lakhs towards ITC ESOS / ESAR has been recognized as employee benefits expense, out of which ₹ 8.70 lakhs is forming part of CWIP with corresponding credit to current / non – current financial liabilities, as applicable.

Particulars	As at March 31, 2024 No. of Options	As at March 31, 2023 No. of Options
Outstanding at the beginning of the year	8,372	9,974
Add: Granted during the year	950	800
Less: Lapsed during the year	–	3,127
Add / (Less): Movement due to transfer of employees within the group.	–	2,475
Options Exercised during the year	(4,417)	(1,750)
Outstanding at the end of the year	4,905	8,372
Options exercisable at the end of the year	3,155	7,152
Options Vested and Exercisable during the year	420	180

31. Use of Estimates and Judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

32. Ratio analysis and its element**Ratio**

Particulars	March 31, 2024	March 31, 2023	% Change	Reasons for variance of more than 25%
Current ratio	0.88	1.22	-28%	During the year, the Company has taken additional borrowing resulting to decrease in current ratio
Debt- Equity Ratio	3.14	1.49	111%	During the year, the Company has taken additional borrowing and also issued 9% cumulative, non convertible preference shares resulting to increase in Debt - Equity ratio
Debt Service Coverage Ratio (in times)	(5.31)	(2.07)	157%	Debt service coverage ratio has decreased due to increase in loss and interest charge for the current year.
Return on Equity Ratio (in %)	-31%	-1%	2053%	The Return on equity has reduced due to increase in loss for the current year.
Inventory Turnover Ratio (in Times)	0.03	–	100%	The Company did not have operations in the previous year. Accordingly, the ratios are not comparable.
Trade Receivables Turnover Ratio (in times)	4.68	–	100%	
Trade Payables Turnover Ratio (in times)	(1.57)	–	100%	
Net Capital Turnover Ratio (in times)	(3.79)	–	100%	
Net Profit Ratio (in %)	-4090%	–	100%	
Return on Capital Employed (in %)	-24%	-1%	1646%	The return on capital employed has decreased due to increase in loss for the current year.
Return on Investment	8%	10%	-21%	Not applicable

ITC IndiVision Limited

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

Element of Ratio					
Ratio	Period	Numerator		Denominator	
Current Ratio	March 31, 2024	Current Assets	8,489.86	Current Liabilities	9,649.21
	March 31, 2023		6,193.54		5,074.34
Debt- Equity Ratio	March 31, 2024	Debt (borrowings)	26,550.00	Total Equity	8,464.40
	March 31, 2023		17,250.00		11,576.67
Debt Service Coverage ratio	March 31, 2024	Earning for Debt Service = Net loss after taxes + Depreciation + Interest + Provision for bad and doubtful receivable and advances	(1,419.32)	Debt service = Interest and lease payments + Principal repayments	267.38
	March 31, 2023		(120.11)		58.09
Return on Equity ratio	March 31, 2024	Loss for the year	(3,112.27)	Average total equity	10,020.54
	March 31, 2023		(168.23)		11,660.79
Inventory turnover ratio	March 31, 2024	Revenue from operations	76.09	Average inventory	2,753.13
	March 31, 2023		-		1,447.89
Trade Receivable Turnover Ratio	March 31, 2024	Revenue from operations	76.09	Average trade receivables	16.25
	March 31, 2023		-		-
Trade Payable Turnover Ratio	March 31, 2024	Cost of material consumed + purchased of traded goods + Change in inventories of finished goods and traded goods+other manufacturing expenses	(378.63)	Average trade payables	241.62
	March 31, 2023		-		108.27
Net Capital turnover ratio	March 31, 2024	Revenue from operations	76.09	Average working capital (i.e. Total current assets less Total current liabilities)	-20.07
	March 31, 2023		-		834.64
Net profit ratio	March 31, 2024	Loss for the year	(3,112.27)	Revenue from operations	76.09
	March 31, 2023		(168.23)		-
Return on capital employed	March 31, 2024	Profit before tax and finance costs	(2,274.66)	Capital employed = Shareholders' funds + Lease liabilities	9,362.04
	March 31, 2023		(172.72)		12,414.65
Return on Investment	March 31, 2024	Gain arising on financial assets mandatorily measured at FVTPL	95.20	Current Investment	1,227.53
	March 31, 2023		105.12		1,076.35

33. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
34. The financial statements were approved for issue by the Board of Directors on May 02, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.
35. **Other Statutory Information**
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
 - The Company do not have any transactions with companies struck off.
 - The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
 - The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - The Company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding 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 (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - The Company have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company 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,
 - The Company have not any such transaction which is 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 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
 - The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - The Company has not declared/paid any dividend during the year.

36. **Significant Events after reporting period:**

There are no significant events that occurred subsequent to the reporting period.

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration No. 101049W/E300004

Chartered Accountants

Atin Bhargava

Partner

Membership No.: 504777

Place : Hyderabad

Date : May 02, 2024

For and on behalf of the Board of Directors of

ITC IndiVision Limited

CIN: U16007WB2020PLC237915

S. Sivakumar

Chairman

DIN No.: 00341392

Place: Hyderabad

Date : May 02, 2024

Debanjan Sarkar

Company Secretary

M. No.: A31527

Place: Kolkata

Date : May 02, 2024

Ashit Kumar

Director

DIN No.: 08786753

Place: Guntur

Date : May 02, 2024

Maruthi Lokanath Vagicharla

Chief Financial Officer

Place : Mysore

Date : May 02, 2024

REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD ENDED 31ST MARCH, 2024

1. Your Directors submit their First Report for the period from 3rd March, 2023 to 31st March, 2024.

2. PERFORMANCE OF THE COMPANY

The Company has been incorporated on 3rd March, 2023 as a wholly owned subsidiary of ITC Limited with its main object being manufacture of paper and paper products including products from moulded pulp or moulded fibre.

The Company is foraying into the fast-growing premium Moulded Fibre Products space. Moulded Fibre Products, made from renewable natural fibres such as wood, bamboo, bagasse and waste paper, offer sustainable packaging solutions across industries including food service & delivery, pharmaceutical, personal care and electronics.

A state-of-the-art manufacturing facility is being set up in Badiyakhedi, Madhya Pradesh in a phased manner. As on March 2024, the main production block has been completed. The consent to operate and the Factory License has been received and commercial production has commenced in March, 2024.

The comprehensive handover of the entire factory, including the administrative building, interior works, and additional amenities is expected to be completed by September, 2024.

The total expenditure on the Project representing capital work-in-progress, fixed assets and intangible assets under development as at 31st March, 2024 was ₹ 146 crores, and the net loss for the period ended 31st March, 2024 stood at ₹ 3.56 crores.

The financial results of your Company, summarised, are as under:

(₹ in lakhs)

Particulars	Amount
Revenue from Operations	1.41
Total Income	125.70
Profit / (Loss) Before Tax	(387.11)
Less: Deferred Tax	(31.11)
Profit / (Loss) for the year	(356.00)

3. SHARE CAPITAL

The Company was incorporated with an Authorised Share Capital of ₹ 1 lakh divided into 10,000 Equity Shares of ₹ 10/- each and initial Subscribed Capital of ₹ 1 lakh. During the period under review, with your approval, the Authorised Share Capital of the Company was increased to ₹ 250 crores.

Further, the Company raised funds aggregating ₹ 199.99 crores by issuing 19,99,90,000 Equity Shares of ₹ 10/- each through rights issue. Consequently, the Issued, Subscribed and Paid-up Share Capital of the Company as on 31st March, 2024 stood at ₹ 200 crores divided into 20,00,00,000 Equity Shares of ₹ 10/- each.

Further, your Board of Directors (the 'Board') at the Meeting held on 16th April, 2024 have issued and offered 5,00,00,000 Equity Shares of ₹ 10/- each on rights basis, aggregating ₹ 50 crores.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL**(a) Directors**

In terms of the Articles of Association of the Company, Messrs. Sumant Bhargavan (DIN: 01732482), Vadiraj Kulkarni (DIN: 10063753), Rajesh Poddar (DIN: 00297605) and Peter Claude Rasquinha (DIN: 09237557) are the First Directors of your Company. The Board, at its meeting held on 4th March, 2023, appointed Mr. Sumant as the Chairman of the Board, in terms of Article 50 of the Articles of Association of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('Act'), the First Directors of your Company will retire at the ensuing Annual General Meeting ('AGM') and, being eligible, offer themselves for re-election. Your Board has recommended their re-election.

(b) Key Managerial Personnel

The Board, at its meeting held on 19th June, 2023, appointed Mr. Vardaan Bhatia, as the Manager of the Company in terms of Sections 196, 197 and 203 read with Schedule V of the Act and the Rules made thereunder, for a period of two years with effect from 20th June, 2023, subject to approval of the Members. The appointment of Mr. Bhatia was approved by the Members of the Company at the Extraordinary General Meeting held on 8th September, 2023.

The Board, at the aforesaid meeting, also appointed Mr. Santhosh Bollabattini as the Company Secretary and Ms. Kolusu Sri Lakshmi Tirumala as the Chief Financial Officer of the Company with effect from 20th June, 2023 in terms of Section 203 of the Act.

5. BOARD MEETINGS

Ten Meetings of the Board were held during the period ended 31st March, 2024.

6. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the loss of the Company for the period ended on that date;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

8. PARTICULARS OF EMPLOYEES

The details of top ten employees of the Company in terms of remuneration drawn, as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure 1 to this Report.

The Company seeks to provide equal opportunities for men and women and is committed to a gender-friendly workplace. To ensure a safe and progressive work environment, your Company has constituted an Internal Complaints Committee in compliance with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the period ended 31st March, 2024, no complaint of sexual harassment was received.

9. DEPOSITS

Your Company has not accepted any deposit from the public / members under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

10. RISK MANAGEMENT

The Company has formulated a Risk Management Policy which is designed to bring robustness to the risk management processes, and addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company. The risk management framework of the Company is commensurate with its size and nature of business.

In terms of the aforesaid Risk Management Policy approved by the Board, management of risks vests with the executive management responsible for the day-to-day conduct of the affairs of the Company. The Board has been provided with an update on the effectiveness of the Company's risk management systems and policies in terms of the said Policy.

11. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its structure, size and scale of operations.

During the period ended 31st March, 2024, the internal financial controls of the Company with respect to the financial statements were tested and no material weakness in the design or operation of such controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes will ensure that such systems are reinforced on an ongoing basis.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the period ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

13. RELATED PARTY TRANSACTIONS

During the period ended 31st March, 2024, all contracts or arrangements entered into by the Company with its related parties were in the ordinary course of business and on an arm's length basis.

The details of material related party transactions of the Company in the prescribed Form No. AOC-2 are enclosed under Annexure 2 to this Report.

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

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

15. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

16. STATUTORY AUDITORS

Messrs. S. R. Batliboi & Associates LLP ('SRBA'), Chartered Accountants (Registration No. 101049W/E300004), were appointed by the Board as the First Auditors of your Company.

In terms of Section 139(6) of the Act, SRBA will hold office till the conclusion of the 1st AGM.

The Board has recommended for the approval of the Members, the appointment of SRBA as the Auditors of the Company for a period of five years from the conclusion of the 1st AGM till the conclusion of the 6th AGM. SRBA have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

The Board has also recommended for the approval of the Members, the remuneration of SRBA for the financial year 2024-25. Appropriate resolution seeking your approval to the appointment and remuneration of SRBA as the Auditors is appearing in the Notice convening the ensuing 1st AGM of the Company.

There is no qualification, reservation, adverse remark or disclaimer made by the Auditors in their Report on the financial statements of the Company for the period ended 31st March, 2024.

17. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The design of the Company's manufacturing facility incorporates maximum use of natural lighting, insulation for minimal heat transfer and use of energy efficient equipment. The equipment & process flow design and technology selection are aimed at achieving high efficiencies with optimal energy utilisation.

During the period under review, no specific know-how or technology was imported by the Company. The Company has not carried out any activity which can be construed as a research and development activity. However, the Company endeavors to adopt and use the latest technologies to improve the efficiency and effectiveness of its operations leading to product improvement, cost reduction, product development or import substitution.

During the period under review, there was 'Nil' foreign exchange earnings, and foreign exchange outflow aggregated ₹ 180 crores.

19. ACKNOWLEDGEMENT

Your Directors acknowledge the assistance and support rendered by all the stakeholders and look forward to the future with confidence.

On behalf of the Board

B. Sumant **P. C. Rasquinha**
Chairman Director
Kolkata Hyderabad

Dated: 2nd May, 2024

Annexure 1 to the Report of the Board of Directors for the period ended 31st March, 2024

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

Names of employees	Age (Years)	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of deputation / employment	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
Vardaan Bhatia #	30	Manager	50,34,207	34,71,952	B. Tech (Chemical)	7	16th March, 2023	ITC Limited - Manager- Sustainable Products & Packaging
Pranav Shrikant Khobragade #	24	Deputy Manager – Projects	30,19,987	22,15,237	B. Tech (Chemical)	3	16th March, 2023	ITC Limited - Assistant Manager - Sustainable Products & Packaging
Kolusu Sri Lakshmi Tirumala #	27	Chief Financial Officer	21,52,306	16,39,908	B.Com, A.C.A.	4	16th March, 2023	ITC Limited - Deputy Manager (Finance)
Santhosh Bollabattini #	40	Company Secretary	11,09,412	9,91,983	B.Com, CS, LL.B.	15	20th June, 2023	ITC Limited - Deputy Manager (Finance)
Veerabhadra Rao Manda #	41	Head - Sales & Marketing	8,25,306	5,08,968	MBA	18	1st January, 2024	ITC Limited - Regional Manager Sales – Central Region
Amit Sharma	34	Manager, HR	16,02,527	13,36,000	MBA	11	10th August, 2023	Duroflex Private Limited Senior Manager - HR
Arjun Shivaji Tayade	34	Deputy Manager, Design	8,79,223	8,28,625	PG Tool & Die Making	13	7th September, 2023	Pidilite Industries Limited - Assistant Manager - Design
Sumit Dwivedi	35	Deputy Manager, Production	7,87,693	6,74,750	B. Tech (Mechanical)	14	16th November, 2023	Satia Industries Limited - Senior Manager - Production
Akash Yadav	24	Assistant Manager, Sales & Marketing	3,13,308	2,71,998	MBA	2	4th December, 2023	MRF Limited - Territory Sales Manager
Ankur Deshmukh	31	Officer, Stock Preparation	2,12,400	1,77,640	BE	4	11th December, 2023	Voyage Agri Solutions Private Limited - Warehouse Supervisor

On deputation from ITC Limited, holding company.

Notes:

- Gross remuneration includes salary, variable pay / performance bonus, contribution to provident fund, allowances & other benefits / applicable perquisites borne by the Company, except provisions for gratuity and leave encashment which are actuarially determined, where applicable. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less:
 - income tax, surcharge (as applicable) & education cess deducted at source; and
 - employee's own contribution to provident fund.
- The aforesaid employees are neither relatives of any Director / Manager of the Company nor hold any equity share in the Company.
- All appointments (except deputed employees) are contractual in accordance with the terms and conditions as per your Company's rules.

On behalf of the Board

B. Sumant **P. C. Rasquinha**
Chairman Director
Kolkata Hyderabad

Dated: 2nd May, 2024

Annexure 2 to the Report of the Board of Directors for the period ended 31st March, 2024**FORM NO. AOC-2***[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]***Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto****1. Details of contracts or arrangements or transactions not at arm's length basis**

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the resolution was passed in general meeting as required under first proviso to Section 188	

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

a)	Name(s) of the related party and nature of relationship	ITC Limited – Holding Company (ITC)	
b)	Nature of contracts / arrangements / transactions	Purchase of Goods & Services from ITC	Lease arrangement with ITC
c)	Duration of the contracts / arrangements / transactions	Ongoing	Ongoing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	i. Purchase of raw material. Value of Transaction for the period ended 31st March, 2024: ₹ 0.43 Cr. ii. Project Management Consultancy services from March 2023 to September 2024. Value of Transaction for the period ended 31st March, 2024: ₹ 5.75 Cr.	Office space taken on lease from ITC from March 2023 to January 2025. Value of aforesaid Transactions for the period ended 31st March, 2024: ₹ 0.04 Cr.
e)	Date(s) of approval by the Board, if any	i. 19th June, 2023 ii. 15th March, 2023	4th March, 2023 & 19th June, 2023
f)	Amount paid as advances, if any	Nil	

On behalf of the Board

B. Sumant
 Chairman
 Kolkata

P. C Rasquinha
 Director
 Hyderabad

Dated: 2nd May, 2024

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF ITC FIBRE INNOVATIONS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Opinion**

We have audited the accompanying financial statements of ITC Fibre Innovations Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the period then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 financial statements under the provisions of the Act 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 audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors report, but does not include the 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 conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the period ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds 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;
- b) The management has represented that, to the best of its knowledge and belief, 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

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the period by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Shankar Srinivasan

Partner

Place of Signature: Hyderabad

Date: May 02, 2024

Membership Number: 213271

UDIN: 24213271BKELCG3059

ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

RE: ITC FIBRE INNOVATIONS LIMITED ("THE COMPANY")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i). (a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment were physically verified during the period by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the period ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii). a) The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate and no discrepancies were noticed.
- b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the period on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii). a) During the period the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to (f) of the Order is not applicable to the Company.
- (iv). There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v). The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi). The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/

services of the Company.

- (vii). a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable, provisions relating to sales tax, service tax, value added tax and duty of excise are not applicable to the Company.
- b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, customs duty, cess, and other statutory dues which have not been deposited on account of any dispute. Provisions relating to sales tax, service tax, value added tax and duty of excise are not applicable to the Company.
- (viii). The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the period. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix). (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the period. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the period hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the period hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.
- (x). (a) The Company has not raised any money during the period by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the period under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi). (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the period.
- (b) During the period, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the period.

- (xii). (a) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
- (xiii). Transactions with the related parties are in compliance with sections 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv). The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and (b) of the Order is not applicable to the Company.
- (xv). The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi). (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii). The Company has incurred cash losses amounting to Rs. 431.95 Lakhs in the current period.
- (xviii). There has been no resignation of the statutory auditors during the period and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix). On the basis of the financial ratios, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx). The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Shankar Srinivasan

Partner

Place of Signature: Hyderabad

Date: May 02, 2024

Membership Number: 213271

UDIN: 24213271BKELCG3059

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ITC FIBRE INNOVATIONS LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of ITC Fibre Innovations Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the period 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 ("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 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 with reference to these financial statements 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, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Shankar Srinivasan

Partner

Place of Signature: Hyderabad

Date: May 02, 2024

Membership Number: 213271

UDIN: 24213271BKELCG3059

ITC FIBRE INNOVATIONS LIMITED

BALANCE SHEET AS AT MARCH 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

Particulars	Notes	As at March 31, 2024
ASSETS		
Non-current assets		
Property, plant and equipment	3A	7,676.50
Capital work-in-progress	3B	6,898.22
Intangible Assets	3D	41.51
Right-of-use assets	3C	238.81
Financial assets		
Other financial assets	8	282.24
Deferred tax assets (net)	10	31.11
Other non-current assets	4	1,778.94
		<u>16,947.33</u>
Current assets		
Inventories	9	389.70
Financial assets		
Investments	5	3,595.63
Trade receivables	6	1.74
Cash and cash equivalents	7	141.74
Other financial assets	8	4.48
Other current assets	4	1,838.39
		<u>5,971.68</u>
Total assets		<u>22,919.01</u>
Equity and liabilities		
Equity		
Equity Share Capital	11	20,000.00
Other Equity	12	(356.00)
		<u>19,644.00</u>
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liabilities	3C	185.10
		<u>185.10</u>
Current liabilities		
Financial liabilities		
Trade payables	13	–
- Total outstanding dues to micro enterprises and small enterprises		211.68
- Total outstanding dues to creditors other than micro enterprises and small enterprises		19.27
Lease Liabilities	3C	19.27
Other financial liabilities	14	2,793.55
Other current liabilities	15	63.53
Provisions	16	1.88
		<u>3,089.91</u>
Total equity and liabilities		<u>22,919.01</u>
Summary of material accounting policies	2	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors of

ITC Fibre Innovations Limited

CIN: U46496WB2023PLC260213

Per Shankar Srinivasan

Partner

Membership No.: 213271

Place: Hyderabad

Date: May 02, 2024

B Sumant

Chairman

DIN No.: 01732482

Place: Kolkata

Date: May 02, 2024

Peter Claude Rasquinha

Director

DIN No.: 09237557

Place: Hyderabad

Date: May 02, 2024

Santhosh Bollabattini

Company Secretary

M. No.: A70785

Place: Hyderabad

Date: May 02, 2024

K Tirumala

Chief Financial Officer

Place: Hyderabad

Date: May 02, 2024

ITC FIBRE INNOVATIONS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD MARCH 03, 2023 TO MARCH 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

Particulars	Notes	For the period March 03,2023 to March 31, 2024
Income		
Revenue from operations	17	1.41
Other income	18	124.29
Total income		125.70
Expenses		
Cost of Material Consumed		1.13
(Increase) / Decrease in inventories of finished goods and work in progress	19	(0.59)
Employee benefit expenses	20	116.51
Finance Costs	21	2.78
Depreciation and amortisation expense	3A,3C & 3D	30.47
Other expenses	22	362.51
Total expenses		512.81
Loss before tax		(387.11)
Tax expenses		
Current tax		—
Deferred tax	10	(31.11)
Total tax expenses		(31.11)
Loss for the year		(356.00)
Earnings per equity share (Face value of share Rs. 10)	23	
Basic and Diluted (in ₹)		(0.83)
Summary of material accounting policies	2	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors of

ITC Fibre Innovations Limited

CIN: U46496WB2023PLC260213

Per Shankar Srinivasan

Partner

Membership No.: 213271

Place: Hyderabad

Date: May 02, 2024

B Sumant

Chairman

DIN No.:01732482

Place: Kolkata

Date: May 02, 2024

Peter Claude Rasquinha

Director

DIN No.:09237557

Place: Hyderabad

Date: May 02, 2024

Santhosh Bollabattini

Company Secretary

M. No.: A70785

Place: Hyderabad

Date: May 02, 2024

K Tirumala

Chief Financial Officer

Place: Hyderabad

Date: May 02, 2024

ITC FIBRE INNOVATIONS LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD MARCH 03, 2023 TO MARCH 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

Particulars	For the period March 03, 2023 to March 31, 2024
A. Cash flow from operating activities	
Loss before tax	(387.11)
Adjustment for	
Depreciation and amortisation	30.47
Mark-to-market gain on investments	(37.44)
Profit on sale of investments	(90.74)
Operating loss before working capital changes	(394.08)
Adjustment for working capital changes	
Other financial assets	(295.40)
Other assets	(2,077.20)
Inventory	(389.70)
Provisions	1.88
Other financial liabilities	260.02
Trade payables	211.68
Other current liabilities	63.53
Net cash flow from operating activities	(2,619.27)
Taxes paid	—
Net cash flow from operating activities (A)	(2,619.27)
B. Cash flow from investing activities	
Purchase of property, plant and equipment, including capital work in progress and capital advances	(13,636.64)
Purchase of current investments	(14,308.04)
Redemption of current investments	10,749.85
Net cash flow investing activities (B)	(17,194.83)
C. Cash flow from financing activities	
Proceeds from issue of share capital	20,000.00
Lease payments	(44.16)
Net cash flow from financing activities (C)	19,955.84
Net increase / (decrease) in cash and cash equivalents (A+B+C)	141.74
Cash and cash equivalents at the beginning of the period	—
Cash and cash equivalents at the end of the period	141.74
Components of cash and cash equivalents	
Balances with banks	
On current accounts	141.74
Total cash and cash equivalents (note 7)	141.74

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 Statement of Cash Flows.

The accompanying notes are an integral part of the financial statements.

Summary of material accounting policies (note 2)

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors of

ITC Fibre Innovations Limited

CIN: U46496WB2023PLC260213

Per **Shankar Srinivasan**

Partner

Membership No.: 213271

Place: Hyderabad

Date: May 02, 2024

B Sumant

Chairman

DIN No.: 01732482

Place: Kolkata

Date: May 02, 2024

Peter Claude Rasquinha

Director

DIN No.: 09237557

Place: Hyderabad

Date: May 02, 2024

Santhosh Bollabattini

Company Secretary

M. No.: A70785

Place: Hyderabad

Date: May 02, 2024

K Tirumala

Chief Financial Officer

Place: Hyderabad

Date: May 02, 2024

ITC FIBRE INNOVATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD MARCH 03, 2023 TO MARCH 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

a) Equity share capital		
Equity shares of Rs. 10 each, issued, subscribed and fully paid up	No. of shares	Amount
As at March 03, 2023	—	—
Issued during the period	20,00,00,000	20,000.00
As at March 31, 2024	20,00,00,000	20,000.00
b) Other equity		
	Retained earnings	Total
As at March 03, 2023	—	—
Loss for the period	(356.00)	(356.00)
As at March 31, 2024	(356.00)	(356.00)

The accompanying notes are an integral part of the financial statements.

Summary of material accounting policies (note 2)

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

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Chief Financial Officer

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Date: May 02, 2024

Notes to the financial statements for the period March 03, 2023 to March 31, 2024

(All amounts in Indian Rupees in Lakhs except as otherwise stated)

1. Company Information

ITC Fibre Innovations Limited (the 'Company') [CIN: U46496WB2023PLC260213] is a public limited company domiciled in India with its registered office located at Virginia House, 37, Jawaharlal Nehru Road, Kolkata 700 071. The Company is the wholly owned subsidiary of ITC Limited. The Company is carrying out business activities relating to manufacturing and dealing in sustainable moulded fibre packaging products.

2. Material Accounting Policies

a. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the SFS.

b. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair value, as explained in the accounting policies. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets. The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

c. Operating Cycle

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

identified twelve months as its operating cycle.

d. Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation/ enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss. Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. The estimated useful lives of property, plant and equipment of the Company are as follows:

Particulars	Years
Buildings	30-60
Plant and Equipment	8-15
Furniture and Fixtures	10
Computers, servers and other IT equipment	3-6

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.

e. Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use. Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets. After initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

Intangible assets that have finite lives are amortized over their estimated useful lives

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and/or impairment losses.

Amortization expenses and impairment losses and reversal of impairment losses are included in the 'Depreciation and amortization expense' in the Statement of Profit and Loss.

The estimated useful lives of intangible assets of the Company with finite lives are as follows:

Particulars	Years
Computer Software	5

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required. Based on such review, the useful life may change. The impact of such changes is accounted for as a change in accounting estimate.

f. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

g. Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale. Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

h. Foreign Currency Transactions

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

i. Derivatives

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses are recognised in Statement of Profit and Loss immediately.

j. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification. Financial assets are classified as those measured at:

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

recognised in the Statement of Profit and Loss in the period in which they arise.

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

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

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

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

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

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

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

Offsetting Financial Instruments

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

k. Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

l. Revenue

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for goods supplied and services rendered, net of returns and estimates of variable consideration such as discounts to customers. Revenue from the sale of goods excludes taxes such as Goods and Services Tax which are payable in respect of sale of goods and services. Revenue from the sale of goods and services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered.

m. Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Government grants are recognised when there is reasonable assurance that the grant will be received upon the Company complying with the conditions attached to the grant. Accordingly, government grants:

- related to or used for assets, are deducted from the carrying amount of the asset.
- related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- by way of financial assistance on the basis of certain qualifying criteria are recognised in the Statement of Profit and Loss as they become receivable. In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

n. Dividend Distribution

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

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

o. Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated. The Company makes contributions to defined contribution schemes. For provident fund and employee state insurance scheme for employees, contributions are made to the Government and recognised as expense.

p. Leases

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

Company as a Lessee

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease. The Company recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

q. Taxes on Income

Taxes on income comprise current taxes and deferred taxes. Current tax in the

Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Income tax, insofar as it relates to items disclosed under other comprehensive income or equity, is disclosed separately under other comprehensive income or equity, as applicable. Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

r. Claims

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

s. Provisions

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

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

t. Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

u. Financial and Management Information Systems

The Company's Accounting System is designed to unify the Financial and Cost Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

Note 3A: Property, plant and equipment

Particulars	Buildings	Plant and Equipment	Furniture and fixtures	Computers, servers and other IT equipment	Total
Gross carrying amount					
As at March 03, 2023	–	–	–	–	–
Additions during the period	3,502.64	4,106.13	51.97	38.89	7,699.63
Disposals during the period	–	–	–	–	–
As at March 31, 2024	3,502.64	4,106.13	51.97	38.89	7,699.63
Depreciation and amortisation					
As at March 03, 2023	–	–	–	–	–
Charge for the period	4.29	17.15	0.16	1.53	23.13
Disposals	–	–	–	–	–
As at March 31, 2024	4.29	17.15	0.16	1.53	23.13
Net block					
As at March 31, 2024	3,498.35	4,088.98	51.81	37.36	7,676.50
As at March 03, 2023	–	–	–	–	–

3B. Capital Work-in-Progress

Particulars

As at March 31, 2024

Opening Balance	–
Additions during the period	14,597.85
Capitalised during the period	(7,699.63)
Total	6,898.22

Capital work in progress (CWIP) Ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6,898.22	–	–	–	6,898.22
TOTAL	6,898.22	–	–	–	6,898.22

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan during the period March 03, 2023 to March 31, 2024

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

3C. Right-of-use assets

Particulars	Lease liabilities	Right-of-use assets
As at March 03, 2023	–	–
Additions	245.75	245.75
Amortisation expense	–	(6.94)
Interest expense	2.78	–
Payments	(44.16)	–
As at March 31, 2024	204.37	238.81
Lease Liabilities		
Current	19.27	–
Non - Current	185.10	–

The following are the amounts recognised in the statement of profit or loss.

Particulars	Amount
Amortisation expense	6.94
Interest expense (using the effective interest method)	2.78
Rent expense (short term and low value lease)	5.04
Total amount recognised in the statement of profit or loss	14.76

3D. Intangible Assets

Particulars	Computer Software	Total
Gross carrying amount		
As at March 03, 2023	–	–
Additions during the period	41.91	41.91
Disposals during the period	–	–
As at March 31, 2024	41.91	41.91
Depreciation and amortisation		
As at March 31, 2023	–	–
Charge for the period	0.40	0.40
Disposals	–	–
As at March 31, 2024	0.40	0.40
Net block		
As at March 31, 2024	41.51	41.51
As at March 03, 2023	–	–

There are no restrictions over the title of the Company's intangible assets nor are any intangible assets pledged as security for liabilities.

4. Other assets

Particulars	As at March 31, 2024
Non-current	
Capital Advances	1,778.94
	<u>1,778.94</u>
Current	
Balance with Government authorities	1,809.32
Other current assets	29.07
	<u>1,838.39</u>

5. Investments (at fair value through profit and loss, unless stated otherwise)

Particulars	As at March 31, 2024
Investment in units of Mutual fund (Quoted Debt/Equity securities)	
27372.914 Units of Nippon India Liquid Fund - Direct Growth	1,617.45
12751.128 Units of HDFC Liquid Fund - Direct Plan Growth Option	604.87
30202.618 Units of Axis Liquid Fund - Direct Growth	810.55
157456.369 Units of ICICI Prudential Liquid Fund - Direct Plan Growth	562.76
	<u>3,595.63</u>
Aggregate market value of quoted investments	3,595.63

6. Trade receivables (unsecured, considered good)

Particulars	As at March 31, 2024
Trade Receivables	1.74
	<u>1.74</u>

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

Trade receivables Ageing schedule as at March 31, 2024

Particulars	Outstanding for following period from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables-considered good	1.74	-	-	-	-	-	1.74
Disputed Trade Receivables	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	1.74
Less: Allowance for Credit impairment	-	-	-	-	-	-	-
Total	1.74	-	-	-	-	-	1.74

- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are interest bearing and are generally on terms of 15 days.
- There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

7. Cash and cash equivalents**Particulars****As at
March 31, 2024****Balances with banks**

On current accounts

141.74

141.74**8. Other Financial Assets****Particulars****As at
March 31, 2024****Non Current**

Security Deposits

282.24

282.24**Current**

Interest accrued but not due

0.46

Security Deposits

4.02

4.48**Breakup of Financial assets****Particulars****As at
March 31, 2024****At fair value through profit or loss**

Investments in units of mutual fund (note 5)

3,595.63

At amortised cost

Cash and Cash Equivalents (note 7)

141.74

Trade Receivables (note 6)

1.74

Other Financial Assets (note 8)

286.72

4,025.83**9. Inventories****Particulars****As at
March 31, 2024**

(At lower of cost and net realisable value)

Raw material

46.86

Finished goods

0.38

Work in Progress

0.21

Stores and Spares

342.25

389.70**10. Tax expense****Particulars****For the period March 03, 2023 to
March 31, 2024****A. Current tax****B. Deferred tax:**

Relating to temporary differences

(31.11)

Income tax expense reported in the statement of profit and loss

(31.11)**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024:**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Loss before tax

(387.11)

Income Tax expense calculated @ 17.16%

(66.43)

Effect of different tax rate on certain items

3.00

Others

32.32

Income tax recognised in profit or loss(31.11)

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

Deferred tax asset/(liabilities) in relation to:

Particulars	As at March 31, 2024
on account of timing differences:	
Carryforward losses	129.89
Property, plant and equipment	(81.84)
Leases	(5.91)
Other liabilities	(11.36)
Other assets	0.33
	<u>31.11</u>

11. Equity share capital

Particulars	Number of shares	Amount
Authorised share capital		
Equity shares of Rs. 10 each	<u>25,00,00,000</u>	<u>25,000</u>
	<u>25,00,00,000</u>	<u>25,000</u>
	As at March 31, 2024	
Particulars	Number of shares	Amount
Issued, subscribed and fully paid up shares		
Equity shares of Rs. 10 each	<u>20,00,00,000</u>	<u>20,000</u>
	<u>20,00,00,000</u>	<u>20,000</u>

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Particulars	Number of shares	Amount
Equity shares		
As at March 03, 2023	—	—
Issued during the period	<u>20,00,00,000</u>	<u>20,000</u>
Outstanding as at March 31, 2024	<u>20,00,00,000</u>	<u>20,000</u>

Rights, preferences and restrictions attached to equity shares

- The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.
- 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.

b) Details of shares held by Holding Company

Particulars	As at March 31, 2024
ITC Limited, Holding Company	
20,00,00,000 Equity shares of Rs. 10/- each fully paid	20,000

c) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	Number of shares	% holding
ITC Limited, Holding Company		
Equity shares of Rs. 10 each fully paid	20,00,00,000	100%
As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership.		

d) Details of shares held by promoter

Name of the shareholder	Number of shares	% holding
ITC Limited, Holding Company		
Equity shares of Rs. 10 each fully paid	20,00,00,000	100%

12. Other equity

Particulars	As at March 31, 2024
Retained earnings	
As at March 03, 2023	—
Add: Loss for the period	(356.00)
As at March 31, 2024	<u>(356.00)</u>

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

13. Trade payables

Particulars	As at March 31, 2024
- Total outstanding dues to micro enterprises and small enterprises	–
- Total outstanding dues to creditors other than micro enterprises and small enterprises	211.68
	<u>211.68</u>
Trade payables	79.51
Trade payables to related parties	132.17

Ageing schedule as at March 31, 2024

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	203.99	7.69	–	–	–	211.68
(iii) Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	–
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–
Total	203.99	7.69	–	–	–	211.68

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the period and also as at 31st March, 2024.

14. Other financial liabilities

Particulars	As at March 31, 2024
Current	
Capital Creditors	2,782.06
Employee dues	7.96
Financial Liabilities at fair value through profit or loss	
- Foreign Exchange forward contracts*	3.53
	<u>2,793.55</u>

*While the Company entered into Foreign Exchange forward contracts with the intention of reducing the foreign exchange risk of capital purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit and loss.

Breakup of financial liabilities

Particulars	As at March 31, 2024
At fair value through profit or loss	
- Foreign exchange forward contracts	3.53
At amortised cost	
Capital creditors (note 14)	2,782.06
Trade payables (note 13)	211.68
Employee dues (note 14)	7.96
Lease Liabilities (note 3C)	204.37
	<u>3,005.23</u>

15. Other current liabilities

Particulars	As at March 31, 2024
Statutory Liabilities	63.53
	<u>63.53</u>

16. Provisions

Particulars	As at March 31, 2024
Current	
Leave encashment	0.89
Gratuity	0.99
	<u>1.88</u>

17. Revenue from contracts with customers

Particulars	For the period March 03, 2023 to March 31, 2024
Sale of Products	1.41
	<u>1.41</u>

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

a. Disaggregated revenue information

The company disaggregates its revenue based on type of goods or services, the geographical locations and the timing of transfer of goods and services as follows:

Types of goods or services

For the period March 03, 2023 to
March 31, 2024

Sale of Products - Moulded fibre*	1.41
	<u>1.41</u>

*The Company is engaged in manufacturing and selling of sustainable moulded fibre packaging products.

Geographical location

For the period March 03, 2023 to
March 31, 2024

India	1.41
Outside India	—
	<u>1.41</u>

Timing of revenue recognition

For the period March 03, 2023 to
March 31, 2024

Goods delivered at point in time	1.41
	<u>1.41</u>

b. Contract balances

The below table provides information about contract balances of the Company

Particulars

As at
March 31, 2024

Trade Receivables	1.74
	<u>1.74</u>

18. Other income**Particulars**

For the period March 03, 2023 to
March 31, 2024

Gain on redemption of investments	90.74
Net Gain / (Loss) on forex forward contracts	(16.35)
Mark to Market Gain / (Loss) on Investments measured at FVTPL	37.44
Mark to Market Gain / (Loss) arising on forex forward measured at FVTPL	(3.53)
Interest income on security deposits	1.24
Others	14.75
	<u>124.29</u>

19. Changes in inventories of finished goods and work in progress**Particulars**

For the period March 03, 2023 to
March 31, 2024

Opening Inventories (A)

Finished Goods	—
Work-In-Progress	—
Total	<u>—</u>

Closing Inventories (B)

Finished Goods	0.38
Work-In-Progress	0.21
Total	<u>0.59</u>

Changes in inventories of finished goods and work in progress (A-B)

(0.59)

20. Employee benefits expenses**Particulars**

For the period March 03, 2023 to
March 31, 2024

Salaries, wages and bonus	94.79
Contribution to provident fund and other funds	4.92
Gratuity Expense	1.95
Leave encashment	0.89
Staff welfare expenses	13.96
	<u>116.51</u>

21. Finance cost**Particulars**

For the period March 03, 2023 to
March 31, 2024

Interest on lease liabilities	2.78
	<u>2.78</u>

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

22. Other expense

Particulars	For the period March 03, 2023 to March 31, 2024
Power and fuel	9.07
Consumption of stores and spares	0.10
Rent	5.04
Rates and taxes	201.12
Insurance	1.11
Repairs	0.08
Maintenance and upkeep	10.80
Guest house	4.96
Manpower contract charges	3.00
Bank charges	17.57
Travelling and conveyance	14.40
Consultancy/professional fees	7.24
Postage, telephone, etc	0.09
Printing & stationery	0.58
Payment to auditors (Refer details below)	1.00
Miscellaneous expenses	86.35
	<u>362.51</u>
Payment to Auditors (excl. of taxes)	For the period March 03, 2023 to March 31, 2024
As Auditor	
Audit fees	1.00
	<u>1.00</u>

23. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the loss and share data used in the basic EPS computations:

Particulars	For the period March 03, 2023 to March 31, 2024
Loss attributable to equity share holders (A)	(356.00)
Weighted average number of equity shares of Rs. 10 each outstanding during the period (in Lakhs) (B)	426.77
Earning per share - Basic and Diluted (Rs.) (A/B)	<u>(0.83)</u>

The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the period.

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

24. Capital commitments

Estimated amount of contracts remaining to be executed on capital accounts and not provided for as at March 31, 2024 are Rs. 7,049 Lakhs

25. Related party disclosures**(a) Names of the related parties and nature of relationship**

Name of the related party	Relationship
ITC Limited	Holding Company
International Travel House Limited	Associate of the Group
B Sumant	Director
Vadiraj Kulkarni	Director
Peter Claude Rasquinha	Director
Rajesh Poddar	Director
Vardaan Bhatia	Manager
K Tirumala	Chief Financial Officer
Santhosh Bollabattini	Company Secretary

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

(b) Transactions with related parties

Particulars	For the period March 03, 2023 to March 31, 2024
<u>ITC Limited</u>	
Issue of equity shares	20,000.00
Purchase of raw material	43.36
Rent	3.74
Project management consultancy services	574.78
Reimbursement of expenses	202.58
<u>International Travel House Limited</u>	
Purchase of Services	10.21
<u>Managerial remuneration to KMP's</u>	
Vardaan Bhatia	51.91
K. Tirumala	22.29
Santhosh Bollabattini	11.09

(c) Outstanding balances as on March 31, 2024:

Particulars	For the period March 03, 2023 to March 31, 2024
<u>Other payables</u>	
ITC Limited	130.77
International Travel House Limited	1.40

Significant terms & conditions:

All the transactions with related parties are in ordinary course of business and on arm's length basis. The amount outstanding is unsecured and will be settled in cash.

26. Financial instruments and related disclosures**a. Capital Management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return of the stakeholders through optimum fund utilization. The capital structure of the Company comprises of equity as detailed out in note 11. The Company's objective when managing capital is to maintain an optimal structure so as to maximise shareholder value. The Company is not exposed to any externally imposed capital restriction.

b. Categories of Financial Instrument

Particulars	For the period March 03, 2023 to March 31, 2024

A. Financial Assets

a) Measured at fair value through profit and loss (FVTPL)	
Investments in Mutual Funds	3,595.63
b) Measured at amortised cost	
Cash and cash equivalents	141.74
Trade receivables	1.74
Other Financial Assets	4.48

B. Financial Liabilities

Measured at amortised cost	
Other Financial Liabilities	2,793.55
Lease Liabilities	204.37
Trade payables	211.68

c. Financial Risk Management Objectives**i) Market risk**

The Company's investments are predominantly held in debt mutual funds. The Company invests in mutual fund schemes of leading fund houses. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

ii) Interest rate risk

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

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

iii) Foreign currency risk

The Company undertakes transactions denominated in foreign currency capital expenditure (mainly US Dollar) which is subject to the risk of exchange rate fluctuations. Consequently, the Company uses derivative such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates.

Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risks. Consequently, the Company uses derivative, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates.

The carrying amounts of foreign currency denominated financial assets and liabilities including derivative contracts (other than in functional currency), are as follows:

a.	The following table analyses foreign currency risk from non derivative financial instruments as at March 31, 2024:		(in Rs. Lakhs)
	Particulars	US Dollar	Total
	Liabilities		
	Capital creditors	507.59	507.59
b.	The Company is holding the following foreign exchange forward contracts as on March 31, 2024:		(in Rs. Lakhs)
	Particulars	Maturity	Total
		< 1 Month	1 - 3 months
	Foreign exchange forward contracts (highly probable forecast purchases)	2,341.68	19,039.78
			21,381.46

iv) Liquidity risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate management system for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The Company had following working capital at the end of the reporting period :

Particulars	As at March 31, 2024
Current assets	5971.68
Current liabilities	(3,089.91)
Working Capital	2,881.77

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

Particulars	Total	Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years
Trade payables	211.68	211.68	–	–	–
Lease liabilities	286.49	34.69	69.12	54.88	127.80
Other financial liabilities	2,793.55	2,793.55	–	–	–
	3,291.72	3,039.92	69.12	54.88	127.80

(v) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company.

There is no significant credit risk during the period as the Company has commenced operations in March 2024.

Investments are made only with mutual funds and credit risk in such funds are limited because the underlying investments are diversified and the Company's investment framework considers the credit quality of the underlying investments made by the fund house.

27. Fair Value Measurement

Fair value hierarchy:

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

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

Level 2: Inputs other than quoted price including within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

The carrying amounts and fair values of financial instruments by category as on March 31, 2024 are as follows:

	Carrying amount		Total
	FVTPL	Amortised cost	
Financial assets			
Investments	3,595.63	–	3,595.63
Trade receivables	–	1.74	1.74
Cash and cash equivalents	–	141.74	141.74
Other financial assets	–	286.72	286.72
	3,595.63	430.20	4,025.83
Financial liabilities			
Trade payables	–	211.68	211.68
Foreign exchange forward contracts	3.53	–	3.53
Lease liabilities	–	204.37	204.37
Other financial liabilities	–	2,790.02	2,790.02
	3.53	3,206.07	3,209.60

The following table represents fair value of assets and liabilities measured at fair value

	March 31, 2024			Total
	Level 1	Level 2	Level 3	
Financial assets				
Investments	3,595.63	–	–	3,595.63
Financial liabilities				
Foreign exchange forward contracts	–	3.53	–	3.53
	3,595.63	3.53	–	3,599.16

28. Use of Estimates and Judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful lives of property, plant and equipment, and intangible assets:

As described in the material accounting policies, the Company reviews the estimated useful lives of property, plant and equipment, and intangible assets at the end of each reporting period and the impact of changes in the estimated useful life is considered in the period in which the estimate is revised.

(ii) Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

29. Segment Reporting

The Company has only one segment i.e., carrying on the business of manufacturing and selling of sustainable moulded fibre packaging products, as such no separate financial disclosure for the primary segment were provided.

30. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The Company does not have any unhedged foreign currency exposure as at March 31, 2024.

31. Since the company is in its first year of operations, the disclosure of financial ratios is not relevant.

32. Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with companies struck off.

Notes to the financial statements for the period March 03, 2023 to March 31, 2024 (Contd.)

- iii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
 - iv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - v. The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - vi. The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - vii. The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).
 - viii. The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
 - ix. The Company has not declared/paid any dividend during the period.
33. The financial statements were approved for issue by the Board of Directors on May 02, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors of
ITC Fibre Innovations Limited
CIN: U46496WB2023PLC260213

Per **Shankar Srinivasan**
Partner
Membership No.: 213271
Place: Hyderabad
Date: May 02, 2024

B Sumant
Chairman
DIN No.: 01732482
Place: Kolkata
Date: May 02, 2024

Peter Claude Rasquinha
Director
DIN No.: 09237557
Place: Hyderabad
Date: May 02, 2024

Santhosh Bollabattini
Company Secretary
M. No.: A70785
Place: Hyderabad
Date: May 02, 2024

K Tirumala
Chief Financial Officer
Place: Hyderabad
Date: May 02, 2024

ANNUAL REPORT OF WELCOMHOTELS LANKA (PRIVATE) LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024

The Board of Directors of WelcomHotels Lanka (Private) Limited hereby submit their Twelfth Annual Report for the financial year ended 31st March, 2024.

Business Environment

During the year, the Sri Lankan economy continued on its recovery path consequent to the IMF bailout programme and the various measures undertaken by the Government of Sri Lanka. There is a marked upsurge in tourist arrivals along with healthy growths in remittances and forex reserves. The Sri Lankan Rupee has been relatively stable vis-à-vis the United States Dollar with appreciation in the later part of the year. Restructuring of international debt is in progress and the Government of Sri Lanka expects the same to be concluded shortly.

Nature of Business

The Company is developing a mixed-use project ('Project') on 5.86 acres of prime sea-facing land in Colombo. The project comprises a 352-room luxury hotel – 'ITC Ratnadipa' and a super-premium residential apartment complex - 'Sapphire Residences'. The Project has been accorded the status of a 'Strategic Development Project' entitling the Company to various fiscal benefits in Sri Lanka. Further, the Project is exempt from foreign exchange regulations.

The hotel, ITC Ratnadipa, was launched on 25th April, 2024 by the President of Sri Lanka in the presence of other dignitaries including the Prime Minister of Sri Lanka. 175 rooms along with substantial public areas are currently operational. Symbolising the traditions of the island nation through its architectural design and artistic expression, the hotel is adorned by finest work of Sri Lankan art maestros and its design integrates the motif of the national flower of Sri Lanka, the floating water lily, across the hotel. The hotel hosts award winning and signature restaurants and bars that offer a repertoire of local, national, and global cuisine. The hotel also offers state of the art banqueting facilities with its 15,000 square feet Sangam ball room being amongst the largest in Colombo. Project construction activities for the balance areas are expected to be completed in 2024/25.

The real estate sector in Sri Lanka continued to remain muted with further increase in taxes during the year which has, inter alia, impacted the sales velocity of 'Sapphire Residences' luxury apartments. Given its unique positioning and superior value proposition, apartment sales are expected to gain momentum with the improvement in the macro-economic environment and progressive completion of the residential component of the project.

Financial Statements

The Financial Statements, including the Auditor's Report thereon, for the year ended 31st March 2024, are attached to this Report.

Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are stated in the Financial Statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF WELCOMHOTELS LANKA (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WelcomHotels Lanka (Private) Limited ("the Company"), which comprise the statement of financial position as at 31 March 2024, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). 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 ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information is the financial and non-financial information other than financial statements and the auditor's report thereon, included in an entity's annual report. Management is responsible for the other information. Our opinion on the 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 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with Sri Lanka Accounting Standards (LKASs and SLFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Entries made in the Interests Register

The Directors had no interest in any contract with the Company during the year ended 31st March, 2024.

Remuneration of Directors

No remuneration was paid, nor any benefits extended, to the Non-Executive Directors by the Company during the year ended 31st March 2024.

Mr. S. K. George, Managing Director of the Company was entitled to remuneration, as recommended by the Board of Directors, subject to the approval of the shareholders.

Donations

The Company has not made any donation during the year ended 31st March, 2024.

Directors

During the year, Mr. Anil Chadha - Divisional Chief Executive, ITC Limited (ITC – Holding Company), Hotels Division and Mr. Ashish Thakar, Executive Vice President, Finance, IT & Procurement, ITC – Hotels Division, were appointed as Non-Executive Directors of the Company effective 17th October 2023 and 29th December 2023, respectively.

Mr. Nakul Anand, Chairman stepped down as Chairman and Director of the Company effective 3rd January, 2024, consequent to his superannuation from ITC. The Directors place on record their deep appreciation for the valuable contribution made by Mr. Anand during his tenure as the Chairman and Director of the Company.

Mr. Anil Chadha was appointed as the Chairman of the Company with effect from 3rd January 2024.

The Directors of the Company, as at 31st March, 2024, were as follows:

Mr. Anil Chadha	Chairman & Non-Executive Director
Mr. Supratim Dutta	Non-Executive Director
Mr. Vidyaprakash P Menon	Non-Executive Director
Mr. Rajendra K Singhi	Non-Executive Director
Mr. Ashish Thakar	Non-Executive Director
Ms. Roopa Y Vikram	Non-Executive Director
Mr. Subi K George	Managing Director

Audit Fees

The Audit Fees of the Company's Auditors, Messrs. Deloitte Associates, Chartered Accountants, 11, Castle Lane, Colombo 4, Sri Lanka, for Statutory Audit of the Accounts of the Company for the year 2023-24 is set out in Note 4 to the Financial Statements. The Auditors do not have any other relationship with the Company.

The Auditors were not engaged for rendering any other services to the Company and accordingly there were no other fees paid or payable to them.

Subi K George	Anil Chadha
Managing Director	Chairman

Corporate Services (Private) Limited
Secretaries

On this 6th day of May, 2024

Auditor's Responsibilities for the Audit of the 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 Sri Lanka Auditing Standards 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 financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 identified during our audit.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

Deloitte Associates
Chartered Accountants
Colombo
6th May, 2024

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2024

	Note	2023/24 LKR	2023/24 INR	2022/23 LKR	2022/23 INR
Revenue		—	—	—	—
Cost of sales		—	—	—	—
Gross profit		—	—	—	—
Other income	3	307,935,584	81,202,614	351,743,957	88,506,979
Administrative expenses	4	(16,851,785)	(4,443,816)	(9,606,072)	(2,417,112)
Marketing expenses		(228,571,187)	(60,274,222)	(28,018,240)	(7,050,042)
Pre operating profit/ (loss) before tax	5	62,512,612	16,484,576	314,119,645	79,039,825
Taxation	6	—	—	—	—
Pre operating profit / (loss) for the year		62,512,612	16,484,576	314,119,645	79,039,825
<u>Other comprehensive income</u>					
Other comprehensive income		—	—	—	—
Total comprehensive income/ (loss) for the year		<u>62,512,612</u>	<u>16,484,576</u>	<u>314,119,645</u>	<u>79,039,825</u>
Earnings / (loss) per share	7	0.11	0.03	1.36	0.34

The accounting policies and notes from 1 to 22 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2024

	Note	2023/24 LKR	2023/24 INR	2022/23 LKR	2022/23 INR
Assets					
Non Current Assets					
Property, plant and equipment	8	25,964,024	7,210,209	31,644,419	7,903,510
Capital work-in-progress	9	61,605,153,018	17,107,750,993	40,760,331,426	10,180,300,377
Right of use asset	10	8,196,800,907	2,276,251,612	8,291,130,731	2,070,792,811
Non current prepayments	11	<u>3,251,984,831</u>	<u>903,076,188</u>	<u>2,437,834,748</u>	<u>608,873,607</u>
		<u>73,079,902,780</u>	<u>20,294,289,002</u>	<u>51,520,941,324</u>	<u>12,867,870,305</u>
Current Assets					
Inventories	12	36,126,201,925	10,032,246,274	27,772,060,751	6,936,349,893
Current prepayments	13	215,926,736	59,962,855	168,465,825	42,076,024
Cash and bank balances	14	<u>1,579,553,719</u>	<u>438,642,068</u>	<u>2,647,251,630</u>	<u>661,177,568</u>
		<u>37,921,682,380</u>	<u>10,530,851,197</u>	<u>30,587,778,206</u>	<u>7,639,603,485</u>
Total Assets		<u>111,001,585,160</u>	<u>30,825,140,199</u>	<u>82,108,719,530</u>	<u>20,507,473,790</u>
Equity and Liabilities					
Capital and Reserves					
Stated capital	15	104,862,250,002	34,765,278,672	78,363,820,002	27,727,228,077
Retained earnings		<u>323,817,332</u>	<u>(5,555,107,772)</u>	<u>261,304,720</u>	<u>(8,089,816,925)</u>
		<u>105,186,067,334</u>	<u>29,210,170,900</u>	<u>78,625,124,722</u>	<u>19,637,411,152</u>
Non Current Liabilities					
Right of use lease liability - Non current		279,888	77,725	292,751	73,118
Advance from customers		<u>4,533,379,343</u>	<u>1,258,919,444</u>	<u>3,123,753,033</u>	<u>780,188,558</u>
		<u>4,533,659,231</u>	<u>1,258,997,169</u>	<u>3,124,045,784</u>	<u>780,261,676</u>
Current Liabilities					
Right of use lease liability - Current		25	7	37	9
Other payables	16	<u>1,281,858,570</u>	<u>355,972,124</u>	<u>359,548,987</u>	<u>89,800,953</u>
		<u>1,281,858,595</u>	<u>355,972,131</u>	<u>359,549,024</u>	<u>89,800,962</u>
Total Equity and Liabilities		<u>111,001,585,160</u>	<u>30,825,140,199</u>	<u>82,108,719,530</u>	<u>20,507,473,790</u>

I certify that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Abhijeet Sreenivasan
Financial Controller

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board on 6 May 2024.

Subi Koshy George
Managing Director

Anil Chadha
Chairman

The accounting policies and notes from 1 to 22 form an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

	Stated Capital LKR	Stated Capital INR	Retained Earnings/Loss LKR	Retained Earnings/Loss INR	Total LKR	Total INR
Balance as at 31st March 2022	52,243,250,002	21,665,887,237	(52,814,925)	(8,436,133,849)	52,190,435,077	13,229,753,389
Shares issued during the period	26,120,570,000	6,061,340,840	-	-	26,120,570,000	6,061,340,840
13.5% Cumulative non convertible preference shares redeemable at par at the option of the company and dividend payable at the sole option of the company	-	-	-	-	-	-
Pre operating profit for the period	-	-	314,119,645	79,039,825	314,119,645	79,039,825
Foreign Exchange Translation Reserve	-	-	-	267,277,098	-	267,277,098
Balance as at 31st March 2023	78,363,820,002	27,727,228,077	261,304,720	(8,089,816,925)	78,625,124,722	19,637,411,152
Shares issued during the period	26,498,430,000	7,038,050,595	-	-	26,498,430,000	7,038,050,595
13.5% Cumulative non convertible preference shares redeemable at par at the option of the company and dividend payable at the sole option of the company	-	-	-	-	-	-
Pre operating profit for the year	-	-	62,512,612	16,484,576	62,512,612	16,484,576
Foreign Exchange Translation Reserve	-	-	-	2,518,224,577	-	2,518,224,577
Balance as at 31st March 2024	104,862,250,002	34,765,278,672	323,817,332	(5,555,107,772)	105,186,067,334	29,210,170,900

The accounting policies and notes from 1 to 22 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

		2023/24 LKR	2023/24 INR	2022/23 LKR	2022/23 INR
Cash Flows From Operating Activities					
Profit before tax		62,512,612	16,484,576	314,119,645	79,039,825
Adjustment for:					
Depreciation on property, plant and equipment	4	9,743,052	2,569,243	8,302,364	2,089,068
Operating profit before working capital changes		72,255,664	19,053,819	322,422,009	81,128,893
Adjustment for:					
Increase in inventory		(8,325,533,187)	(2,312,000,566)	(8,291,360,727)	(2,070,850,255)
Increase in pre payments		(861,610,994)	(239,269,373)	(2,039,632,073)	(509,418,507)
Increase / (Decrease) in other payables		922,309,583	256,125,371	(148,033,954)	(36,972,960)
Increase / (Decrease) in advance from customers		1,409,626,310	391,453,226	1,830,827,529	457,267,484
Net cash flow from operating activities		(6,782,952,625)	(1,884,637,523)	(8,325,777,216)	(2,078,845,345)
Cash Flows From Investing Activities					
Additions to Capital Work in progress	9	(20,779,086,797)	(5,770,352,403)	(15,469,148,054)	(3,863,574,418)
Purchase of property, plant and equipment, etc.	8	(4,062,657)	(1,128,200)	(4,782,280)	(1,194,422)
Net cash flow used in investing activities		(20,783,149,454)	(5,771,480,603)	(15,473,930,334)	(3,864,768,840)
Cash Flows From Financing Activities					
Lease rental payment		(25,833)	(7,174)	(25,833)	(6,452)
Proceeds from issue of shares	15	26,498,430,000	7,038,050,595	26,120,570,000	6,061,340,840
Net cash flow from financing activities		26,498,404,167	7,038,043,421	26,120,544,167	6,061,334,388
Net increase/(decrease) in cash and cash equivalents		(1,067,697,911)	(618,074,705)	2,320,836,617	117,720,203
Cash and cash equivalents at the beginning of the period		2,647,251,630	661,177,568	326,415,013	82,742,942
Foreign exchange translation gain/ (loss)		-	395,539,205	-	460,714,424
Cash and cash equivalents at the end of the period	17	1,579,553,719	438,642,068	2,647,251,630	661,177,568

The accounting policies and notes from 1 to 22 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1. Company Information

1.1. Domicile and legal form

WelcomHotels Lanka (Private) Limited is a limited liability company incorporated in Sri Lanka on April 23, 2012 under the Companies Act No.07 of 2007. The registered office of the Company is at 216, De Saram Place, Colombo 10.

1.2. Principal activity and nature of operations

WelcomHotels Lanka (Private) Limited is in the business of hospitality trade and currently is engaged in developing a mixed use project comprising hotel, residential condominium, retail space, etc. on a plot of land in Colombo leased from the Board of Investment of Sri Lanka for 99 years.

1.3. Parent entity

The Company's parent and ultimate parent entity is ITC Limited which is incorporated in India.

1.4. Date of authorisation for issue

The financial statements of the Company for the year ended 31 March 2024 were authorised for issue by the Board of Directors on 6th May 2024.

2. Summary of key accounting policies

2.1 Statement of compliance

The statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes together with the summary of Material Accounting Policies (being the "financial statements") of the company have been prepared in accordance with Sri Lanka

Accounting Standards (SLFRSs/LKAS) as issued by The Institute of Chartered Accountants of Sri Lanka (ICASL) which is based on International Financial Reporting Standards and International Accounting Standards ("IFRS" & "IAS"), as issued by the International Accounting Standards Board and in compliance with the companies Act No.7 of 2007.

2.2 Basis of preparation

The financial statements, presented in Sri Lankan Rupees, have been prepared on a historical cost basis, except where otherwise stated in the accounting policies below.

2.3 Material accounting policies

The accounting policies have been consistently applied by the company with those of the previous financial year.

2.4 Comparative information

Previous year's figures and phrases are rearranged, wherever necessary, to conform to the current year's presentation.

2.5 Going concern

When preparing the financial statements, the Directors have assessed the ability of the company to continue as a going concern. The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company does not foresee a need for liquidation or cessation of business activities taking into account all available information about the future. Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

2.6 Use of estimates and judgments

The preparation of the company's financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. Actual results may differ from these estimates.

2.7 Functional and presentation currency

These financial statements are being presented in Sri Lankan Rupees which is the Company's functional currency.

2.8 Events after the date of statements of financial position

All material events after the statement of financial position date have been considered and appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

2.9 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in statement of comprehensive Income.

2.10 Leased assets

The entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the entity recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

a. Right of use assets

The company recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities and the recognised right of use assets are depreciated on a straight line basis over the lease term. The depreciation charged during the construction period of the mixed development project is recognised under work in progress balances.

b. Lease liability

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

2.11 Taxation**Current taxes**

The provision for income taxes are based on the elements of income and expenditure as reported in the financial statements and computed in accordance with provisions of the Inland Revenue Act, No. 24 of 2017 and amendments thereto. The company is exempted from income tax for a period of ten years as described in Note 7 to the financial statements.

2.12 Property, plant and equipment**2.12.1 Cost**

Property, plant and equipment, including owner-occupied property, is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses, if any. Replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The cost of property, plant and equipment is the cost of acquisition or construction together with any expenses incurred in bringing the asset to its condition for its intended use.

2.12.2 Depreciation

Depreciation is charged to statement of comprehensive Income so as to write off the cost or valuation of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives of the assets of the Company are as follows:

Furniture & fixtures	8 – 10 years
Motor vehicles	8 – 10 years
Plant and equipment	7 – 15 years
Computers	3 years

2.12.3 Work in progress balances

All expenses which are directly related to the project are reflected in work-in-progress balances till they are ready for their intended use.

2.13 Impairment of assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable

amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

2.14 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the weighted average method. The cost of the inventory comprises purchase price, taxes (other than those subsequently recoverable by the company from the tax authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.15 Cash and cash equivalents

Cash and cash equivalents, for the purpose of statement of cash flows, are defined as cash in hand, demand deposits, and short term highly liquid investments which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2.16 Stated capital

Ordinary shares are classified as equity.

Preference shares are classified as equity and are entitled to a dividend determined at the time of issue of the preference shares, the quantum and timing of such pay-out, subject to adequacy of profits, being at the discretion of the issuer. The preference shares are cumulative, non-convertible, and redeemable at the option of the issuer.

Incremental costs directly attributable to the issue of ordinary shares and preference shares are recognised as a deduction from equity, net of any tax effects.

2.17 Financial instruments

Trade and other receivables are initially recognised at the transaction price. All sales are made on the basis of normal credit terms, and the receivables do not bear interest.

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

Financial liabilities are initially recognised at the fair value of consideration received less directly attributable transaction costs.

Subsequent to initial measurement, financial liabilities are recognised at amortised cost unless they are a part of a fair value hedge relationship. The difference between the initial carrying amount of the financial liability and their redemption value is recognised in the statement of comprehensive income over the contractual terms using the effective interest rate.

Financial liabilities at amortised cost are further classified as current and non-current depending whether these will fall due within 12 months after the date of statement of financial position or beyond.

Financial liabilities are derecognised when either the company is discharged from its obligations or they expire, are cancelled or replaced by a new liability with substantially modified terms.

Financial liabilities include trade and other payables and other financial liabilities.

2.18 Provisions, contingent assets, and contingent liabilities

Provisions are made for all obligations existing as at the date of statement of financial position when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote.

Contingent assets are disclosed where inflow of economic benefits is probable.

2.19 Borrowing costs

Borrowing costs are recognised as an expenses in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of a Qualifying Asset that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of that asset.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

2.20 Statement of cash flows

The statement of cash flows has been prepared using the "indirect method".

2.21 Revenue recognition**2.21.1 Sale of goods and services**

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods and services is shown to exclude taxes which are payable in respect of sale of goods and services.

Revenue from the sale of goods and services is recognised when the company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the periods in which such services are rendered.

Realisations from customers prior to transfer of title of apartments are accordingly treated as advances received.

2.21.2 Contract balances**Contract liabilities**

A contract liability is the obligation to transfer goods to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the entity transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the company completes execution of its performance obligation under the contract. Advance from customers presented in the statement of financial position is considered as contract

liabilities and are recognised as revenue upon transfer of control of property to the customer.

Contract assets

The costs directly attributable to customer contracts are recognized as contract assets and reflected under non-current prepayments. Contract assets are amortized on a systematic basis in line with the achievement of the performance obligations.

2.21.3 Interest income

Interest income is recognised using the Effective Interest Rate (EIR) method.

2.21.4 Other income

Other income is recognised on an accrual basis.

2.22 Expenditure recognition

Expenses are recognised in the statement of comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. The remuneration of the Managing Director is recognised upon its determination by the Board of Directors. All expenditure incurred in running the business and in maintaining property, plant and equipment in a state of efficiency has been charged to the Statement of comprehensive Income. Incremental cost incurred in obtaining contracts to sell apartments (i.e. contract costs) are recognised as assets if those costs are explicitly chargeable to the customer. Further such assets are amortised to the profit and loss when related apartments are sold to the customers.

For the purpose of presentation of the statement of comprehensive income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the company's performance.

	2023/24 LKR	2023/24 INR	2022/23 LKR	2022/23 INR
3. Other Income				
Foreign exchange gain	<u>307,935,584</u>	<u>81,202,614</u>	<u>351,743,957</u>	<u>88,506,979</u>
4. Administrative Expenses				
(a) Auditor's remuneration and expenses				
Audit fees*	720,000	189,864	588,500	148,080
Reimbursement of expenses and taxes	109,710	28,931	110,913	27,908
(b) Secretarial remuneration and expenses				
Secretarial fees*	118,000	31,117	99,000	24,911
Reimbursement of expenses and taxes	34,643	9,135	23,920	6,019
(c) Consultancy fees	6,126,380	1,615,526	481,375	121,125
(d) Depreciation	9,743,052	2,569,243	8,302,364	2,089,068
	<u>16,851,785</u>	<u>4,443,816</u>	<u>9,606,072</u>	<u>2,417,112</u>

*Excluding taxes

5. Pre-operating Profit

The following items have been charged in arriving at the pre-operating profit

Auditor's remuneration and expenses	829,710	218,795	699,413	175,989
Secretarial remuneration and expenses	152,643	40,252	122,920	30,930
Consultancy fees	6,126,380	1,615,526	481,375	121,125

6. Taxation

The Company had entered into a Project Agreement with the Board of Investment of Sri Lanka on 04th May 2012. Thereafter, the mixed use project of the Company has been duly declared a Strategic Development Project under the Strategic Development Projects Act, 2008. By virtue of the same, the provisions of the Inland Revenue Act 2017 relating to the imposition of income tax on the Company on the profit and income from the mixed use project shall not apply for a period of 10 years (tax exemption period). The tax exemption period shall commence from the first year in which the Company makes taxable profits or three years after commencement of commercial operations, whichever falls first. After the expiration of the aforesaid tax exemption period, the profits and income of the Company shall be charged at a concessionary tax rate which shall be the lower of 6% or 50% of the prevailing tax rate for the hotel industry, for a period of 15 years immediately succeeding the last date of the tax exemption period.

7. Earnings Per Share

Earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of shares in issue during the year.

	2023/24 LKR	2023/24 INR	2022/23 LKR	2022/23 INR
Amount used as the numerator				
Profit/ (loss) attributable to ordinary shareholders	<u>62,512,612</u>	<u>16,484,576</u>	<u>314,119,645</u>	<u>79,039,825</u>
Amount used as the denominator				
Weighted average no of ordinary shares in issue	<u>564,183,326</u>	<u>564,183,326</u>	<u>230,489,601</u>	<u>230,489,601</u>
Earnings per share	<u>0.11</u>	<u>0.03</u>	<u>1.36</u>	<u>0.34</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

8. Property, Plant and Equipment

Particulars	Gross Block					Depreciation					Net Block				
	Original Cost as at 01.04.2023 (LKR)	Original Cost as at 01.04.2023 (INR)	Additions during the year (LKR)	Additions during the year (INR)	Original Cost as at 31.03.2024 (LKR)	Foreign Currency Translation Reserve Adjustments (INR)	Accumulated Depreciation as at 01.04.2023 (LKR)	Depreciation for the year (LKR)	Depreciation for the year (INR)	Accumulated Depreciation as at 31.03.2024 (LKR)	Foreign Currency Translation Reserve Adjustments (INR)	Accumulated Depreciation as at 31.03.2024 (INR)	Net Block as at 01.04.2023 (LKR)	Net Block as at 31.03.2024 (LKR)	Net Block as at 31.03.2024 (INR)
Furniture & fixtures	4,258,153	1,063,516	279,511	73,707	4,537,664	122,886	1,812,402	532,766	140,491	2,345,168	58,097	651,254	2,445,751	2,192,496	608,855
Vehicles	52,350,000	13,074,936	-	-	52,350,000	1,462,659	29,044,795	6,210,932	1,637,823	35,255,727	898,465	9,790,516	23,305,205	17,094,273	4,747,079
Plant and equipment	1,589,059	396,883	679,403	179,159	2,268,462	53,910	335,521	140,222	36,976	475,743	11,338	132,114	1,253,538	1,792,719	497,838
Computers	14,589,983	3,643,994	3,103,743	818,457	17,693,726	451,097	9,950,058	2,859,132	753,953	12,809,190	318,032	3,557,112	4,639,925	4,884,536	1,356,437
Total	72,787,195	18,179,330	4,062,657	1,071,323	76,849,852	2,090,552	41,142,716	9,743,052	2,569,243	50,885,828	1,285,932	14,130,995	31,644,419	25,964,024	7,210,209

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	Balance as at 31.03.2024 LKR	Balance as at 31.03.2024 INR	Balance as at 31.03.2023 LKR	Balance as at 31.03.2023 INR
9. Capital Work-in- Progress				
Original Cost as at beginning of the year	40,760,331,426	10,180,300,377	25,225,628,148	6,394,444,480
Additions during the year	20,844,821,592	5,496,779,454	15,534,703,278	3,908,893,474
Foreign currency translation adjustments		(1,430,671,162)		(123,037,577)
Net Block as at end of the year*	<u>61,605,153,018</u>	<u>17,107,750,993</u>	<u>40,760,331,426</u>	<u>10,180,300,377</u>

(*) Capital work-in- progress as at 31-March-2024 includes during the year interest cost on lease liability of LKR.9,029 INR.2,507 (2022/23-LKR.17,975 INR 4,489) and during the year amortization of right of use asset - LKR. 65,716,726 INR.18,249,535 (2022/23- LKR 65,537,249 INR 16,368,583).

10. Right of Use Asset				
Land				
Recognition on the adoption of SLFRS 16	8,667,625,478	2,406,999,595	8,667,625,478	2,164,826,139
Less: Amortization till date	<u>470,824,571</u>	<u>130,747,983</u>	<u>376,494,747</u>	<u>94,033,328</u>
	<u>8,196,800,907</u>	<u>2,276,251,612</u>	<u>8,291,130,731</u>	<u>2,070,792,811</u>

	31.03.2024 LKR	31.03.2024 INR	31.03.2023 LKR	31.03.2023 INR
11. Non Current Prepayments				
Security deposit	22,947,123	6,372,416	24,329,034	6,076,420
Capital advances	2,784,126,718	773,151,990	2,128,726,655	531,670,769
Contract costs	444,910,990	123,551,782	284,779,059	71,126,418
	<u>3,251,984,831</u>	<u>903,076,188</u>	<u>2,437,834,748</u>	<u>608,873,607</u>
12. Inventories				
Work In Progress*	36,126,201,925	10,032,246,274	27,772,060,751	6,936,349,893
(*) Work-in- progress as at 31st March, 2024 includes during the year interest cost on lease liability of LKR 3,929 INR.1,091 (2022/23-LKR 7,823 INR.1,954) and during the year amortization of right of use asset - LKR 28,600,122 INR 7,942,254 (2022/23-LKR 28,522,014 INR.7,123,658)				
13. Current Prepayments				
Security deposit	17,899,010	4,970,555	8,517,330	2,127,288
Other advances	198,027,726	54,992,300	159,948,495	39,948,736
	<u>215,926,736</u>	<u>59,962,855</u>	<u>168,465,825</u>	<u>42,076,024</u>
14. Cash and Bank balances				
Cash at bank	1,572,085,196	436,568,059	2,646,494,532	660,988,475
Cash in hand	7,468,523	2,074,009	757,098	189,093
	<u>1,579,553,719</u>	<u>438,642,068</u>	<u>2,647,251,630</u>	<u>661,177,568</u>

	No. of Shares	31.03.2024 Amount LKR	Amount INR	No. of Shares	31.03.2023 Amount LKR	Amount INR
15. Stated Capital						
Equity capital						
Opening balance	400,847,960	40,026,486,002	12,453,015,701	139,642,260	13,905,916,002	6,391,674,861
Issued during the year	264,984,300	26,498,430,000	7,038,050,595	261,205,700	26,120,570,000	6,061,340,840
Closing balance	<u>665,832,260</u>	<u>66,524,916,002</u>	<u>19,491,066,296</u>	<u>400,847,960</u>	<u>40,026,486,002</u>	<u>12,453,015,701</u>
Preference shares						
Opening balance	383,373,340	38,337,334,000	15,274,212,376	383,373,340	38,337,334,000	15,274,212,376
Issued during the year	-	-	-	-	-	-
Closing balance	<u>383,373,340</u>	<u>38,337,334,000</u>	<u>15,274,212,376</u>	<u>383,373,340</u>	<u>38,337,334,000</u>	<u>15,274,212,376</u>
Total Stated Capital	<u>1,049,205,600</u>	<u>104,862,250,002</u>	<u>34,765,278,672</u>	<u>784,221,300</u>	<u>78,363,820,002</u>	<u>27,727,228,077</u>

The preference shares are entitled to a dividend of 13.5% and are cumulative, non-convertible, and redeemable at the option of the issuer and dividend payable at the sole option of the company.

	31.03.2024 LKR	31.03.2024 INR	31.03.2023 LKR	31.03.2023 INR
16. Other Payables				
Auditor's remuneration and expenses	830,000	230,491	690,000	172,334
Retention - Contractor	2,552,778	708,906	2,272,623	567,610
Other payables*	1,278,475,792	355,032,727	356,586,364	89,061,009
	<u>1,281,858,570</u>	<u>355,972,124</u>	<u>359,548,987</u>	<u>89,800,953</u>

* Includes payables to related parties LKR 51,422,789 INR 13,717,695 (2022/23 LKR 13,087,737 INR 2,872,280) (refer note 20).

17. Notes to Statement of Cash Flows				
Cash and Cash Equivalents at the End of the Year				
Cash at bank	1,572,085,196	436,568,060	2,646,494,532	660,988,475
Cash in hand	7,468,523	2,074,009	757,098	189,093
	<u>1,579,553,719</u>	<u>438,642,069</u>	<u>2,647,251,630</u>	<u>661,177,568</u>

18. Contingencies and Commitments				
Capital Commitments pending as at financial reporting date - LKR. 6,438,270,870 INR.1,787,907,821 (2022/23 LKR. 26,495,158,699 INR. 6,617,430,837)				
Above capital commitments include LKR.19,622,188 INR.5,449,082 (2022/23 LKR.41,052,323 INR.10,253,228) in favour of ITC Limited. There were no significant contingent liabilities as at the date of statement of financial position other than those disclosed above.				

19. Events after the date of Statement of Financial Position				
There were no significant events after the date of statement of financial position other than the commencement of commercial operation of the hotel component of the mixed use development, "ITC Ratnadipa", on 25th of April 2024.				

20. Related Party Transactions

20.1 The Company had the following transactions with its related parties during the financial year.

Related Party	Nature of Relationship	Nature of Transaction	Transaction Value (LKR)	Transaction Value (INR)	Outstanding Balance as at the date of Statement of Financial Position (LKR)	Outstanding Balance as at the date of Statement of Financial Position (INR)
ITC Ltd	Parent Company	Purchase of goods and Services	8,300,181 (79,833)	2,165,176 (20,492)	108,039 -	29,928 -
ITC Ltd	Parent Company	Technical Service fee	18,696,685 (21,109,559)	4,932,418 (4,846,402)	4,469,045 (4,866,208)	1,240,187 (1,222,976)
ITC Ltd	Parent Company	Reimbursement of Expenses #	61,822,680 (22,884,351)	16,350,516 (4,698,728)	46,845,705 (8,221,529)	12,447,581 (1,649,304)

Note: Figures in brackets relate to the previous year

*The amounts are classified as Other Payables except share issue which is classified as stated capital.

- includes compensation costs charged to the Company by the parent company LKR.21,162,424 INR.5,598,705 (2022/23- LKR.5,237,056 INR.619,332) for the employees of the Company who are covered under the share based compensation plans of the parent company. These plans are assessed, managed, and administered by the parent company.

Above related party payables are interest free and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

21. Transactions with the Key Management Personnel of the Company

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel include members of the Board of Directors of the Company.

	2023/24	2023/24	2022/23	2022/23
	LKR	INR	LKR	INR
Key Management Personnel Compensation				
Short term employee benefits	128,354,820	33,847,166	69,418,970	17,467,431

22. Financial risk management objectives

The Company is engaged in the construction of a mixed-use development project in phases consisting of a hotel, residences and other commercial spaces. The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to the changes in market prices. Mainly the changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

a) **Foreign Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial asset fluctuating due to changes in foreign exchange rates. Currently the Company is exposed to foreign currency risk on purchases and cash deposits denominated in currencies other than the functional currency of the Company. The currency giving rise to this risk is primarily US Dollars.

The company as at the reporting date, holds cash deposits at bank denominated in currencies other than the functional/reporting currency. A reasonable possible strengthening or weakening of the US Dollar (USD) against the Sri Lanka Rupee (LKR) as at the reporting date would have affected the measurement of USD denominated bank balances and affected statement of comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

As at 31 March 2024

	Bank Balances (LKR)	Bank Balances (INR)
USD denominated bank balances	1,758,484,159	488,331,051
Impact of 1% increase in USD rate - gain/(loss)	17,584,842	4,883,311
Impact of 1% decrease in USD rate - gain/(loss)	(17,584,842)	(4,883,311)

b) **Interest Risk**

Interest rate risk mainly arises as a result of the Company having interest sensitive assets and liabilities which are directly impacted by changes in interest rates. Currently the Company does not have any interest sensitive assets or liabilities.

Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. As the company has not yet commenced its operations, the company is not exposed to credit risk from any operating activities (primarily trade receivables). For sale of apartments, monies are collected in advance and hence there is no exposure to any credit risk on this account.

The financial assets of the company, which mainly comprises cash at bank of LKR. 1,572,085,196 INR.436,568,059 (2022/23-LKR.2,646,494,532 INR.660,988,475), is held with globally established highly rated banks. Other financial assets include deposits which are not of significant value.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The parent company has invested LKR. 104,862,250,002 INR. 34,765,278,672 (2022/23 - LKR. 78,363,820,002 INR.27,727,228,077) in the equity and preference capital of the Company to fund the project and is expected to subscribe to further equity or preference shares as may be required by the Company for the smooth execution of the project. The Company closely monitors its fund requirements and has a system in place to seek timely fund infusions from the parent company.

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their Report for the financial year ended 31st March, 2024.

2. FINANCIAL PERFORMANCE

During the year under review, your Company recorded an Operating Income of ₹6,886.96 lakhs (previous year: ₹6,814.85 lakhs). The Other Income of the Company was ₹584.68 lakhs (previous year: ₹430.88 lakhs) and profit for the year was ₹809.87 lakhs (previous year: ₹754.58 lakhs).

The financial results of your Company, summarised, are as under:

Particulars	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
Profits		
a. Profit Before Tax	1172.88	933.40
b. Less: Tax Expense		
Current Tax	–	–
Deferred Tax	(363.01)	(178.82)
c. Profit for the year	809.87	754.58
d. Other Comprehensive Income	5.27	(3.55)
e. Total Comprehensive Income	815.14	751.03
Retained Earnings		
a. At the beginning of the year	6367.58	5616.55
b. Add: Profit for the year	809.87	754.58
c. Add: Other Comprehensive Income	5.27	(3.55)
d. At the end of the year	7182.72	6367.58

3. OPERATIONAL PERFORMANCE

The Company owns 'ITC Kakatiya' – a 188 key luxury hotel located in Hyderabad city, which is operated and marketed by ITC Limited, the holding company. ITC Kakatiya is a LEED® Platinum Certified Hotel under Environmental Building Category from United States Green Building Council and has received several accolades, establishing itself as one of the finest luxury hotel and F&B destination in the city. 'Dakshin' was adjudged the 'Best South Indian Fine Dining Restaurant' at the Times Food Guide Nightlife Awards 2024 for the 14th consecutive year.

The travel and tourism industry is experiencing strong tailwinds, on the back of rising demand, higher economic growth and evolving customer aspirations. Your Company is well-positioned to capitalise on the opportunities on the back of its robust business model and sustainable initiatives.

During the year 2023-24, the Company evidenced a strong resurgence in demand, which has driven consistent increases in average room rates, outperforming past year's average rates. The Company has invested in enhancing digitalised guest experiences and upgrading its rooms product to best-in class luxury levels. The Company also continued to focus on spend optimisation and cost reduction measures.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL**a) Changes in Directors****i. Appointment**

The Board of Directors of the Company ('the Board') at its meeting held on 15th April, 2023, appointed Mr. Arif Musa Patel (DIN: 10051869) as Additional Non-Executive Director of the Company with effect from the said date. Further, the appointments of Mr. Zubin Sarosh Songadwala (DIN: 09774428) and Mr. Patel as Non-Executive Directors were also approved by the Members in the last Annual General Meeting of the Company held on 9th June, 2023.

The Board at its meeting held on 15th September, 2023, appointed Mr. Titu Prasad Kooretti (DIN: 02539556) and Mr. Munshi Riaz Ahmed (DIN: 00115808) as Additional Directors and subject to approval of the Members of the Company, also as Independent Directors of the Company with effect from the said date.

Further, the Board at its meeting held on 10th January, 2024, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Vidyaprakash Prabhakaran Menon (DIN: 08621120) and Mr. Mohit Aggarwal (DIN: 10434321) as Additional Non-Executive Directors of the Company and Mr. Zubin Sarosh Songadwala as Vice-Chairman of the Board of the Company with effect from the said date.

In accordance with Section 161 of the Companies Act, 2013 ('the Act') and Article 138 of the Articles of Association of the Company, Messrs K. T. Prasad, M. R. Ahmed, V. P. Menon and M. Aggarwal will vacate their respective offices at the ensuing Annual General Meeting ('AGM') of the Company and are eligible for appointment as Directors of the Company. The Board at its meeting held on 30th April, 2024, based on the recommendations of the Nomination and Remuneration Committee, has recommended for the approval of the Members,

the appointment of Mr. Menon and Mr. Aggarwal as Non-Executive Directors of your Company, liable to retire by rotation and appointment of Mr. K. T. Prasad and Mr. M. R. Ahmed as Director and also as Independent Directors of your Company.

Messrs. V. P. Menon, M. Aggarwal, K.T. Prasad and M.R. Ahmed, pursuant to Section 152 of the Act, have given their consent(s) to act as Director(s), of your Company, and have also given requisite Notices, pursuant to Section 160 of the Act, proposing their respective appointment(s). Appropriate resolutions seeking approval of the Members to the above are appearing in the Notice convening the ensuing AGM of the Company.

ii. Cessation

During the year under review, Mr. Nakul Anand (DIN: 00022279) and Mr. Anil Chadha (DIN: 08073567) stepped down as Directors of your Company with effect from close of work on 1st January, 2024 and 10th January, 2024, respectively. Your Directors place on record their appreciation for the valuable contributions made by Mr. N. Anand and Mr. A. Chadha during their association with the Company.

There were no other changes in the composition of the Board of the Company during the year.

Changes in Key Managerial Personnel during the year

During the year, the Board appointed Mr. Pankaj Singh Bisht as the Company Secretary of the Company with effect from 19th July, 2023, in terms of the provisions of Section 203 of the Act.

b) Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with Articles 151 and 152 of the Articles of Association of the Company, Messrs Bommireddi Narasimhasuresh Reddy (DIN: 00218223), Ashish Thakar (DIN: 09383474) and Pranav Gunupati Venkata Reddy (DIN: 06381368), Directors, will retire by rotation at the ensuing AGM of the Company, and being eligible, offer themselves for re-appointment. Your Board has recommended their re-appointment.

c) Independence of Directors

The Independent Directors of your Company have confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Further, in the opinion of the Board, Mr. K.T. Prasad and Mr. M.R. Ahmed have the required integrity, expertise and experience (including the proficiency) to be appointed as the Independent Directors of the Company.

d) Remuneration Policy

The Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company, as approved by the Board, is enclosed as **Annexure 1** to this Report.

e) Attributes, Qualifications and Appointment of Directors

The Nomination and Remuneration Committee ensures that Directors be drawn from amongst the eminent professionals who meet the Attributes and Qualifications criteria, as laid down from time to time for such appointment.

Directors are appointed / re-appointed with the approval of the Members. All the Directors, other than Independent Directors and Managing Director, are liable to retire by rotation, unless otherwise approved by the Members. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-appointment.

f) Board Evaluation

The Board carried out annual performance evaluation of its own performance and that of the individual Directors as also functioning of the Board Committees, for the financial year 2023-24, as required in terms of Section 134(3)(p) of the Act. The performance evaluation of the Board and individual Directors was based on criteria approved by the Nomination and Remuneration Committee.

Reports on functioning of Board Committees were placed before the Board by the respective Committee Chairman. The Independent Directors of the Board also reviewed the performance of the Chairman, other non-independent Directors and the Board.

5. BOARD COMPOSITION AND MEETINGS

The present composition of your Board is as follows:

<u>Names of Directors</u>	<u>Designation</u>
Mr. Gunupati Sivakumar Reddy	Chairman & Non-Executive Director
Mr. Zubin Sarosh Songadwala	Vice- Chairman & Non-Executive Director
Mr. Bommireddi Narasimhasuresh Reddy	Non-Executive Director
Mr. Ramanapradeep Reddy Nallari	Non-Executive Director
Mr. Gunupati Venkata Pranav Reddy	Non-Executive Director
Mr. Ashish Thakar	Non-Executive Director
Mr. Arif Musa Patel	Non-Executive Director
Mr. Munshi Riaz Ahmed	Non-Executive Independent Director
Mr. Titu Prasad Kooretti	Non-Executive Independent Director
Mr. Vidyaprakash Prabhakaran Menon	Additional Non-Executive Director
Mr. Mohit Aggarwal	Additional Non-Executive Director
Mr. Ashutosh Chhibba	Managing Director

Five meetings of the Board were held during the year ended 31st March, 2024, on 15th April, 2023, 19th July, 2023, 15th September, 2023, 13th October, 2023 and 10th January, 2024..

6. BOARD COMMITTEES

As on 31st March, 2024, your Company has two Board Committees- Audit Committee and Nomination and Remuneration Committee. The present composition of the said Committees is as follows:

Audit Committee

Mr. Munshi Riaz Ahmed – Chairman of the Committee
Mr. Titu Prasad Kooretti – Member
Mr. Ashish Thakar – Member

Nomination and Remuneration Committee

Mr. Titu Prasad Kooretti – Chairman of the Committee
Mr. Munshi Riaz Ahmed – Member
Mr. Zubin S. Songadwala* – Member

*appointed w.e.f. 11th January, 2024 in place of Mr. Anil Chadha.

Two meetings of each of the Audit Committee and Nomination and Remuneration Committee were held during the year ended 31st March, 2024, on 13th October, 2023 and 10th January, 2024. All the Members attended the said meetings.

All the recommendations made by the Committees during the financial year 2023-24 were accepted by the Board.

7. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

8. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company was not required to incur any expenditure towards CSR activities for the financial year 2023-24, as the average net profits of the Company made during the three immediately preceding financial years was negative. Further, the Company was also not required to constitute a CSR Committee in terms of Sections 135(9) of the Act.

The Annual Report on CSR activities of the Company as required under Sections 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014, is provided in **Annexure 2**, to this Report.

10. PARTICULARS OF EMPLOYEES

The details of employees of the Company as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure 3** to this Report.

The Company seeks to provide equal opportunities for men and women and is committed to a gender-friendly workplace. Your Company has an Internal Complaints Committee as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year, no complaint for sexual harassment was received.

11. RISK MANAGEMENT

The risk management framework of the Company is commensurate with its size and nature of business. Management of risks vests with the executive management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. The Internal Audit Department of ITC Limited, the holding company, as the Internal Auditor of your Company, periodically carries out, at the request of the Company, risk focused audits with the objective of identification of areas where risk management processes could be strengthened. The effectiveness of the Company's risk management systems and policies for the year 2023-24, was reviewed by the Audit Committee.

A combination of policies and processes as outlined above adequately addresses the various risks associated with the Company's businesses.

12. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations. The Internal Auditor of the Company periodically evaluates the adequacy and effectiveness of such internal financial controls. During the financial year 2023-24, the Audit Committee provided guidance on internal controls and also reviewed the internal audit findings and implementation of internal audit recommendations.

During the year under review, the internal financial controls in the Company with respect to the financial statements were tested and no material weakness in the design or operation of such controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and

accordingly, regular audit and review processes are undertaken to ensure that such systems are reinforced on an ongoing basis.

13. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

14. RELATED PARTY TRANSACTIONS

During the financial year 2023-24, all contracts or arrangements entered into by your Company with its related parties were in the ordinary course of business and on an arm's length basis.

No material contracts or arrangements with related parties were entered during the year under review. Accordingly, the disclosure of material related party transactions as required in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable for this year.

15. DEPOSITS

Your Company has not accepted any deposit from the public / members under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year under review, no significant or material order was passed by any Regulator / Court / Tribunal impacting the going concern status of the Company or its future operations.

17. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

18. STATUTORY AUDITORS

Messrs. Deloitte Haskins & Sells LLP ('DHS'), Chartered Accountants were re-appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of the Thirty Seventh AGM till the conclusion of the Forty Second AGM.

Pursuant to Section 142 of the Act, the Board, on the recommendation of the Audit Committee, has recommended for the approval of the Members, remuneration of DHS to conduct the statutory audit of the Company for the financial year 2024-25. Appropriate resolution seeking your approval to the above is appearing in the Notice convening the ensuing AGM of the Company.

There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report on the financial statements of the Company for the year ended 31st March, 2024.

19. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The Company, as part of the on-going renovation of its hotel, continued to make focussed energy conservation efforts throughout the year including, waterproofing and fixing reflective tiles on the roof top to reduce the heat load on the top floors. Further, the Company installed several energy saving equipment like additional cooling tower for chillers, Condenser Cleaning system, optimisation of laundry hours, etc.

Routine maintenance was performed to keep all equipment in the most efficient state of operations. To optimise energy consumption, major plant and machinery like elevators, chillers, boilers, ventilation equipment were operated with adaptive control in relation to occupancy and ambient weather conditions.

As a result of the aforesaid measures, considerable saving was achieved in electrical units, PNG and water consumption. The Company continues to make all efforts to keep energy consumption at an optimum level.

The Company incurred a capital expenditure of approx. ₹48 lakhs on installation of various energy conservation equipment.

Technology Absorption

The Company is in the hotels business which is a service industry and no specific knowhow or technology was imported by the Company during the year. The Company has not carried out any activities which can be construed as a research and development activity. However, the Company continues to adopt and use the latest technologies to improve the efficiency and effectiveness of its business operations leading to product improvement, cost reduction, product development or import substitution.

Foreign Exchange Earnings and Outgo

The foreign exchange earnings of your Company during the year aggregated ₹1,321 lakhs (previous year: ₹1,250.21 lakhs), while the foreign exchange outflow aggregated ₹81.51 lakhs (previous year: ₹86.77 lakhs).

21. ACKNOWLEDGEMENT

Your Directors acknowledge the assistance and support rendered by all the stakeholders and look forward to the future with confidence.

Date: 30th April, 2024
Place: Gurugram

G. S. Reddy
Chairman

On behalf of the Board
Ashutosh Chhibba
Managing Director

Annexure 1
REMUNERATION POLICY

This Remuneration Policy ('Policy') is framed in terms of the Companies Act, 2013 ('the Act'), as amended from time to time. The Company's Remuneration Strategy is designed to attract and retain quality talent that gives its business a competitive advantage and enables the Company to achieve its objectives. The Company's Remuneration strategy is performance based, competitive and value led. It is designed to reward holistic performance, attract and retain quality talent that gives its business a competitive advantage and enables the Company to achieve its objectives.

The Company's Remuneration strategy, whilst focusing on remuneration and related aspects of performance management, is aligned with and reinforces the employee value proposition of a superior quality of work life that includes an enabling work environment, empowering and engaging work culture and opportunities to learn and grow.

The compensation approach endeavours to align remuneration of each employee with the Company's goal of delivering superior and sustainable stakeholder value. This Policy complies with the applicable regulations and principles of good corporate governance.

It is Company's Policy:

1. To ensure that its remuneration practices reinforce meritocracy.
2. To leverage remuneration as an effective instrument to drive both individual and collective performance outcomes.
3. To ensure that remuneration is linked to stakeholder value creation and business results.
4. To adopt a comprehensive 'Total Rewards' approach to remuneration in order to support a superior quality of personal and work life, in a manner so as to judiciously balance short term with long term priorities.

Remuneration of Key Managerial Personnel (KMPs)

1. Remuneration KMPs is determined and recommended by the Nomination and Remuneration Committee (hereinafter referred as 'the Committee') and approved by the Board of Directors of the Company (hereinafter referred as 'the Board'). Remuneration of the Executive Director(s) is also subject to approval by the shareholders, within the limit prescribed under the Act.
2. Remuneration is reviewed and revised generally every year or when such a revision is warranted by the market.
3. Apart from fixed elements of remuneration and benefits/perquisites, they are eligible for Variable Pay / Performance Bonus, which is linked to individual performance and/or the overall performance of the Company.
4. Remuneration of KMPs on deputation from ITC Limited ('ITC') is aligned to the Remuneration Policy of that company.

Remuneration of Independent Directors

Independent directors are entitled to sitting fees for attending meetings of the Board and Board Committees, the quantum of which is determined by the Board within the limits prescribed under the Act and the rules made thereunder.

Remuneration of employees other than KMPs

1. Remuneration of Managers from ITC, other than KMPs, is fixed as per their terms of employment.
2. Remuneration of Non-Management employees is fixed by reporting managers and Head of Human Resources and the same is approved by the GM of the Company's Hotel "ITC Kakatiya" in consultation with Chief Financial Officer of the Company.
3. Remuneration is reviewed and revised generally every year or when such a revision is warranted by the market. The quantum of revision is linked to market trends, the competitive context of the Company's business, as well as performance and potential of the individual employee.
4. Remuneration of employees largely consists of basic remuneration, perquisites and allowances. The components of remuneration vary for different employee grades and are governed by industry pattern, qualification and experience of the employee, responsibilities handled, individual performance and/or overall performance of the Company.

General

In the event of any inconsistency between the Policy and the applicable law, the applicable law will prevail.

The Policy will be reviewed by the Board, on the recommendation of the Committee, as and when deemed necessary.

Annexure 2

Annual Report on Corporate Social Responsibility ('CSR') Activities of the Company for the financial year ended 31st March, 2024

1. Brief outline of the CSR Policy of the Company:

The Company being a subsidiary of ITC Limited ('ITC') discharges its corporate social responsibility (CSR) by aligning itself with the CSR Policy of ITC and by undertaking CSR activities in areas or subjects which are independent of the normal conduct of the Company's business and are covered under the activities listed in Schedule VII read with Section 135 of the Companies Act, 2013 ('Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company will undertake CSR activities directly, or through a registered public trust or a registered society or a company under Section 8 of the Act, established by ITC where such trust / society / company is created exclusively for undertaking CSR activities or where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII to the Act.

For the financial year under review i.e., 2023-24, the Company was not required to make any contribution towards CSR activities in terms of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as the average net profits of the Company during the three immediately preceding financial years is negative.

2. Composition of the CSR Committee as on 31st March, 2024: **Not Applicable**
3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: **Not Applicable**
4. Executive Summary alongwith the web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable**.
5. Average net profits of the Company as per Section 135(5): ₹(261.12) Lakhs

(a)	Two percent of average net profits of the Company as per Section 135(5)	Since the average net profits of the Company during the three immediately preceding financial years is negative, the prescribed CSR expenditure has been considered nil for the financial year 2023-24.
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (5a+5b-5c)	Nil

6. (a). Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Nil
 (b). Amount spent in Administrative Overheads: Nil
 (c). Amount spent on Impact Assessment, if applicable: Nil
 (d). Total amount spent for the financial year [6(a)+6(b)+6(c)]: Nil
 (e). CSR amount spent or unspent for the financial year: Nil

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (₹)	Date of transfer	Name of the Fund	Amount (₹)	Date of transfer
Nil	Not Applicable				

(f) Excess amount for set off, if any: **Not Applicable**

Sl. No.	Particular	Amount(in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Section 135(5)	Not Applicable
(ii)	Total amount spent for the financial year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. (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 ₹	Balance Amount in Unspent CSR Account under subsection (6) of Section 135 (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any	Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
				Amount (in ₹)	Date of transfer		
Not Applicable							

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year:

Yes

✓No

If Yes, enter the number of Capital assets created/acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

On behalf of the Board

Date: 30th April, 2024
Place: Gurugram

G. S. Reddy
Chairman

Ashutosh Chhibba
Managing Director

Annexure3 to the Report of the Board of Directors for the financial year ended 31st March, 2024

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

Names of employees	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of employment / deputation	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
Ashutosh Chhibba*	55	Managing Director	89,07,337/-	39,04,725/-	Diploma in Hotel Management	33	09.03.2019	ITC Limited, General Manager- ITC Mughal Agra
Mandrita Bose*	37	Chief Financial Officer	63,16,206/-	35,21,726/-	F.C.A., M.Com., B.Com.	14	04.03.2021	ITC Limited, Assistant Manager Finance
Paniganti Sanjith Reddy	38	Sales Executive	10,27,497/-	9,53,083/-	Graduate	14	25.10.2021	Marriott Hotel & Convention centre, Hyderabad, Senior Sales Manager
Srinivas Rao Mortha	57	Kitchen Specialist Group	9,65,500/-	8,71,096/-	Graduate	29	31.07.1995	Marriot Hotel & Convention Centre, Hyderabad, F & B Production Associate
Ammisetti Lakshman Raja	54	Executive	8,56,780/-	8,24,239/-	Graduate	29	06.06.1995	APSIDC Limited, Executive Secretary
Shubham Gupta	30	Executive	8,02,088/-	7,47,406/-	Graduate	8	02.01.2023	Marriott Hotel & Convention Centre, Hyderabad, Assistant Manager
Teja Sunder Raj Nallala	57	Executive Secretary	8,01,000/-	6,38,254/-	Graduate	23	11.10.1999	Orbit Technologies Pvt. Limited, Executive Secretary
Kamal Sharma	49	Kitchen Specialist Group	7,38,297/-	7,11,693/-	Non-Matriculate	26	24.11.1997	Belavina Secundrabad, Cook
Venkatesh Maradugula	52	Finance MIS Executive	6,69,721/-	6,45,721/-	Graduate	22	13.05.2002	Srinivasa Traders, Accountant
Balakrishnama Raju S	52	Executive	6,53,159/-	6,14,159/-	Matriculate	29	04.12.1995	—

* On deputation from ITC Limited, the Holding Company (ITC).

Notes:

- In respect of employees on deputation, gross remuneration disclosed as above is the cost which is borne by the Company.
- For the other employees, gross remuneration includes salary, variable pay / performance bonus, allowances & other benefits / applicable perquisites borne by the Company, except provisions for gratuity and leave encashment, which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less income tax, education cess deducted at source and employee's own contribution to provident fund.
- Certain employees may have been granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since these Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employees by grant of such Options, and accordingly the said grants have not been considered as remuneration.
- All appointments (except deputed employees) are / were contractual in accordance with terms and conditions as per the Company's Rules.
- The aforesaid employees are neither relative of any Director of the Company nor hold any equity share in the Company.

Date: 30th April, 2024
Place: Gurugram

G. S. Reddy
Chairman

On behalf of the Board
Ashutosh Chhibba
Managing Director

INDEPENDENT AUDITOR'S REPORT To The Members of Srinivasa Resorts Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Srinivasa Resorts Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 financial statements, management and Board of Directors 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:

- 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.
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its Managing Director during the year is in accordance with the provisions of Section 197 of the Act. The remuneration payable to Managing Director amounting to ₹ 89.07 lakhs which is approved by the Board of Directors, is subject to approval by the members at the ensuing Annual General Meeting of the Company.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - The Management has represented that, to the best of its knowledge and belief, 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, 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.
 - The Management has represented, that, to the best of its knowledge and belief, 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, 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.
 - Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - Based on our examination, which included test checks, the Company has used an accounting software(s) for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N: 117366W/W - 100018)

Sumit Trivedi
Partner

Place: Secunderabad
Date: April 30, 2024

Membership No. 209354
UDIN: 24209354BKEEQP5160

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Srinivasa Resorts Limited ("the Company") as at 31st March, 2024 in conjunction with our audit of the 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 with reference to financial statements based on the internal control with reference to financial statements 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 the 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 with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate

to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N.: 117366W/W - 100018)

Sumit Trivedi
Partner

Place: Secunderabad
Date: April 30, 2024

Membership No. 209354
UDIN: 24209354BKEEQP5160

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and capital work-in-progress.
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, and capital work-in-progress were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of

inventories when compared with the books of account.

- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under Section 148(1) of the Companies Act, 2013.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in lakhs)	Amount Unpaid (₹ in lakhs)
VAT Laws	VAT	High Court	2005-06 to 2007-08	35.84	24.89
Finance Act, 1994	Service Tax	Joint commissioner, (Service Tax)	2011-12 to 2014-15	346.64	346.64

The total disputed dues aggregating ₹382.48 lakhs as above has been stayed for recovery by the relevant authorities.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (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 (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, 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 the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented to us by the Management, there were no whistle blower complaints received by Company during the year.

- (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, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) The Company is not required to have an internal audit system under Section 138 of the Companies Act, 2013 and hence reporting under clause (xiv) of the Order is not applicable.

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

- (xvi) (a), (b), (c)

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

- (d) The Group does not have any Core Investment Company ('CIC') as part of the group and accordingly reporting under clause (xiv)(d) of the Order is not applicable.

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

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

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

- (xx) The average net profits for the Company for the immediately preceding three financial years was negative and hence, there is no obligation for the Company to spend money on Corporate Social Responsibility under Section 135 of the Act for the year.

- (xxi) The Company does not have any subsidiaries or associates or joint venture requiring it to prepare consolidated financial statements. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N: 117366W/W - 100018)

Sumit Trivedi
Partner

Place: Secunderabad
Date: April 30, 2024

Membership No. 209354
UDIN: 24209354BKEEQP5160

Balance Sheet as at 31st March, 2024

	Note	As at 31st March, 2024 (₹ in Lakhs)	As at 31st March, 2023 (₹ in Lakhs)
ASSETS			
Non-current assets			
(a) Non-current assets			
(a) Property, plant and equipment	3A	4549.82	3727.62
(b) Capital work-in-progress	3B	67.82	82.92
(c) Intangible assets	3C	17.58	22.92
(d) Other financial assets	9	5.84	2058.70
(e) Other non-current assets	10	209.12	166.08
Total Non-current assets		4850.18	6058.24
Current assets			
(a) Inventories	4	103.51	113.24
(b) Financial assets			
(i) Investments	5	4544.71	4109.42
(ii) Trade receivables	6	322.36	216.36
(iii) Cash and cash equivalents	7	106.24	103.87
(iv) Bank balances, other than (iii) above	8	3000.00	1000.00
(v) Others	9	217.99	15.72
(c) Other current assets	10	107.47	86.49
Total Current assets		8402.28	5645.10
Total Assets		13252.46	11703.34
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	2400.00	2400.00
(b) Other equity		7990.10	7174.96
Total Equity		10390.10	9574.96
Liabilities			
Non-current liabilities			
(a) Other financial liabilities	12	12.49	14.17
(b) Provisions	13	19.96	21.56
(c) Deferred tax liabilities (net)	15	632.77	267.99
Total Non-current liabilities		665.22	303.72
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- Total outstanding dues to micro enterprises and small enterprises		-	-
- Total outstanding dues to creditors other than micro enterprises and small enterprises	26	1635.27	1391.06
(ii) Other financial liabilities	12	381.45	302.69
(b) Other current liabilities	14	167.77	124.39
(c) Provisions	13	12.65	6.52
Total Current liabilities		2197.14	1824.66
Total Equity and Liabilities		13252.46	11703.34

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached

On behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi
Partner

Gunupati Sivakumar Reddy
Chairman
DIN: 00439812

Mandrita Bose
Chief Financial Officer

Ashutosh Chhibba
Managing Director
DIN: 08355922

Pankaj Singh Bisht
Company Secretary

Place: Secunderabad
Date: April 30, 2024

Place: Gurugram
Date: April 30, 2024

Statement of Profit and Loss account for the year ended 31st March, 2024

	Note	For the Year ended 31st March, 2024 (₹ in Lakhs)	For the Year ended 31st March, 2023 (₹ in Lakhs)
I Revenue from operations	16	6886.96	6814.85
II Other income	17	584.68	430.88
III Total income (I+II)		7471.64	7245.73
IV Expenses			
Cost of materials consumed		863.89	811.97
Changes in inventories of finished goods	18	(0.14)	0.22
Employee benefits expense	19	1601.28	1550.66
Depreciation and amortization expense	20	316.17	334.41
Other expenses	21	3517.56	3615.07
Total expenses (IV)		6298.76	6312.33
V Profit before tax (III- IV)		1172.88	933.40
VI Tax expense:			
Deferred tax	15	363.01	178.82
VII Profit for the year (V - VI)		809.87	754.58
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
(i) Remeasurements of defined benefit plans		7.04	(4.74)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.77	1.19
VIII Other comprehensive income / (loss) for the year (i - ii)		5.27	(3.55)
IX Total comprehensive income for the year (VII+VIII)		815.14	751.03
X Earnings per equity share (Face value of ₹ 10 each)			
Basic (in ₹)	22	3.37	3.14
Diluted (in ₹)		3.37	3.14

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached

On behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi
Partner

Gunupati Sivakumar Reddy
Chairman
DIN: 00439812

Mandrita Bose
Chief Financial Officer

Ashutosh Chhibba
Managing Director
DIN: 08355922

Pankaj Singh Bisht
Company Secretary

Place: Secunderabad
Date: April 30, 2024

Place: Gurugram
Date: April 30, 2024

Statement of Cash Flows for the year ended 31st March, 2024

	For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
A. Cash flow from operating activities		
Net Profit before tax	1172.88	933.40
Adjustments for:		
- Depreciation and amortization expense	316.17	334.41
- Interest income	(244.89)	(129.77)
- (Gain) / Loss on sale / transfer of property, plant and equipment	6.74	43.38
- Provision for doubtful receivables	(13.63)	0.87
- Liabilities no longer required written back	(49.45)	(38.85)
- Net (gain)/loss arising on investments mandatorily measured at fair value through Profit or Loss	(300.78)	(238.57)
	(285.84)	(28.53)
Operating Profit before working capital changes	887.04	904.87
Adjustments for:		
- Trade receivables	(92.37)	(38.69)
- Inventories	9.72	(1.71)
- Other assets	(59.71)	117.67
- Trade payables	293.66	299.74
- Other payables	42.47	71.59
	193.77	448.60
Cash generated from operations	1080.81	1353.47
Income tax paid/ refund (net)	(8.51)	86.76
Net Cash generated from operating activities	1072.30	1440.23
B. Cash Flow from investing activities		
- Purchase of property, plant and equipment	(1036.58)	(170.07)
- Purchase of current investments	(710.00)	(4381.82)
- Sale/redemption of current investments	575.47	4350.56
- Redemption / proceeds from bank deposits (original maturity more than 3 months)	1000.00	1650.21
- Investment in bank deposits (original maturity more than 3 months)	(1000.00)	(1000.00)
- Investment in fixed deposits with financial institutions (original maturity more than 12 months)	-	(2000.00)
- Interest income	101.18	91.48
Net cash used in investing activities	(1069.93)	(1459.64)
C. Cash Flow from financing activities		
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2.37	(19.41)
Opening Cash and cash equivalents	103.87	123.28
Closing Cash and cash equivalents	106.24	103.87

Notes:

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 "Statement of Cash Flows".
- Cash and Cash Equivalents (Refer Note 7)

	As at March 31, 2024 (₹ in Lakhs)	As at March 31, 2023 (₹ in Lakhs)
- Balances with banks in current accounts	103.04	99.57
- Cash on hand	3.20	4.30
Total	106.24	103.87

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached

On behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sumit Trivedi
Partner

Gunupati Sivakumar Reddy
Chairman
DIN: 00439812

Ashutosh Chhibba
Managing Director
DIN: 08355922

Mandrita Bose
Chief Financial Officer

Pankaj Singh Bisht
Company Secretary

Place: Secunderabad
Date: April 30, 2024

Place: Gurugram
Date: April 30, 2024

Statement of changes in equity for the year ended 31st March, 2024

A. Equity share capital

(₹ in Lakhs)

	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended March 31, 2023	2400.00	–	2400.00
For the year ended March 31, 2022	2400.00	–	2400.00

B. Other equity

	Reserves and surplus			Total
	Capital reserve (Refer note 1)	Retained earnings (Refer note 2)	General reserve (Refer note 3)	
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	
Balance as at 1st April, 2023	0.95	6367.58	806.43	7174.96
Profit for the year	–	809.87	–	809.87
Other comprehensive income [net of tax]	–	5.27	–	5.27
Total comprehensive income	–	815.14	–	815.14
Balance as at 31st March, 2024	0.95	7182.72	806.43	7990.10
Balance as at 1st April, 2022	0.95	5616.55	806.43	6423.93
Profit for the year	–	754.58	–	754.58
Other comprehensive income [net of tax]	–	(3.55)	–	(3.55)
Total comprehensive income	–	751.03	–	751.03
Balance as at 31st March, 2023	0.95	6367.58	806.43	7174.96

Notes:

- Capital reserve represents the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.
- Retained earnings represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.
- General reserve is created by an appropriation from one component of equity to another not being an item of Other Comprehensive Income, the same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

The accompanying notes 1 to 35 are an integral part of the Financial Statements.

In terms of our report attached

On behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered AccountantsSumit Trivedi
PartnerGunupati Sivakumar Reddy
Chairman
DIN: 00439812Ashutosh Chhibba
Managing Director
DIN: 08355922Mandrita Bose
Chief Financial OfficerPankaj Singh Bisht
Company SecretaryPlace: Secunderabad
Date: April 30, 2024Place: Gurugram
Date: April 30, 2024

Notes to the Financial Statements

Srinivasa Resorts Limited (the 'Company') [CIN: U74999TG1984PLC005192] is a public limited company domiciled in India with its registered office located at 6-3-1187, Begumpet, Hyderabad, Telangana, India, 500016. It is a subsidiary of ITC Limited and owns the hotel "ITC Kakatiya" at Hyderabad, for which operating services are rendered by ITC limited.

1. Material Accounting Policies

Statement of Compliance

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

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair value, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the

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

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

Property, Plant and Equipment

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

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss

Notes to the Financial Statements (Contd.)

arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of PP&E are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of PP&E of the Company are as follows:

Buildings	60 years
Plant and Equipment (Other than Televisions)	15 years
Television	7 years
Furniture and Fixtures	8 years
Vehicles	8 years
Office Equipment	5 years
Computers	3 years
Computer servers and networks	6 years

PP&E's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Intangible Assets

Other Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination, at fair value on the date of acquisition.
- for separately acquired assets, at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP.

After initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g. patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g. computer software, design, prototypes) or commercial obsolescence (e.g. lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized. However, it is annually tested for impairment.

Amortization expenses and impairment losses and reversal of impairment losses are included in the 'Depreciation and amortisation expense' in the Statement of Profit and Loss.

The estimated useful lives of intangible assets of the company with finite lives are as follows:

Computer Software	5 years

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

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

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

Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

Foreign Currency Transactions

The presentation currency of the Company is Indian Rupees.

The Company accounts for transactions in foreign currency at the exchange rate prevailing on the date of transactions. The date of the transaction for the

purpose of determining the exchange rate on initial of recognition of the asset, expense or income is the date on which an entity initially recognizes the related non – monetary asset or non – monetary liability on the payment or receipt of the advance consideration. Gains/Losses arising on settlement of transactions as also on translation of monetary items at period ends due to fluctuations in the exchange rates are recognized in the Statement of Profit and Loss.

Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains/losses is recognised in the Statement of Profit or Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item.

Financial instruments, Financial assets and Financial liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

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

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

Financial assets are classified as those measured at:

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

Trade receivables, Advances, Security deposits, Cash and cash equivalents, etc. are classified for measurement at amortised cost while current investments are classified for measurement at fair value through profit or loss (FVTPL).

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

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

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

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

Income Recognition: Interest income is recognised in the Statement of Profit or Loss using effective interest rate method. Dividend income is recognized in the Statement of Profit or Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognized at fair value and are subsequently measured at amortised cost. Any discount or premium or redemption/settlement is recognized in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognized when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

Notes to the Financial Statements (Contd.)

Offsetting Financial Instruments

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

Revenue

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for services rendered, net of returns and discounts to customers. It excludes amounts collected on behalf of third parties, such as goods and services tax.

Revenue from the sale of services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of services, in the periods in which such services are rendered.

Government Grant

The Company may receive Government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of Financial assistance on the basis of certain qualifying criteria.

Government Grants are recognized when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

- related to or used for assets, are deducted from the carrying amount of the asset.
- related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- by way of financial assistance on the basis of certain qualifying criteria are recognised in the Statement of Profit and Loss as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

Dividend Distribution

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

Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

The Company makes contributions to both defined benefit and defined contribution schemes.

Contributions to Provident Fund are in the nature of defined contribution scheme which are deposited with the Government and recognized as expense.

The Company also makes contribution to defined benefit gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur. Gratuity is funded under a scheme of the Life Insurance Corporation of India.

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

Employee Share Based Compensation

The cost of stock options and stock appreciation units granted by ITC Limited, the Holding Company, to its eligible employees deputed to the Company is recognized at fair value. These Schemes are in the nature of equity settled / cash settled share based compensation and are assessed, managed / administered by the Holding Company.

In case of stock options, the fair value of stock options at the grant date is amortised on a straight line basis over the vesting period and cost is recognized as an employee benefits expenses in the Statement of Profit and Loss with a corresponding credit in current financial liabilities where such reimbursement is sought by the Holding Company.

In case of stock appreciation units, the fair value of stock appreciation units at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognized as an employee benefits expenses in the Statement of Profit and Loss with a corresponding increase in other financial liabilities, where such reimbursement is sought by the Holding Company.

Leases

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

Company as Lessee

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

term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

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

Company as a Lessor

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

Taxes on Income

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

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

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

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

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Claims

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

Provisions and Contingent Liabilities

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

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

2. Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and assumptions used in the preparation of financial statements are set out below:

- The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.
- The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Accruals so made are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements
- The Company has significant carry forward unabsorbed depreciation for which deferred tax asset has been recognized since there is a reasonable certainty of significant profits in the near future.
- As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

Notes to the Financial Statements (Contd.)

(₹ in Lakhs)

Particulars	Gross Block				Depreciation and Amortisation				Net Book Value	
	As at 31st March, 2022	Additions	Withdrawals and Adjustments	As at 31st March, 2023	Additions	Withdrawals and Adjustments	As at 31st March, 2024	Upto 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
3A. Property, Plant and Equipment										
Land	100.00	—	—	100.00	—	—	100.00	—	100.00	100.00
Buildings	2567.42	4.09	(1.28)	2570.23	278.20	(0.12)	2848.43	370.15	2369.61	2146.91
Plant and Equipment	2758.45	82.32	(175.52)	2665.25	365.29	(142.20)	3028.18	1469.18	1363.86	1152.15
Furniture and Fixtures	316.98	30.65	(49.27)	298.36	492.42	(0.90)	789.88	180.56	573.12	131.97
Vehicles	284.39	—	—	284.39	—	(33.87)	250.52	131.77	87.11	120.13
Office Equipment	0.81	—	—	0.81	—	—	0.81	0.23	0.56	0.56
Computers	98.55	6.54	(0.27)	104.82	3.86	(0.25)	108.68	19.44	8.51	16.00
Computer servers and networks	106.24	26.46	35.04	167.74	—	—	167.74	58.72	47.05	59.90
Total (A)	6232.84	150.06	(191.30)	6191.60	1139.77	(37.13)	7294.24	2280.24	4549.82	3727.62
3B. Capital work-in-progress (B) (refer note 2 below)	21.78	227.93	(166.79)	82.92	1124.67	(1139.77)	67.82	—	67.82	82.92
3C. Intangible assets	34.39	16.73	0.27	51.39	—	—	51.39	25.45	17.58	22.92
Total (C)	34.39	16.73	0.27	51.39	—	—	51.39	25.45	17.58	22.92

Note :

1. The amortization expense of intangible assets has been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.
2. Ageing of Capital work-in-progress:

As at 31st March 2024	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in Progress	67.82	—	—	—
Total	67.82	—	—	—

As at 31st March 2023	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in Progress	82.92	—	—	—
Total	82.92	—	—	—

Notes to the Financial Statements (Contd.)

	As at 31st March, 2024 (₹ in Lakhs)	As at 31st March, 2023 (₹ in Lakhs)
4. Inventories		
(At lower of cost and net realisable value)		
Food and beverages	70.33	76.26
Stores and spares	32.50	36.44
Finished goods held for resale	0.68	0.54
Total	103.51	113.24

Cost of inventory recognised as expense during the year amounts to ₹ 1,151.38 Lakhs (2022-2023: ₹ 1,076.92 Lakhs)

5. Current investments		
Unquoted investment in mutual funds [Measured at fair value through profit or loss (FVTPL)] (Refer note below)		
- Axis Liquid Fund Direct Growth 19,604.968 units of ₹ 1000 each (March 31, 2023: 18,861.272 units of ₹ 1000 each)	526.14	471.70
- Aditya Birla Sun Life Savings Fund- Growth Direct Plan 2,56,820.511 units of ₹ 100 each (March 31, 2023: 2,56,820.511 units of ₹ 100 each)	1300.02	1207.72
- ICICI Prudential Savings Fund 2,66,231.609 units of ₹ 100 each (March 31, 2023: 2,66,231.609 units of ₹ 100 each)	1313.91	1217.98
- Axis Treasury Advantage Fund- Direct Growth 44,391.142 units of ₹ 1000 each (March 31, 2023: 44,391.142 units of ₹ 1000 each)	1304.38	1212.02
- ICICI Prudential Liquid Fund- Growth 28,292.515 units of ₹ 100 each (March 31, 2023: Nil)	100.26	-
Total	4544.71	4109.42

Note: Gain as at year end on account of measuring the investments at fair value through profit or loss amounts to ₹ 924.72 Lakhs (March 31, 2023: ₹ 642.01 Lakhs).

6. Trade receivables (Current) (refer note 6.1 below)		
Secured, considered good	10.89	19.55
Unsecured, considered good	311.47	196.81
Credit impaired	1.29	17.32
Allowance for credit impairment	(1.29)	(17.32)
Total	322.36	216.36

6.1. Ageing of Trade Receivables

As at 31st March 2024	Not Due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	177.06	120.66	4.74	11.24	1.52	7.14	322.36
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	1.29	1.29
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Sub- total	177.06	120.66	4.74	11.24	1.52	8.43	323.65
Less: Allowance for credit impairment	-	-	-	-	-	1.29	1.29
Total	177.06	120.66	4.74	11.24	1.52	7.14	322.36

As at 31st March 2023	Not Due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	134.73	57.83	15.25	2.99	0.07	5.49	216.36
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	3.69	3.69
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	13.63	13.63
Sub- total	134.73	57.83	15.25	2.99	0.07	22.81	233.68
Less: Allowance for credit impairment	-	-	-	-	-	17.32	17.32
Total	134.73	57.83	15.25	2.99	0.07	22.81	216.36

11. Equity share capital

	As at 31st March, 2024		As at 31st March, 2024	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Authorised				
Equity shares of ₹ 10 each	2,40,00,000	2400.00	2,40,00,000	2400.00
Issued, subscribed and paid-up				
Equity shares of ₹ 10 each, fully paid	2,40,00,000	2400.00	2,40,00,000	2400.00

A) Reconciliation of number of equity shares outstanding

	As at 31st March, 2024	As at 31st March, 2023
	No. of Shares	No. of Shares
As at beginning of the year	2,40,00,000	2,40,00,000
Changes during the year	-	-
As at end of the year	2,40,00,000	2,40,00,000

7. Cash and cash equivalents

Balances with banks in current accounts	103.04	99.57
Cash on hand	3.20	4.30
Total	106.24	103.87

Note: The company does not have any significant cash and cash equivalents that are not available for use

8. Other bank balances

In deposit accounts (refer note below)	3,000.00	1,000.00
Total	3,000.00	1,000.00

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

	Current	Non-Current	Current	Non-Current
9. Other financial assets				
Security deposits	11.87	5.84	6.15	6.37
Interest accrued on deposits	200.25	-	4.21	52.33
Recoverable from employees	5.87	-	5.36	-
Others*	-	-	-	2000.00
Total	217.99	5.84	15.72	2058.70

*Includes interest bearing deposit with financial institution

	Current	Non-Current	Current	Non-Current
10. Other assets				
Capital Advances	-	1.50	-	-
Advances :				
Prepaid Expenses	79.54	8.38	78.25	14.82
Balances with government authorities	21.62	-	-	-
Commercial advance	6.31	-	8.24	-
Advance tax (net of provisions)	-	63.86	-	55.35
Other Advances (Refer Note 27)	-	39.47	-	-
Security deposits	-	29.41	-	29.41
- With Statutory Authorities	-	29.41	-	29.41
- With others	-	66.50	-	66.50
Total	107.47	209.12	86.49	166.08

B) Equity shares held by Holding Company

	As at 31st March, 2024		As at 31st March, 2024	
	No. of Shares	%	No. of Shares	%
ITC Limited	1,63,20,477	68%	1,63,20,477	68%

C) Shareholders holding more than 5% of the equity shares in the Company

	As at 31st March, 2024		As at 31st March, 2024	
	No. of Shares	%	No. of Shares	%
ITC Limited	1,63,20,477	68.00%	1,63,20,477	68.00%
Moonshine Advisory Services Private Limited (as Trustees of Isha Ishvar Trust)	21,04,230	8.77%	21,04,230	8.77%
N. Shailaja Reddy	15,00,000	6.25%	15,00,000	6.25%
B. Bharathi Reddy	15,00,000	6.25%	15,00,000	6.25%
G.V. Pranav Reddy	-	-	-	-
M.V. Rachita	15,00,000	6.25%	15,00,000	6.25%

D) Rights, preferences and restrictions attached to the equity shares

The equity shares of the Company, having par value of ₹ 10 per share, rank pari passu in all respects including entitlement to dividend.

E) Shares held by promoters

Particulars	Promoter Name	As at 31st March 2024			As at 31st March 2023		
		No. of shares at the end of the year	% of Total Shares	% change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 10 each fully paid	ITC Limited	1,63,20,477	68.00%	–	1,63,20,477	68.00%	–
	Moonshine Advisory Services Private Limited (as Trustees of Isha Ishvar Trust)	21,04,230	8.77%	–	21,04,230	–	100%
	G. Sivakumar Reddy	–	–	–	–	–	(100%)
	G. Sulochanamma	–	–	–	–	–	(100%)
	N. Shailaja Reddy	15,00,000	6.25%	–	15,00,000	6.25%	50%
	G. Samyuktha Reddy	6,15,810	2.57%	–	6,15,810	2.57%	–
	B. Bharathi Reddy	15,00,000	6.25%	–	15,00,000	6.25%	50%
	G.V. Pranav Reddy	–	–	–	–	0.00%	(100%)
	M.V. Rachita	15,00,000	6.25%	–	15,00,000	6.25%	50%
	GSR Projects Private Ltd.	4,59,483	1.91%	–	4,59,483	1.91%	–
Total		2,40,00,000	100.00%		2,40,00,000	100.00%	

		As at 31st March, 2024		As at 31st March, 2023	
		(₹ in Lakhs)		(₹ in Lakhs)	
		Current	Non-Current	Current	Non-Current
12.	Other financial liabilities				
	Sundry deposits	10.43	11.90	11.90	10.43
	Payable to employees	177.35	–	181.64	–
	Payable for property, plant and equipment	189.27	–	99.71	–
	Payable towards employee share based payments	4.40	0.59	9.44	3.74
	Total	381.45	12.49	302.69	14.17
13.	Provisions				
	Provision for employee benefits: – Compensated absences	12.65	19.96	6.52	21.56
	Total	12.65	19.96	6.52	21.56
14.	Other current liabilities				
	Advances received from customers	139.62	–	77.86	–
	Statutory liabilities	28.15	–	46.53	–
	Total	167.77	–	124.39	–

		As at 31st March, 2024 (₹ in Lakhs)		As at 31st March, 2023 (₹ in Lakhs)	
15.	Deferred tax liabilities (Net)				
	Deferred tax liabilities	719.27		640.85	
	Deferred tax assets	86.50		372.86	
	Total		632.77		267.99

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
	(₹ in Lakhs)		(₹ in Lakhs)	
2022-23				
Deferred tax liabilities in relation to:				
Depreciation	500.57	(21.30)	–	479.27
Financial assets measured at fair value through profit or loss	114.12	47.46		161.58
Total deferred tax liabilities (A)	614.69	26.16	–	640.85
Deferred tax assets in relation to:				
Provision for employee benefits	6.24	(0.37)	1.19	7.06
Provision for doubtful debts	6.27	(1.90)	–	4.37
Unabsorbed depreciation and business losses	511.82	(150.39)	–	361.43
Total deferred tax assets (B)	524.33	(152.66)	1.19	372.86
Deferred tax liabilities (net) [A-B]	90.36	178.82	(1.19)	267.99
2023-24				
Deferred tax liabilities in relation to:				
On Depreciation	479.27	7.27	–	486.54
On Financial assets measured at fair value through profit or loss	161.58	71.15	–	232.73
Total deferred tax liabilities (A)	640.85	78.42	–	719.27
Deferred tax assets in relation to:				
On Provision for employee benefits	7.06	2.91	(1.77)	8.20
On Provision for doubtful debts	4.37	(4.03)	–	0.34
On Unabsorbed depreciation and business losses	361.43	(283.47)	–	77.96
Total deferred tax assets (B)	372.86	(284.59)	(1.77)	86.50
Deferred tax liabilities (net) [A-B]	267.99	363.01	1.77	632.77

Notes to the Financial Statements (Contd.)

	For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)		For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
16. Revenue from operations			Advertising / Sales Promotion	34.36	46.55
Sale of services:			Training and development	46.60	55.67
Rooms	3308.42	3281.30	Legal expenses	20.83	13.91
Food and beverage	3332.84	3322.76	Postage, telephone, etc.	6.83	7.44
Recreation and other services	147.37	130.94	Commission paid to travel agents	150.76	154.37
Total	6788.63	6735.00	Bank and credit card charges	90.96	71.85
Other operating revenue*	98.33	79.85	Hotel reservation/ marketing expenses	187.26	196.25
Total	6886.96	6814.85	Contract services	355.75	392.12
			Loss on property, plant and equipment sold / discarded	6.74	43.38
Note:			Bad trade receivables written off	2.40	8.40
* Other operating revenue includes ₹ 49.45 lakhs relating to liabilities no longer required written back (March 31, 2023: ₹ 38.85 lakhs)			Less: Provision Released	2.40	8.40
			Recovery of doubtful trade receivables	(13.63)	0.87
17. Other Income			Miscellaneous expenses	137.24	131.10
Interest income	244.89	129.77	Auditors' remuneration and expenses (excluding taxes)		
Other non operating income	339.79	301.11	Audit Fees	11.00	11.00
Total	584.68	430.88	Tax Audit Fees	1.00	1.00
Interest income comprises interest from:			Reimbursement of expenses	0.33	0.35
a) Deposits with bank - carried at amortised cost	239.10	114.65	Total	3517.56	3615.07
b) Others - from statutory authorities	5.79	15.12			
Sub total	244.89	129.77	31st March, 2024	31st March, 2023	
Other non operating income			(₹ in Lakhs)	(₹ in Lakhs)	
a) Net foreign exchange (loss) / gain	(0.10)	(0.65)			
b) Net gain arising on financial assets mandatorily measured at FVTPL (Refer Note below)	300.78	238.57	22. Earnings per share		
c) Others (includes income from leases etc.)	39.11	63.19	Profit after taxation [A]	809.87	754.58
Sub total	339.79	301.11	Weighted average number of equity shares outstanding [B] [No's]	2,40,00,000	2,40,00,000
Note:			Earnings per share -		
Includes net gain on sale of current investments amounting to ₹ 18.07 Lakhs (2022-2023: ₹ 50.01 Lakhs).			Basic and Diluted (In ₹) (Face value of ₹ 10 per share) [A/B]	3.37	3.14
18. Changes in inventories of finished goods			23. Commitments		
Opening Inventories (A)			The estimated amount of contracts remaining to be executed on capital account (net of advances: ₹ 1.50 lakhs; March 31, 2023: ₹ NIL)	105.04	7.24
Finished Goods	0.54	0.76	24. Contingent liability		
Closing Inventories (B)			Claims against the Company not acknowledged as debts:		
Finished Goods	0.68	0.54	i) Indirect taxation matters *	382.48	381.48
Changes in inventories of finished goods (A)-(B)	(0.14)	0.22	ii) Others	18.45	18.45
19. Employee benefits expense			*including interest on claims, where applicable, estimated to be ₹ 18.29 Lakhs (March 31, 2023 : ₹ 17.29 Lakhs)		
Salaries, wages and bonus	775.52	821.89	25. Segment reporting		
Contribution to provident and other funds	48.76	47.48	The operating segment of the Company has been identified in a manner consistent with the internal reporting provided to the Managing Director, who is the Chief Operating Decision Maker, based on which there is only one operating segment in which the Company operates i.e. Hoteliering and within one geographical segment i.e. India.		
Gratuity (Refer Note 27)	7.83	9.21			
Remuneration of managers on deputation reimbursed	581.23	496.52			
Employee share based payments (Refer Note 30)	6.20	18.04			
Staff welfare expenses	181.74	157.52			
Total	1601.28	1550.66			
20. Depreciation and amortisation expense					
Depreciation- Tangible Assets	310.83	331.64			
Amortisation on Intangible Assets	5.34	2.77			
Total	316.17	334.41			
21. Other expenses					
Consumption of stores and supplies	287.63	264.73			
Power and fuel	696.64	737.96			
Rent	101.17	91.90			
Repairs to building	125.68	114.33			
Repairs to machinery	191.89	209.80			
Repairs - others	35.91	73.40			
Insurance	50.47	42.50			
Rates and taxes	210.40	206.48			
Travelling and conveyance	119.63	80.94			
Technical and consultancy fees	473.91	487.36			
Printing and stationery	19.04	16.27			
Information technology services	169.16	163.56			
26. A sum of ₹ NIL is payable to Micro and Small Enterprises as at 31st March, 2024 (2023 - ₹ NIL) on account of trade payables. There are no Micro, Small and Medium enterprises, to whom the Company owes dues which are outstanding for more than 45 days during the year and also as at March 31, 2024. This information, as required to be disclosed under the 'Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of the information available with the Company.					

Ageing of Trade Payables (contd.)

As at 31st March 2024	Not Due	Unbilled Payables	Outstanding for following periods from due date				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	79.90	1455.01	97.72	2.64	-	-	1635.27
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	79.90	1455.01	97.72	2.64	-	-	1635.27

As at 31st March 2023	Not Due	Unbilled Payables	Outstanding for following periods from due date				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	9.12	1276.75	103.41	1.78	-	-	1391.06
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	9.12	1276.75	103.41	1.78	-	-	1391.06

Notes to the Financial Statements (Contd.)

27. Defined Benefit Plans

The Company makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees. Gratuity Benefits are funded with the Life Insurance Corporation of India. Under the Provident Fund, Gratuity and Leave Encashment Schemes, employees are entitled to receive lump sum benefits.

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuary, using the projected unit credit method at the year end. The Company makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. The net Defined Benefit cost is recognised in the Financial Statements.

	For the year ended 31st March, 2024 (₹ in Lakhs) Gratuity Funded	For the year ended 31st March, 2023 (₹ in Lakhs) Gratuity Funded
I. Components of Employer Expense		
A. Recognised in Statement of Profit and Loss		
- Current Service Cost	9.47	9.97
- Net interest Cost	(1.64)	(0.76)
Total expense recognised in the Statement of Profit and Loss (A)	7.83	9.21
B. Re-measurements recognised in Other Comprehensive Income		
- Return on plan assets (excluding amounts included in net interest cost)	1.03	(0.40)
- Effect of changes in financial assumptions	(7.17)	(4.46)
- Effect of changes in demographic assumptions	(0.90)	-
- Effect of experience adjustments	(0.90)	9.60
Total re-measurements included in Other Comprehensive Income (B)	(7.04)	4.74
Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income (A+B)	0.79	13.95

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Gratuity" under Note 18. The remeasurement of the net defined benefit liability are included in Other Comprehensive Income.

II. Net Asset/Liability recognised in Balance Sheet		
- Present Value of Defined Benefit Obligation	173.13	175.51
- Fair Value of Plan Assets	212.60	175.51
- Status [Surplus/(Deficit)]	39.47	-
- Non-Current	39.47	-
- Current	-	-
III. Change in Defined Benefit Obligation		
Present Value of DBO at the beginning of the year	175.51	159.68
- Current Service cost	9.47	9.97
- Interest cost	9.08	10.17
- Re-measurements gains/ (losses)		
a. Effect of changes in demographic assumptions	-	-
b. Effect of changes in financial assumptions	(7.17)	(4.46)
c. Effect of experience adjustments	(0.90)	9.60
- Benefits paid	(12.86)	(9.45)
Present Value of DBO at the end of the year	173.13	175.51
IV. Best Estimate of Employer's Expected Contribution for the next year	-	35.10
V. Change in Fair Value of Assets		
Plan Assets at the beginning of the year	175.51	159.68
- Interest Income	14.07	10.93
- Re-measurements gains / (losses) on plan assets	(1.03)	0.40
- Actual company contributions	36.91	13.95
- Benefits paid	(12.86)	(9.45)
Plan Assets at the end of the year	212.60	175.51
VI. Actuarial Assumptions		
- Discount rate	7.00%	7.50%
- Salary increase rate	4%	6%
- Attrition Rate	20%	20%
- Retirement Age	58	58

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

VII. Sensitivity Analysis

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

	DBO as at 31st March, 2024	DBO as at 31st March, 2023
- Discount rate +100 basis points	167.85	166.56
- Discount rate -100 basis points	178.46	178.16
- Salary Increase Rate +1%	178.04	177.48
- Salary Increase Rate -1%	168.45	167.11
- Attrition Rate +1%	173.64	172.50
- Attrition Rate -1%	172.60	171.81
Maturity analysis of the benefit payments		
- Year 1	42.94	38.50
- Year 2	35.17	34.87
- Year 3	30.22	30.04
- Year 4	25.13	26.91
- Year 5	21.74	20.64
- Next 5 years	51.11	59.82

Notes to the Financial Statements (Contd.)

28. Related party transactions

- i) Holding Company : ITC Limited
 ii) Key Management Personnel :

Board of Directors

G. Sivakumar Reddy
 Nakul Anand

Ashish Thakar
 B.N. Suresh Reddy
 Zubin Songadwala

G Pranav Reddy
 Anil Chadha
 N.R.Pradeep Reddy

Chairman and Non Executive Director
 Vice Chairman and Non Executive Director (resigned w.e.f 2nd January, 2024)
 Non-Executive Director
 Non-Executive Director
 Vice Chairman (w.e.f 10th January, 2024) and Non-Executive Director
 Non-Executive Director
 Non-Executive Director (resigned w.e.f 11th January, 2024)
 Non-Executive Director

Ashutosh Chhibba
 Arif Musa Patel
 Titu Prasad Kooretti*

Munshi Riaz Ahmed*

Mohit Aggarwal*
 Vidyaprakash Prabhakaran Menon*

* Appointment subject to approval by the members at the ensuing Annual General Meeting of the Company.

Mrs. G. Sulochanamma
 Mrs. G. Samyuktha Reddy

- iii) Other related party and nature of relationship with whom the Company has transactions:
 International Travel House Limited Associate of ITC Limited

Managing Director
 Non-Executive Director (from 15th April, 2023)
 Additional Non-Executive Independent Director (from 15th September, 2023)
 Additional Non-Executive Independent Director (from 15th September, 2023)
 Additional Non-Executive Director (from 10th January, 2024)
 Additional Non-Executive Director (from 10th January, 2024)
 Mother of Mr. G. Sivakumar Reddy, Chairman
 Wife of Mr. G. Sivakumar Reddy, Chairman

iv) Summary of transactions during the year:

(₹ in Lakhs)

	Holding Company		Others		Key Management Personnel		Relatives of Key Management Personnel	
	2024	2023	2024	2023	2024	2023	2024	2023
Sales of services	32.38	58.85	3.62	3.62	-	-	-	-
Purchase of goods	75.08	78.08	-	-	-	-	-	-
Purchase of services:								
- Hotel services	12.13	16.19	-	-	-	-	-	-
- Service fee	542.82	572.11	-	-	-	-	-	-
- Others	-	-	33.82	24.73	-	-	-	-
Rent paid	-	-	-	-	-	-	12.11	11.83
Employee share based payments	6.20	18.04	-	-	-	-	-	-
Managerial Remuneration (includes reimbursement to holding company amounting to ₹ 152.24 lakhs ; March 31, 2023: ₹ 139.57 lakhs)	-	-	-	-	157.54	142.65	-	-
Sitting Fees to Independent Directors	-	-	-	-	2.20	-	-	-
Reimbursement of contractual remuneration:								
- Others*	542.30	446.33	-	-	-	-	-	-
Expenses recovered	79.54	46.25	-	-	-	-	-	-
Expenses reimbursed:								
- Others	294.18	217.42	-	-	-	-	-	-

*includes expenses capitalised during the year amounting to ₹ 8.69 lakhs (March 31, 2023: NIL)

v) Outstanding balances arising from sales/purchase of goods and services :

(₹ in Lakhs)

	Holding Company		Others		Key Management Personnel		Relatives of Key Management Personnel	
	2024	2023	2024	2023	2024	2023	2024	2023
Balance outstanding at the year end :								
- Receivables	1.11	0.49	-	0.30	-	-	-	-
- Deposits taken	-	-	0.50	0.50	-	-	-	-
- Payables (Refer note below)	59.53	86.72	4.82	1.08	-	-	0.91	2.00

Note: Net of TDS amounting to ₹ 58.51 lakhs (March 31, 2023: ₹ 54.94 Lakhs)

29. Reconciliation of effective tax rate:

	For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
Profit before income tax expense	1172.88	933.40
Income tax calculated @ 25.17%	295.19	234.92
Effect of tax relating to uncertain tax positions	2.19	4.54
Benefit of previously unrecognised tax losses	65.63	(60.64)
Income tax expense	363.01	178.82

Notes to the Financial Statements (Contd.)

30. Employee Share Based Compensation:

- (i) The eligible employees of ITC Limited (ITC), who are deputed to the Company at its request, are covered under the ITC Employee Stock Option Schemes (ITC ESOS) and the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan) in accordance with the terms and conditions of such schemes, details of which are as under:

ITC ESOS:

Each Option entitles the holder thereof to apply for and be allotted ten ordinary shares of ₹ 1.00 each of ITC upon payment of the exercise price during the exercise period. These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting.

The options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021.

ITC ESAR:

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

- (ii) The cost of stock options granted under ITC ESOS / SARs granted under ITC ESAR have been recognized as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of said deputation arrangement, the Company has accounted for the cost of the fair value of options / stock appreciation units granted to the deputed employees on-charge by ITC. The fair value of the options / SARs granted is determined, using the Black Scholes Option Pricing model, by ITC for all the grantees covered under ITC ESOS / ITC ESAR as a whole. The summary of movement of such options granted by ITC Limited and the status of the outstanding options is as under:

Particulars	As at 31st March, 2024	As at 31st March, 2023
	No. of Options	No. of Options
Outstanding at the beginning of the year	3,132	8,918
Add: Granted during the year	250	600
Options Forfeited / Surrendered during the year	-	-
Options due to transfer in and transfer out	-	-
Less: Exercised during the year	1484	6386
Outstanding at the end of the year	1,898	3,132
Options exercisable at the end of the year	1,148	2,392
Options Vested and Exercisable during the year	240	60

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

In accordance with Ind AS 102, an amount of ₹ ₹ 3.15 Lakhs (2023 – ₹ 1.66 Lakhs) towards ITC ESOS and ₹ 3.05 Lakhs (2023 – ₹ 16.38 Lakhs) towards ITC ESAR has been recognized as employee benefits expense (Refer note 19). Such charge has been recognised as employee benefits expense with corresponding credit to current / non – current financial liabilities, as applicable. (Refer note 12)

31. The following are analytical ratios for the year ended 31st March, 2024 and 31st March, 2023

Particulars	Numerator	Denominator	31st March, 2024	31st March, 2023
Current ratio	Current Assets	Current Liabilities	3.82	3.09
Debt Service Coverage ratio ¹	Earnings for Debt Service	Debt Service	-	-
Debt Service Coverage ratio ¹	Earnings for Debt Service	Debt Service	-	-
Return on Equity (ROE) (in %)	Profit for the year	Average total Equity	8.11%	8.20%
Inventory Turnover ratio (in times)	Gross Revenue from sale of services	Average Inventories	62.64	59.93
Trade Receivable Turnover Ratio (in times) ²	Gross Revenue from sale of services	Average Trade Receivable	25.20	34.11
Trade Payable Turnover Ratio (in times)	COGS+ Other Expenses- Non Cash Expenditure	Average Trade Payables	2.90	3.48
Net Capital Turnover Ratio (in times) ³	Gross Revenue from sale of services	Working Capital (Current Assets- Current Liabilities)	1.09	1.76
Net Profit ratio (in %)	Profit for the year	Gross Revenue from sale of services	11.93%	11.20%
Return on Capital Employed (in %)	Profit before Interest and Taxes	Capital Employed	10.64%	9.95%
Return on Investment (in %)	Income from Investment	Average Investment	6.95%	6.00%

¹ Debt-Equity Ratio and Debt Service Coverage Ratio are not applicable to the Company.

² The change in Trade Receivables Turnover ratio by more than 25% is primarily on account of higher business volumes evidenced due to business pick up in quarter 4 through the Corporate channels which is as per the industry trade terms.

³ The change in Net Capital Turnover Ratio by more than 25% is primarily on account of increased hotel revenue during 2nd half of the year as during the 1st half, 35% of the room inventories were closed due to renovation.

Notes to the Financial Statements (Contd.)

32. Financial instruments and related disclosures

I. Capital management

The Company's financial strategy aims to provide adequate capital for its growth plans for generating superior guest experience and sustained stakeholder value. Depending on the financial market scenario, nature of the funding requirements and cost of such funding, the Company decides the optimum capital structure. Currently, there are no borrowings and operations are being funded through internal accruals. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth of its business as a going concern.

II. Categories of financial instruments

	Note	As at 31st March, 2024		As at 31st March, 2023	
		Carrying Value (₹ in Lakhs)	Fair Value* (₹ in Lakhs)	Carrying Value (₹ in Lakhs)	Fair Value* (₹ in Lakhs)
A. Financial assets					
a) Measured at amortised cost					
i) Cash and cash equivalents	7	106.24	106.24	103.87	103.87
ii) Other bank balances	8	3000.00	3000.00	1000.00	1000.00
iii) Trade receivables	6	322.36	322.36	216.36	216.36
iv) Other financial assets	9	223.83	223.83	2074.42	2074.42
Sub - total		3652.43	3652.43	3394.65	3394.65
b) Measured at Fair value through Profit or Loss					
i) Investment in mutual funds	5	4544.71	4544.71	4109.42	4109.42
Sub - total		4544.71	4544.71	4109.42	4109.42
Total financial assets		8197.14	8197.14	7504.07	7504.07
B. Financial liabilities					
a) Measured at amortised cost					
i) Trade payables	25	1635.27	1635.27	1391.06	1391.06
ii) Other financial liabilities	12	393.94	393.94	316.86	316.86
Sub - total		2029.23	2029.23	1707.92	1707.92
Total financial liabilities		2029.23	2029.23	1707.92	1707.92

* The fair value of trade payables, other financial liabilities, cash and cash equivalents, other bank balances, trade receivables and other financial assets are considered to be the same as their carrying amounts due to their short term nature.

III. Financial risk management objectives

The Company has a system - based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as foreign currency risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations. It also seeks to drive accountability in this regard.

a) Liquidity Risk:

The Company's current assets aggregates ₹ 8402.28 Lakhs (March 31, 2023 – ₹ 5645.10 Lakhs) including Current investments, Cash and cash equivalents and Other bank balances of ₹ 7650.95 Lakhs (March 31, 2023 – ₹ 5213.29 Lakhs) against an aggregate Current liability of ₹ 2197.14 Lakhs (March 31, 2023 – ₹ 1824.66 Lakhs). Further, while the Company's total equity stands at ₹ 10390.10 Lakhs (March 31, 2023 – ₹ 9574.96 Lakhs), it has no borrowings.

In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

b) Foreign currency risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency are also subject to reinstatement risks.

There are no outstanding foreign currency denominated financial assets and financial liabilities, as at the end of the reporting period. As the transactions undertaken by the Company are in smaller denominations, taking forward cover for each transaction may not be economically feasible. Hence, the Company uses Forward Exchange Contracts for select exposures, although not designated under hedge accounting. As there are no large exposures, sensitivity analysis has not been provided.

c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company. The Company is exposed to credit risk from its operating and investing activities (primarily trade receivables and investments).

The Company has policy of dealing on cash terms, to the extent practicable. Credit is extended only after due approvals and evaluation in terms of the Credit Policy applicable for such sale. The process of extending credit, takes into account various factors such as publicly available financial information, market feedback, and past business patterns etc. Many of the Company's customers have been transacting for many years and the incidence of bad debts has been low. Such credit limits extended to trade receivables are monitored by the dual structure of Hotel Unit Credit Committee and Board of Directors and protective actions are initiated to avoid a default. There is no significant financing component in respect of its transaction with the customers. In view of the short - term nature of its trade receivables, the Company makes provision for credit risk on an individual basis, if any. All customer balances which are overdue for more than 180 days are evaluated for provision and considered for impairment on an individual basis. Write offs are made with the approval of the Board of Directors.

The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 322.36 Lakhs (2023 - ₹ 216.36 Lakhs). The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Company are as under:

(₹ in Lakhs)

Particulars	Expected Credit Loss Provision	
	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	17.32	24.85
Add: Provisions made (net)	–	0.87
Less: Provisions reversed	(16.03)	(8.40)
Closing Balance	1.29	17.32

Notes to the Financial Statements (Contd.)

d) Market risk

Investments in deposits are made with banks and institutions, which are of investment grade and are managed by the Company through active monitoring of balances and pre-determined parameters. Similarly, investment in debt mutual funds are made only with approved mutual funds and credit risk in such funds are limited because the underlying investments are diversified and the Company's investment framework considers the credit quality of the underlying investments made by the fund house. There are limits for any exposure to financial institutions.

The Company's investments that are measured at fair value through profit or loss stood at ₹ 4544.70 Lakhs (2023 - ₹ 4109.42 Lakhs).

33. Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities:

	Fair value hierarchy level	As at 31st March, 2024 Fair Value (₹ in Lakhs)	As at 31st March, 2023 Fair Value (₹ in Lakhs)
Financial assets			
a) Measured at Fair Value through Profit or Loss			
(i) Investment in mutual funds	1	4544.71	4109.42
Total		4544.71	4109.42

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

Level 1: Quoted prices (unadjusted) in active market or Net Asset Value (NAV) for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period."

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

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

34. The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after 1 April 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the financial statements.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases. There is no impact on the financial statements.

35. The Financial Statements were approved for issue by the Board of Directors on April 30, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

On behalf of the board

Gunupati Sivakumar Reddy
Chairman
DIN: 00439812

Ashutosh Chhibba
Managing Director
DIN: 08355922

Mandrita Bose
Chief Financial Officer

Pankaj Singh Bisht
Company Secretary

Place: Gurugram
Date: April 30, 2024

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their Report for the financial year ended 31st March, 2024.

2. FINANCIAL PERFORMANCE

During the year under review, your Company recorded an Operating Income of ₹ 5,248.44 Lakhs (previous year: ₹ 4,360.17 Lakhs) reflecting a growth of about 20.37% over the previous year. The Other Income of the Company was ₹ 243.91 Lakhs (previous year ₹ 75.23 Lakhs) and profit for the year was ₹ 1121.87 Lakhs (previous year profit: ₹ 534.40 Lakhs)..

The financial results of your Company, summarised, are as under:

Particulars	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
Profits		
a. Profit Before Tax	1345.94	784.29
b. Less : Tax Expense		
Current Tax	206.69	189.55
Deferred Tax	17.38	60.34
c. Profit for the year	1121.87	534.40
d. Other Comprehensive Income	(12.47)	(13.99)
e. Total Comprehensive Income	1109.40	520.41
Retained Earnings		
a. At the beginning of the year	2030.91	1510.50
b. Add : Profit for the year	1121.87	534.40
c. Add : Other Comprehensive Income	(12.47)	(13.99)
d. Less : Dividend Paid	(56.25)	–
e. At the end of the year	3084.06	2030.91

3. DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹ 15 per Equity Share of ₹ 10/- each, for the year ended 31st March, 2024. Total cash outflow in this regard will be ₹ 67.50 Lakhs.

4. OPERATIONAL PERFORMANCE

Your Company, which caters to the 'Upscale to Midmarket' segment through a chain of Fortune hotels, continues to forge new alliances and expand its footprints. During the year, eight hotels with 502 rooms were launched i.e. Fortune Khajjiar (35 rooms), Fortune Inn Heritage Walk, Amritsar (50 rooms), Fortune Ranjit Vihar, Amritsar (54 rooms), Fortune Park Hoshiarpur (57 rooms), Fortune Park Aligarh (66 Rooms), Fortune Park Tiruppur (63 rooms), Fortune Park East Delhi (70 rooms) and Fortune Hosur (107 rooms). These properties are a mix of business and leisure hotels, spread across multiple geographies in India, and are scaling up operations as per plan.

Your Company has also signed 12 new alliances during the year. Your Company as on 31st March, 2024 has 66 Alliances, over 5000 rooms across 55 cities of India. Of these, 51 hotels (over 3800 rooms) are in operation and the remaining 15 hotels (1258 rooms) are in various stages of development, and are slated to be commissioned in the near term.

During the year under review, the Company has been awarded many recognitions including SATTE Award 2024 for 'Hotel Chain of the Year-Mid-Market segment', VETA 2024 for Best Premium Business & Leisure Hotel chain, Today's Traveller Awards 2023 for Premier Upscale Hotel chain and India Travel Awards North 2023 for Best Upscale Hotel chain in India.

5. DIRECTORS
(a) Changes in Directors

During the year under review, the Board of Directors of your Company ('the Board') at its meeting held on 9th October, 2023, re-appointed Mr. Samir MC as the Managing Director for a period not exceeding three years from 16th October, 2023, subject to your approval. Appropriate resolution seeking approval of the Members for the same is appearing in the Notice convening the ensuing AGM of the Company.

Mr. Nakul Anand (DIN: 00022279) stepped down as Chairman & Director of your Company with effect from the close of work on 1st January, 2024. Your Directors place on record their appreciation for the contribution made by Mr. Anand during his association with the Company.

The Board at its meeting held on 9th January, 2024, appointed Mr. Anil Chadha (DIN: 08073567) as the Chairman of the Company with effect from the said date.

There were no other changes in the composition of the Board of the Company during the year.

(b) Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with Articles 143, 144, 145 and 146 of the Articles of Association of the Company, Mr. Anil Chadha (DIN:08073567), Director, will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company and being eligible, offers himself for re-appointment. Your Board has recommended his re-appointment.

6. BOARD COMPOSITION AND MEETINGS

The present composition of your Board is as follows:

Mr. A. Chadha	- Chairman & Non- Executive Director
Mr. A. Thakar	- Non- Executive Director
Mr. Samir M.C.	- Managing Director

Four meetings of the Board were held during the year ended 31st March, 2024 on 15th April, 2023, 17th July, 2023, 9th October, 2023 and 9th January, 2024.

7. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

8. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

9. PARTICULARS OF EMPLOYEES

The details of employees of the Company as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure 1 to this Report.

Your Company seeks to provide equal opportunities for men and women and is committed to a gender-friendly workplace. To ensure a safe and progressive work environment, Internal Complaints Committee has been constituted by the Company as per provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year, no complaint for sexual harassment was received by the Company.

10. RISK MANAGEMENT

The risk management framework of the Company is commensurate with its size and nature of business. Management of risks vests with the executive management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. The Internal Audit Department of ITC Limited, the holding company, as the Internal Auditor of your Company, periodically carries out, at the request of the Company, risk focused audits with the objective of identification of areas where risk management processes could be strengthened. The Board annually reviews the effectiveness of the Company's risk management systems and policies.

A combination of policies and processes as outlined above adequately addresses the various risks associated with the Company's businesses.

11. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations. The Internal Auditor of the Company periodically evaluates the adequacy and effectiveness of such internal financial controls. The Board provides guidance on internal controls and also reviews internal audit findings and implementation of internal audit recommendations.

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

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company's CSR Policy outlines programmes, projects and activities falling within the purview of Schedule VII and Section 135 of the Act and the Rules made thereunder.

The Annual Report on CSR activities of the Company, as required under Sections 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014, is enclosed as Annexure 2 to this Report.

During the year under review, the Company was not required to constitute CSR Committee in terms of Section 135 (9) of the Act.

13. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

14. RELATED PARTY TRANSACTIONS

During the year under review, all contracts or arrangements entered into by your Company with its related parties were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Act.

No material contracts or arrangements with related parties were entered during the year under review. Accordingly, the disclosure of material related party transactions as required in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable for this year.

15. DEPOSITS

Your Company has not accepted any deposit from the public / members under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year under review, no significant or material order was passed by any Regulator / Court / Tribunal impacting the going concern status of the Company or its future operations.

17. ANNUAL RETURN

The Annual Return of the Company is available on its website at <https://www.fortunehotels.in/annual-return>

18. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

19. STATUTORY AUDITORS

Messrs. S R B C & CO LLP ('SRBC'), Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of the Twenty Fourth AGM held in 2019 till the conclusion of the Twenty Ninth AGM of the Company. Accordingly, they will complete their present term in the ensuing AGM of the Company to be held in the year 2024.

The Board has recommended for the approval of the Members, the re-appointment of SRBC as Statutory Auditors of the Company for another term of five years from the conclusion of the ensuing AGM till the conclusion Thirty-Fourth AGM. SRBC have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act. Pursuant to Section 142 of the Act, the Board has also recommended for the approval of the Members, remuneration of SRBC to conduct the statutory audit of the Company for the financial year 2024-25. Appropriate resolution seeking your approval to the appointment and

remuneration of SRBC as the Statutory Auditors is appearing in the Notice convening the ensuing AGM of the Company.

There is no qualification, reservation, adverse remark or disclaimer made by the Auditors in their Report on the financial statements of the Company for the year ended 31st March, 2024.

20. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**Conservation of Energy**

The Company has pledged to drive sustainability practices, and has implemented several initiatives for energy conservation, water conservation, waste management disposal and measures to control water, noise and environmental pollution practices at its managed hotels. Routine maintenance is performed to keep all equipment in the most efficient state of operations.

As a result of the aforesaid measures, optimum utilization of energy is being achieved in electrical units, PNG and water consumption.

Technology Absorption

The Company is in the hotels business which is a service industry and no specific knowhow or technology was imported by the Company during the year. The Company has not carried out any activities which can be construed as a research and development activity. However, the Company endeavors to adopt and use the latest technologies to improve the efficiency and effectiveness of its operations leading to product improvement, cost reduction, product development or import substitution.

Foreign Exchange Earnings and Outgo

During the year under review, there were 'Nil' foreign exchange earnings (previous year: Nil) and foreign exchange outflow aggregated ₹ 213.46 lakhs (previous year: ₹ 130.39 lakhs).

22. ACKNOWLEDGEMENT

The Directors acknowledge the assistance and support rendered by all the stakeholders and look forward to the future with confidence.

On behalf of the Board

Dated : 2nd May, 2024

Place : Gurugram

**Samir M.C.
Managing Director**

**A Thakar
Director**

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2024

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

Names of Employees	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of employment / deputation	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
Samir Mecherivalappil Chandrasekharan*	48	Managing Director	3,66,30,538	1,88,95,077	MBA, Diploma in Hotel Management	28	16.10.2017	ITC Limited, Hotels Division, Executive Vice President
Sidharth Shah*	43	Head Finance	1,22,91,084	68,99,999	ACA	18	01.04.2023	ITC Limited, Finance Controller- ITC Maurya
PK Hosmatt*	59	Head – Technical, EHS & Projects	96,86,543	45,01,670	B.E. Mechanical	39	01.04.2022	General Manager Projects, ITC Narmada
Dhananjay Saliankar*	59	Head- Sales & Marketing	86,91,654	46,32,196	B. A. (Economics)	33	01.12.2017	ITC Limited, Hotels Division, General Manager – Sales & Marketing
Arindam Kumar*	54	Vice President – Operations	81,05,670	48,05,568	Diploma in Hotel Management	33	01.01.2019	ITC Limited, Hotels Division, General Manager Operations
Raj Kamal Chopra*	57	Corporate Chef	71,40,838	36,71,902	B.Com (P), Diploma in Hotel Management	37	01.04.2013	ITC Limited, Executive Chef – ITC Windsor
Sumita Majumdar*	56	Head Human Resources	51,96,694	29,79,900	MBA	31	26.07.2022	ITC Hotels – Sheraton, New Delhi Hotel – Head Human Resources
Ajay Joginderlal Sharma	57	Area Manager (North)	4,053,186	2,998,928	Diploma in Hotel Management and Catering Technology	36	19.05.2015	Elixir Enterprises and Hotels Private Limited, Manager
Saravanan Dhanabalu	51	Area Manager (South)	3,991,878	2,941,598	Bachelor of Science	29	19.05.2007	Auromatrix Hotels Private Limited, General Manager
Sanjeev Savant	50	General Manager (North & South), Sales	3,887,434	2,884,932	Bachelor of Science	28	19.12.2017	Root Corporation, Regional Director Sales & Marketing

* On deputation from ITC Limited, the holding company (ITC).

Notes:

- In respect of employees on deputation, gross remuneration disclosed as above is the deputation cost which is borne by the Company.
- For all other employees, gross remuneration includes salary, variable pay/ performance bonus, allowances & other benefits / applicable perquisites borne by the Company, except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less income tax, education cess deducted at source and employee's own contribution to provident fund.
- Certain employees on deputation from ITC may be granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since these Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employees by such grant of Options, and accordingly the said grants have not been considered as remuneration.
- All appointments (except deputed employees) are / were contractual in accordance with terms and conditions as per the Company's Rules.
- The aforesaid employees are neither relative of any Director of the Company nor hold any equity shares in the Company in individual capacity

On behalf of the Board

Dated : 2nd May, 2024
Place : Gurugram

Samir M.C.
Managing Director

A Thakar
Director

Annexure 2 to the Report of the Board of Directors**Annual Report on Corporate Social Responsibility (CSR) Activities of the Company for the financial year ended 31st March, 2024****1. Brief outline on CSR Policy of the Company:**

The Company being a wholly owned subsidiary of ITC Limited ('ITC') discharges its CSR responsibility by aligning itself with the CSR Policy of ITC and by undertaking CSR activities in areas or subjects which are independent of the normal conduct of the Company's business and are covered under the activities listed in Schedule VII read with Section 135 of the Companies Act, 2013 ('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company's CSR Programmes will be implemented (i) directly, or (ii) through a registered public trust or a registered society or foundation or a company under Section 8 of the Act, established by ITC (Collectively, ITC Entities), having track record of at least three years in undertaking similar activities, or (iii) through other eligible implementing agencies.

The Company may also collaborate with ITC or other companies for undertaking CSR programmes in such a manner that the respective companies are in a position to report separately on the CSR activities being undertaken.

2. Composition of the CSR Committee as on 31st March, 2024: Not Applicable**3. The web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**
<https://www.fortunehotels.in/csr>**4. Executive Summary alongwith the web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable.****5. Average net profits of the Company as per Section 135(5): ₹ 51.23 Lakhs**

(a)	Two percent of average net profits of the Company as per Section 135(5)	₹ 1.03 Lakhs
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (5a+5b-5c)	₹ 1.03 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 1.03 Lakhs**(b) Amount spent in Administrative Overheads: ₹ 0.05 Lakhs****(c) Amount spent on Impact Assessment, if applicable: Not Applicable****(d) Total amount spent for the Financial Year [6(a)+6(b)+6(c)]: ₹ 1.08 Lakhs****(e) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (₹)	Date of transfer	Name of the Fund	Amount (₹)	Date of transfer
₹ 1.08 Lakhs	Not Applicable				

(f) Excess amount for set off, if any: Not Applicable

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Section 135(5)	1.03
(ii)	Total amount spent for the Financial Year	1.08
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.05*
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	–
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	–

The Company is not proposing to carry forward and claim set-off against the excess amount of 0.05 Lakhs in succeeding Financial Years.

7. (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 ₹)	Balance Amount in Unspent CSR Account under subsection (6) of Section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility (CSR) amount spent in the financial year:

Yes ☐ No ☒If Yes, enter the number of Capital assets created/acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):
- Not Applicable**

On behalf of the Board

Dated : 2nd May, 2024
Place : GurugramSamir M.C.
Managing DirectorA. Thakar
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORTUNE PARK HOTELS LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Fortune Park Hotels Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of the Act 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 audit opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS 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.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. a) The management has represented that, to the best of its knowledge and belief, no funds 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;
- b) The management has represented that, to the best of its knowledge and belief, 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
- c) Based on such audit procedures that were 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 final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with

section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note B of Statement of changes in equity (SOCE) to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982/E300003

per Ajay Bansal

Partner

Membership Number: 502243

UDIN:24502243BKCEWZ1308

Place of Signature: Gurugram

Date: May 02, 2024

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT ON EVEN DATE"

Re: Fortune Park Hotels Limited ('the Company')

- (i) (a) (A) The Company has maintained proper records showing full particulars, including situation and quantitative details of Property, Plant and Equipment.
- (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, the whistle blower policy is not applicable to the company.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Companies Act, 2013
- The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) As represented to us, the Group does not have more than one Core Investment Company as part of the Group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the year and the immediate preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 27 to the Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, 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 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, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 15b to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note (15b) to the financial statements.
- (xxi) The company does not have any subsidiaries, associates, joint ventures. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982/E300003

per Ajay Bansal

Partner

Membership Number: 502243

UDIN:24502243BKCEWZ1308

Place of Signature: Gurugram

Date: May 02, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF FORTUNE PARK HOTELS LIMITED

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

We have audited the Internal financial controls over financial reporting of Fortune Park Hotels Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring

the orderly and efficient conduct of its business, including adherence to the 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 with reference to these Ind AS financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these Ind AS financial statements 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 over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 Ind AS 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 internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS financial statements 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2024, 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.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982/E300003

per Ajay Bansal

Partner

Membership Number: 502243

UDIN:24502243BKCEWZ1308

Place of Signature: Gurugram

Date: May 02, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

(All amounts in rupees lakhs unless otherwise stated)

	Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	20.70	17.43
Other financial Assets	3(b)	140.00	500.00
Deferred tax assets (net)	4	377.53	390.71
Income tax assets (net)	5	105.05	518.81
Total non-current assets		643.28	1,426.95
Current assets			
Financial assets			
i. Investments	6(a)	2,358.12	1,135.05
ii. Trade receivables	6(b)	1,207.62	996.04
iii. Cash and cash equivalents	6(c)	97.21	186.52
iv. Other Bank balances	6(d)	900.0	–
iv. Others	6(e)	124.44	82.02
Other current assets	7	42.40	44.15
Total current assets		4,729.79	2,443.77
Total assets		5,373.07	3,870.72
EQUITY AND LIABILITIES			
Equity share capital	8	45.00	45.00
Other equity		3,451.54	2,398.39
Total equity		3,496.54	2,443.39
LIABILITIES			
Non-current liabilities			
Other financial liabilities	9(a)	87.63	146.67
Provisions	10(a)	52.75	48.74
Total non-current liabilities		140.38	195.41
Current liabilities			
Financial liabilities			
i. Trade payables	9(b)	–	–
Total outstanding dues of micro enterprises and small enterprises		–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		563.56	324.61
ii. Other financial liabilities	9(c)	564.81	475.29
Provisions	10(b)	192.81	158.00
Other current liabilities	11	415.16	274.01
Total current liabilities		1,736.14	1,231.91
Total liabilities		1,876.53	1,427.32
Total equity and liabilities		5,373.07	3,870.72

The accompanying notes 1 to 28 are an integral part of the financial statements.

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

For **SRBC & CO LLP**

Firm Registration No. : 324982/E300003

Ajay Bansal

Partner

Membership Number : 502243

Place : Gurugram

Date : 2nd May, 2024

On behalf of the Board of Directors

Samir Mecherivalappil Chandrasekharan

Managing Director

DIN 08064002

Place : Gurugram

Date : 2nd May, 2024

Ashish Thakar

Director

DIN 09383474

Place : Gurugram

Date : 2nd May, 2024

STATEMENT OF PROFIT AND LOSS

(All amounts in rupees lakhs unless otherwise stated)

	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations	12	5,248.44	4,360.17
Other income	13	243.91	75.23
Total income		5,492.35	4,435.40
Expenses			
Employee benefits expense	14	3,065.91	3,016.91
Depreciation expense	3	7.28	12.53
Other expenses	15	1,073.21	621.67
Total expenses		4,146.41	3,651.11
Profit/(Loss) before tax		1,345.94	784.29
Income tax expense			
- Current tax	16	206.69	189.55
- Deferred tax	16	17.38	60.34
Total tax expense		224.07	249.89
Profit/(Loss) for the year		1,121.87	534.40
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(16.67)	(18.70)
- Income tax relating to these items		4.20	4.71
Other comprehensive income for the year, net of tax		(12.47)	(13.99)
Total comprehensive income for the year		1,109.40	520.41
Earnings per equity share (₹)			
Basic earnings per share	17	249.30	118.75
Diluted earnings per share	17	249.30	118.75

The accompanying notes 1 to 28 are an integral part of the financial statements.

This is the Statement of Profit & Loss referred to in our report of even date.

For **SRBC & CO LLP**

Firm Registration No. : 324982/E300003

Ajay Bansal

Partner

Membership Number : 502243

Place : Gurugram

Date : 2nd May, 2024

On behalf of the Board of Directors

Samir Mecherivalappil Chandrasekharan

Managing Director

DIN 08064002

Place : Gurugram

Date : 2nd May, 2024

Ashish Thakar

Director

DIN 09383474

Place : Gurugram

Date : 2nd May, 2024

Statement of changes in equity

(All amounts in rupees lakhs unless otherwise stated)

A. Equity share capital

Balance as at 1st April, 2023	45.00
Changes in equity share capital due to prior period errors	–
Restated balance at the beginning of the reporting period	–
Changes in equity share capital during the year	–
Balance as at 31st March, 2024	45.00
Balance as at 1st April, 2022	45.00
Changes in equity share capital due to prior period errors	–
Restated balance at the beginning of the reporting period	–
Changes in equity share capital during the year	–
Balance at 31st March, 2023	45.00

B. Other equity

	Reserves and Surplus			Total
	Capital Reserve	Retained Earnings	General Reserve	
Balance as at 1st April, 2023	30.00	2,030.91	337.48	2,398.39
Changes in accounting policy or prior period errors	–	–	–	–
Restated balance as at 1st April, 2023	–	–	–	–
Profit / (Loss) for the year	–	1,121.87	–	1,121.87
Other comprehensive income (net of tax)	–	(12.47)	–	(12.47)
Total comprehensive income	–	1,109.40	–	1,109.40
Dividend paid *	–	(56.25)	–	(56.25)
Balance at 31st March, 2024	30.00	3,084.06	337.48	3,451.54
Balance as at 1st April, 2022	30.00	1,510.50	337.48	1,877.98
Changes in accounting policy or prior period errors	–	–	–	–
Restated balance as at 1st April, 2022	–	–	–	–
Profit/(Loss) for the year	–	534.40	–	534.40
Other comprehensive income (net of tax)	–	(13.99)	–	(13.99)
Total comprehensive income	–	520.91	–	520.41
Balance at 31st March, 2023	30.00	2,030.91	337.48	2,398.39

* The Company had paid a final dividend of ₹ 12.50 per share on equity shares of ₹ 10/- each, aggregating to ₹ 56.25 Lacs for the year ended 31st March, 2023.

- The directors have recommended the payment of a final dividend of ₹ 15.00 per fully paid equity share of ₹ 10/- each, aggregating to ₹ 67.50 Lacs subsequent to the year end. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and has not been included as a liability in these financial statements.
- Capital reserve represents amount received as compensation of rights under contract.
- Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.
- General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

The accompanying notes 1 to 28 are an integral part of the financial statements.

This is the Statement of changes in equity referred to in our report of even date.

For **SRBC & CO LLP**

Firm Registration No. : 324982/E300003

Ajay Bansal

Partner

Membership Number : 502243

Place : Gurugram

Date : 2nd May, 2024

On behalf of the Board of Directors

Samir Mecherivalappil Chandrasekharan

Managing Director

DIN 08064002

Place : Gurugram

Date : 2nd May, 2024

Ashish Thakar

Director

DIN 09383474

Place : Gurugram

Date : 2nd May, 2024

STATEMENT OF CASH FLOWS

(All amounts in rupees lakhs unless otherwise stated)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Cash flow from operating activities		
Profit/(Loss) before tax	1,345.94	784.29
Adjustments for :		
Depreciation expense	7.28	12.53
Loss on sale of property, plant and equipment - Net	0.03	0.22
Provisions for doubtful debts and other financial assets	(323.23)	(45.02)
Bad debts written off	423.95	2.02
Interest Income	(134.16)	–
Net (gain)/loss arising on investments mandatorily measured at fair value through profit and loss	(109.76)	(65.70)
Operating profit/(loss) before working capital changes	1,210.04	688.33
Adjustments for :		
Trade receivables, advances and other assets	(352.97)	85.37
Trade payables, other liabilities and provisions	432.53	691.88
Cash generated from/(used) operations	1,289.60	1,465.58
Income tax (paid)/refund received	284.96	(244.38)
Net cash generated/(used) in operating activities	1,574.56	1,221.20
Cash flow from investing activities		
Purchase of property, plant and equipment	(10.58)	(19.06)
Purchase of current investments	(4,265.00)	(7,415.00)
Sale / redemption of current investments	3,151.68	6,832.35
Investments in Deposit with Bank	(540.00)	(500.00)
Interest Income	56.27	–
Net cash from investing activities	(1,607.62)	(1,101.71)
Cash flow from financing activities		
Dividend paid	(56.25)	–
Income tax on dividend paid	–	–
Net cash used in financing activities	(56.25)	–
Net increase/(decrease) in cash and cash equivalents	(89.32)	119.49
Opening cash and cash equivalents	186.52	67.01
Closing cash and cash equivalents	97.21	186.52
Cash and cash equivalents comprise of :		
Balances with Banks	97.19	186.50
Cash on hand	0.02	0.02
Cash and cash equivalents at the end of the year [Refer note 6(c)]	97.21	186.52

Notes:

1. The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash flows".
2. Net Cash Flow from Operating Activities includes an amount of Nil (Previous Year: Nil) spent towards Corporate Social Responsibility.

The accompanying notes 1 to 28 are an integral part of the financial statements.

This is the Cash Flows referred to in our report of even date.

For **SRBC & CO LLP**

Firm Registration No. : 324982/E300003

Ajay Bansal

Partner

Membership Number : 502243

Place : Gurugram

Date : 2nd May, 2024

On behalf of the Board of Directors

Samir Mecherivalappil Chandrasekharan

Managing Director

DIN 08064002

Place : Gurugram

Date : 2nd May, 2024

Ashish Thakar

Director

DIN 09383474

Place : Gurugram

Date : 2nd May, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

BACKGROUND OF THE COMPANY

Fortune Park Hotels Limited, a 100% subsidiary of ITC Limited is in the business of operating hotels in the mid – market to upscale segment under 'Fortune' Brands. It currently operates 51 hotels.

Note 1: MATERIAL ACCOUNTING POLICIES

Statement of Compliance

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

a) BASIS OF PREPARATION

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair value, as explained in the accounting policies.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

b) PROPERTY, PLANT AND EQUIPMENT

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

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will be realized. The carrying amount of a replaced part is derecognized. All upgradations / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

c) DEPRECIATION

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

The estimated useful lives of PP&E of the Company are as follows:

Category of property, plant and equipment	Useful life
Office equipment	5 Years
Computers and user devices	3 Years
Computer, network and servers	6 Years
Furniture and fixtures	10 Years
Vehicles	8 Years

PP&E's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

d) IMPAIRMENT OF ASSETS

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

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

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

e) FOREIGN CURRENCY TRANSACTIONS

The Company accounts for transactions in foreign currency at the exchange rate prevailing on the date of transactions. The date of the transaction for the purpose of determining the exchange rate on initial recognition of the asset, expense or income is the date on which an entity initially recognizes the related non-monetary asset or non-monetary liability on the payment or receipt of the advance consideration. Gains/Losses arising on settlement of transactions as also the translation of monetary items at period ends due to fluctuations in the exchange rate are recognized in the Statement of Profit and Loss.

f) FINANCIAL INSTRUMENT, FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

Financial assets are classified as those measured at:

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

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

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

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

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

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

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

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

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

g) REVENUE

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for services rendered, net of discounts to customers. Revenue excludes Goods and Services Tax (GST).

Revenue from the sale of services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable.

Under the Operating and Marketing Services Agreements with the hotel owners, the Company receives fees and reimbursements from contractual arrangements, which is considered as revenue and recognised over regular time intervals during the term of the agreements upon satisfactory completion of performance obligation.

In addition, under the said Agreements, the Company provides other services during pre-operations period and fee for such other services is received in advance and the same is recognised during pre-operations period basis the output method i.e. contract milestone matrix which is best reflective of the performance completed till date.

h) DIVIDEND DISTRIBUTION

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

i) EMPLOYEE BENEFITS

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

The Company makes contributions to both defined benefit and defined contribution schemes.

Contributions to Provident Fund are in the nature of defined contribution scheme and such paid/payable amounts are recognised as employee benefit expense. The contributions in respect of provident fund are statutorily deposited with the Government.

The contributions in respect of defined benefit gratuity plan are made to Life Insurance Corporation (LIC) under its Group Gratuity Scheme. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or loss on account of remeasurements are recognized immediately through Other Comprehensive Income in the period in which they occur.

The employees of the Company are also entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under projected unit credit method similar to benefits of gratuity explained above. These benefits are unfunded.

j) EMPLOYEE SHARE BASED COMPENSATION

The cost of stock options and stock appreciation units granted by ITC Limited, the Holding Company, to its eligible employees deputed to the Company is recognised at fair value. These Schemes are in the nature of equity settled / cash settled share based compensation and are assessed, managed / administered by the Holding Company.

In case of stock options, the fair value of stock options at the grant date is amortised on a straight line basis over the vesting period and cost recognized as an employee benefits expenses in the Statement of Profit and Loss with a corresponding credit in equity, net reimbursements, if any.

In case of stock appreciation units, the fair value of stock appreciation units at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognized as an employee benefits expenses in the Statement of Profit and Loss with a corresponding increase in other financial liabilities.

k) LEASES

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Company as Lessee

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

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

Company as a Lessor

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

I) TAXES ON INCOME

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates enacted during the period, together with any adjustment to tax payable in respect of previous years. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income, are disclosed separately under Other Comprehensive Income, as applicable.

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

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

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a

legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

m) CLAIMS

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

n) PROVISIONS

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

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

o) CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company does not have any significant cash and cash equivalents that are not available for use.

p) EARNINGS PER SHARE

Basic earnings per share computed 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 is adjusted for the effects of all dilutive potential equity shares.

q) OPERATING SEGMENT

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee headed by the Managing Director.

Note 2: Use of critical estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and action, actual results could defer from these estimates.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligations Note 10 and 14
- Impairment of trade receivables and other financial assets Note 6 (b) and 6 (d)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

Note 3 : (a) Property, plant and equipment

	Furniture and fixture	Vehicles	Office equipment	Computers and users devices	Computer, network and servers	Total
Year ended 31st March, 2023						
Gross carrying amount						
Opening gross carrying amount	4.31	-	3.04	54.25	23.12	84.71
Additions	-	-	-	19.06	-	19.06
Disposals	-	-	-	(2.33)	-	(2.33)
Closing gross carrying amount	4.31	-	3.04	70.97	23.12	101.43
Accumulated depreciation						
Opening accumulated depreciation	3.03	-	2.74	48.77	19.04	73.58
Depreciation charge during the year	0.21	-	0.09	8.45	3.78	12.53
Disposals	-	-	-	(2.11)	-	(2.11)
Closing accumulated depreciation	3.24	-	2.83	55.11	22.82	84.00
Net carrying amount as at 31st March, 2023	1.07	-	0.21	15.87	0.30	17.43
Period ended 31st March, 2024						
Gross carrying amount						
Opening gross carrying amount	4.31	-	3.04	70.97	23.12	101.44
Additions	-	-	-	10.58	-	10.58
Disposals	(0.25)	-	-	-	-	(0.25)
Closing gross carrying amount	4.06	-	3.04	81.55	23.12	111.76
Accumulated depreciation						
Opening accumulated depreciation	3.24	-	2.83	55.11	22.82	84.00
Depreciation charge during the year	0.21	-	-	6.86	0.21	7.28
Disposals	(0.22)	-	-	-	-	(0.22)
Closing accumulated depreciation	3.22	-	2.83	61.98	23.03	91.06
Net carrying amount as at 31st March, 2024	0.84	-	0.21	19.57	0.09	20.70

Note 3 (b) : Other financial Assets

	As at 31st March, 2024	As at 31st March, 2023
Investment in Bank Deposit		
7.75%-State Bank of India	-	500.00
7.2%-ICICI Bank	140.00	-
Total other financial assets	140.00	500.00

(Deposit with Bank with original maturity of more than 12 months)

Note 4 : Deferred tax assets (net)

	Deferred tax assets					Deferred tax liabilities			Net Deferred Tax Assets (A-B)
	On employee benefit	Business losses and unabsorbed depreciation	On allowances for doubtful trade receivables and other financial assets	Other timing differences	Deferred tax assets (A)	Property, plant and equipment	Financial assets at fair value through profit or loss	Deferred tax liabilities (B)	
At 1st April, 2022	51.13	124.41	275.91	1.76	453.21	0.19	(7.06)	(6.87)	446.34
(Charged)/credited:									
- to profit or loss	78.45	(124.41)	(11.33)	-	(57.29)	0.84	(3.89)	(3.05)	(60.34)
- to other comprehensive income	4.71	-	-	-	4.71	-	-	-	4.71
At 31st March, 2023	134.29	-	265.58	1.76	400.63	2.03	(10.95)	(9.92)	390.71
(Charged)/credited:									
- to profit or loss	31.02	(0.00)	(81.35)	51.59	1.26	(0.45)	(18.18)	(18.63)	(17.38)
- to other comprehensive income	4.20	-	-	-	4.20	-	-	-	4.20
At 31st March, 2024	169.50	(0.00)	184.23	53.36	406.08	1.57	(29.13)	(28.56)	377.53

Note 5: Income tax assets (net)

	As at 31st March, 2024	As at 31st March, 2023
Advance tax	105.05	518.81
Total income tax assets (net)	105.05	518.81

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

Note 6: Financial assets - current**Note 6(a) Investments**

	As at 31st March, 2024	As at 31st March, 2023
Unquoted		
Investment in mutual funds measured at FVTPL		
ICICI Prudential Corporate Bond Fund -Direct Plan-Growth [688057.13 units : Previous Year 688057.13 units]] of ₹ 10/- each	193.66	179.09
Axis Liquid Fund - Growth - Direct Plan [9624.48 units : Previous Year (8063.11 units)] of ₹ 10/-each	258.29	201.65
SBI Magnum Low Duration Fund - Growth - Direct Plan [8171.48 units : Previous Year (8171.48 units)] of ₹ 1000 each	269.45	250.46
Axis Treasury Advantage Fund - Growth - Direct Plan [9174.92 units : Previous Year (9174.92 units)] of ₹ 1000 each	269.59	250.50
Nippon India Liquid Fund-Growth-Direct Plan 5132.83 units : Previous Year (Nil units)] of ₹ 1000 each	303.30	-
UTI Liquid cash Plan-Direct Growth 7661.74 units : Previous Year (Nil units)] of ₹ 1000 each	303.25	-
Kotak Liquid Fund - Direct Growth Plan - Growth Option [5697.46 units : Previous Year (Nil units)] of ₹ 1000/- each	277.98	-
SBI Liquid Fund - Growth - Direct Plan [Nil Units: Previous Year (7190.31 units)] of ₹ 1000 each	-	253.34
SBI Short Term Debt Fund - Direct Plan - Growth [334617.21 Units: Previous Year (Nil units)] of ₹ 1000 each	102.66	-
Kotak Corporate Bond - Direct Growth Plan - Growth Option [3634.28 Units: Previous Year (Nil units)] of ₹ 1000 each	128.48	-
HDFC Liquid Fund - Growth - Direct Plan [5300.99 Units: Previous Year (Nil units)] of ₹ 1000 each	251.46	-
Total investments	2,358.12	1,135.04

Note 6(b) Trade receivables

	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good	1,207.62	996.04
Credit impaired	691.63	995.15
Less: Provision for impairment	(691.63)	(995.15)
Total trade receivables	1207.62	996.04

	As at 31st March, 2024	As at 31st March, 2023
Secured considered good	-	-
Unsecured, considered good	1207.62	996.04
Which have significant increase in credit risk	-	-
Credit impaired	691.63	995.15
Less: Allowance for Credit impairment	(691.63)	(995.15)
Total	1207.62	996.04

Ageing of Trade Receivable

Trade Receivable as on 31.03.2024	Particulars Outstanding for following periods						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables							
- considered good	518.33	689.29	-	-	-	-	1207.62
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	237.27	144.69	109.51	8.63	28.74	528.84
Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	162.79	162.79
Gross	518.33	926.56	144.69	109.51	8.63	191.53	1899.25
Less : Allowance for Trade Receivables							
- which have significant increase in credit risk - Undisputed	-	-	-	-	-	-	-
- which have significant increase in credit risk - disputed	-	-	-	-	-	-	-
- credit impaired - Undisputed	-	237.27	144.69	109.51	8.63	28.74	528.84
- credit impaired - disputed	-	-	-	-	-	162.79	162.79
Net	518.33	689.29	-	-	-	-	1207.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

Trade Receivable as on 31.03.2023	Particulars Outstanding for following periods						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables							
- considered good	424.91	571.12	-	-	-	-	996.04
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	217.41	67.85	15.39	63.72	241.56	605.93
Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	389.21	389.21
Gross	424.91	788.53	67.85	15.39	63.72	630.78	1991.18
Less : Allowance for Trade Receivables							
- which have significant increase in credit risk - Undisputed	-	-	-	-	-	-	-
- which have significant increase in credit risk - disputed	-	-	-	-	-	-	-
- credit impaired - Undisputed	-	217.41	67.85	15.39	63.72	241.56	605.93
- credit impaired - disputed	-	-	-	-	-	389.21	389.21
Net	424.91	571.12	-	-	-	-	996.04

Note 6(c) Cash and cash equivalents

	As at 31st March, 2024	As at 31st March, 2023
Balances with banks		
- in current accounts	97.29	186.50
Cash on hand	0.02	0.02
Total cash and cash equivalents	97.21	186.52

Note 6 (d) Other Bank Balances

	As at 31st March, 2024	As at 31st March, 2023
In deposit accounts*		
7.75% State Bank of India	500.00	-
7.45% ICICI Bank	400.00	-
Total cash and cash equivalents	900.00	-

*Represents deposits with original maturity of more than 12 months and remaining maturity of less than 12 months

Note 6(e) Others

	As at 31st March, 2024	As at 31st March, 2023
Other assets - Unsecured unless stated otherwise		
- Contractually reimbursable cost - Considered good	60.31	78.72
- Contractually reimbursable cost - Credit impaired	36.38	56.09
Less: Provision for impairment	(36.38)	(56.09)
- Security deposits	7.86	3.30
- Interest accrued on Loans, Deposits, Investments, etc.	56.27	-
Total others	124.44	82.02

Note 7 : Other current assets

	As at 31st March, 2024	As at 31st March, 2023
Other advances including prepayment expenses	27.10	26.21
GST recoverable	15.29	17.94
Total other current assets	42.40	44.15

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

Note 8: Equity share capital

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised		
20,00,000 (Previous year 20,00,000) equity shares of ₹ 10 each	200.00	200.00
Total	200.00	200.00
Issued, subscribed and paid up		
4,50,008 (Previous year 4,50,008) equity shares of ₹ 10 each	45.00	45.00
Total	45.00	45.00

(i) Movements in equity share capital

Particulars	Number of shares
As at 1st April, 2022	4,50,008
Add: Increase / less changes during the year	—
As at 31st March, 2023	4,50,008
Add: Increase / less changes during the year	—
As at 31st March, 2024	4,50,008

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Shares held by holding company

Particulars	As at 31st March, 2024	As at 31st March, 2023
Equity Shares of ₹ 10 each fully paid up held by:		
ITC Limited, the holding company	4,50,002	4,50,002
Held by management personnel as nominees of ITC Limited	6	6

(iii) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	% holding	Number of shares	% holding
ITC Limited, the holding company	450002	99.98%	450002	99.98%
Held by management personnel as nominees of ITC Limited	6	0.02%	6	0.02%

(iv) Shares held by promoters:

Particulars	Promoter Name	As at 31st March 2024			As at 31st March 2023		
		No. of shares as at end of the year	% of Total shares	% change during the year	No. of shares as at end of the year	% of Total shares	% change during the year
Equity Shares of ₹ 10 each fully paid	ITC Limited	4,50,002	99.98%	0.00%	4,50,002	99.98%	0.00%
Held by management personnel as nominees of ITC Limited	ITC Limited	6	0.02%	0.00%	6	0.02%	0.00%
Total		4,50,008	100%	0.00%	4,50,008	100%	0.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

Note 9: Financial liabilities**Note 9(a): Other financial liabilities**

	As at 31st March, 2024	As at 31st March, 2023
Non-current		
Payable to holding company (Refer Note 21)	10.63	56.67
Other Financial Liability	77.00	90.00
Total other financial liabilities	87.63	146.67

Note 9(b) : Trade payables

	As at 31st March, 2024	As at 31st March, 2023
Current		
Total outstanding dues of micro and small enterprises #	-	-
Total outstanding dues of creditors other than micro and small enterprises	563.56	324.61
Total trade payables	563.56	324.61

Ageing of Trade Payables

As at 31st March 2024	Particulars Outstanding for following periods						
	Not Due	Unbilled payables	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME #	-	-	-	-	-	-	-
Others	33.19	530.38	-	-	-	-	563.56
Disputed Dues - MSME #	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	33.19	530.38	-	-	-	-	563.56

As at 31st March 2023	Particulars Outstanding for following periods						
	Not Due	Unbilled payables	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME #	-	-	-	-	-	-	-
Others	16.79	303.68	4.15	-	-	-	324.61
Disputed Dues - MSME #	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	16.79	303.68	4.15	-	-	-	324.61

The Company, based on the information available on the status of the suppliers, does not have any dues to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 9(c) : Other financial liabilities

	As at 31st March, 2024	As at 31st March, 2023
Current		
Employee benefits payable	418.95	306.74
Payable to holding Company (Refer Note 21)	145.86	168.55
Total other financial liabilities	564.81	475.29

Note 10 (a) Provisions

	As at 31st March, 2024	As at 31st March, 2023
Non-current		
Provision for employee benefits (Refer Note 14)		
- Retirement benefits	52.75	48.74
- Other benefits	-	-
Total provision	52.75	48.74

Note 10 (b) Provisions

	As at 31st March, 2024	As at 31st March, 2023
Current		
Provision for employee benefits (Refer Note 14)		
- Retirement benefits	77.61	47.45
- Other benefits	115.00	110.55
Total provision	192.61	158.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

Note 11: Other current liabilities

	As at 31st March, 2024	As at 31st March, 2023
Deferred revenue received in advance #	278.80	151.56
Advance from customers	31.10	27.50
Statutory dues	105.26	94.95
Total other current liabilities	415.16	274.01

Revenue recognised in relation to contract liabilities

	As at 31st March, 2024	As at 31st March, 2023
Opening balance	151.56	153.91
Add: Received during the year net of revenue recognised during the year	197.86	42.80
Less: Revenue recognised that relates to carried-forward contract liabilities	70.62	45.15
Closing Balance	278.80	151.56

Note 12: Revenue from operations

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Rendering of services		
- Operating and marketing services	4,126.40	3,337.20
- Recoveries of salary*	1,122.03	1,022.97
Total revenue	5,248.44	4,360.17

* Recoveries of salary cost of deputed personnel from alliances.

Note 13 : Other income

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest income - from Others - (statutory authorities)	77.89	9.73
Interest Income-Fixed Deposits	56.27	-
Other non operating income [Refer note 13(a)]	109.75	65.50
Total other income	243.91	75.23

Note 13(a) : Other non-operating income

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Exchange fluctuation gain/(loss)	(0.09)	(0.22)
Net gain/(loss) arising on financial assets mandatorily measured at FVTPL**	109.76	65.70
Miscellaneous income	0.08	0.02
Total	109.75	65.50

** Includes ₹ 37.53 lakhs (Previous Year: ₹ 50.23lakhs) being net gain/(loss) on sale of investments.

Note 14: Employee benefits expense

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salary, wages and bonus	1,986.22	1,997.84
Reimbursement of remuneration of deputed managers	782.01	635.27
Share based payments expense for deputed managers	110.71	223.30
Contribution to employees provident and other funds	113.77	94.27
Staff welfare expenses	73.20	66.23
Total employee benefits expense	3,065.91	3,016.91

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

a) The reconciliation of opening and closing balances of the present value of defined benefit obligations are as under :

Gratuity - funded

	Present value of obligation	Fair value of plan assets	Total	Impact of asset ceiling	Net amount
1st April, 2022	113.78	(101.83)	11.95	-	11.95
Current service cost	12.72	-	12.72	-	12.72
Past service cost	-	-	-	-	-
Interest expense/(income)	6.66	(7.12)	(0.46)	-	(0.46)
Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-
Total amount recognised in profit or loss	19.38	(7.12)	12.26	-	12.26
Remeasurements					
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.51)	(0.51)	-	(0.51)
(Gain)/loss from change in demographic assumptions	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(2.29)	-	(2.29)	-	(2.29)
Experience (gains)/losses	23.11	-	23.11	-	23.11
Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-
Total amount recognised in other comprehensive income	20.82	(0.51)	20.31	-	20.31
Contributions:	-	-	-	-	-
Employers	-	-	-	-	-
Plan participants	-	(30.08)	(30.08)	-	(30.08)
Benefit payments	(30.27)	30.27	-	-	-
31st March, 2023	123.72	(109.27)	14.45	-	14.45

	Present value of obligation	Fair value of plan assets	Total	Impact of asset ceiling	Net amount
1st April, 2023	123.72	(109.27)	14.45	-	14.45
Current service cost	17.62	-	17.62	-	17.62
Past service cost	-	-	-	-	-
Interest expense/(income)	8.67	(8.21)	0.46	-	0.46
Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-
Total amount recognised in profit or loss	26.29	(8.21)	18.08	-	18.08
Remeasurements	-	-	-	-	-
Return on plan assets, excluding amounts included in interest expense/(income)	-	5.92	5.92	-	5.92
(Gain)/loss from change in demographic assumptions	-	-	-	-	-
(Gain)/loss from change in financial assumptions	1.63	-	1.63	-	1.63
Experience (gains)/losses	10.05	-	10.05	-	10.05
Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-
Total amount recognised in other comprehensive income	11.68	5.92	17.60	-	17.60
Contributions:					
Employers	-	-	-	-	-
Plan participants	-	(14.45)	(14.45)	-	(14.45)
Benefit payments	(16.37)	16.37	-	-	-
31st March, 2024	145.32	(109.64)	35.68	-	35.68

The net liability disclosed above relates to funded and unfunded plans are as follows:

	31st March, 2024	31st March, 2023
Present value of funded obligations	145.32	123.72
Fair value of plan assets	(109.64)	(109.27)
Funded status	35.68	14.45
Effect of asset ceiling	-	-
Net defined benefit liability (asset)		
- Current obligation	35.68	14.45
- Non- current obligation	-	-
Total	35.68	14.45

Major Category of Plan Assets as a % of the Total Plan Assets

Life Insurance Corporation of India	100%	100%

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	31st March, 2024	31st March, 2023
Discount rate	7.0% p.a.	7.5% p.a.
Salary Growth Rate	5.00% p.a.	5.00% p.a.
Attrition Rate	30.00% p.a.	30.00% p.a.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

Sensitivity Analysis

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

	Defined Benefit Obligation	
	As At 31st March, 2024 ₹ lakhs	As At 31st March, 2023 ₹ lakhs
Discount Rate + 100 basis points	142.10	120.80
Discount Rate - 100 basis points	148.72	126.81
Salary Increase Rate + 1%	148.77	126.86
Salary Increase Rate – 1%	142.00	120.70
Attrition Rate + 1%	145.16	123.57
Attrition Rate – 1%	145.47	123.87

Leave encashment - unfunded

	As At 31st March, 2024 ₹ lakhs	As At 31st March, 2023 ₹ lakhs
	Present value of obligation	Present value of obligation
Opening Balance	81.74	79.48
Current service cost	23.87	18.65
Past service cost	-	-
Interest expense/(income)	5.55	4.71
Total amount recognised in profit or loss	29.42	23.36
Remeasurements	-	-
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	-	-
Experience (gains)/losses	(0.93)	(1.61)
Change in asset ceiling, excluding amounts included in interest expense	-	-
Total amount recognised in other comprehensive income	(0.93)	(1.61)
Contributions: Employers	-	-
Plan participants	-	-
Benefit payments	(15.55)	(19.49)
Closing Balance	94.68	81.74
- Current obligation	41.93	33.00
- Non- current obligation	52.75	48.74

The significant actuarial assumptions were as follows:

	31st March, 2024	31st March, 2023
Discount rate	7.0% p.a.	7.5% p.a.
Salary Growth Rate	5.00% p.a.	5.00% p.a.
Attrition Rate	30.00% p.a.	30.00% p.a.

Sensitivity Analysis

	Defined Benefit Obligation	
	As At 31st March, 2024 ₹ lakhs	As At 31st March, 2023 ₹ lakhs
Discount Rate + 100 basis points	92.62	79.92
Discount Rate - 100 basis points	96.85	83.66
Salary Increase Rate + 1%	96.88	83.70
Salary Increase Rate – 1%	92.56	79.85
Attrition Rate + 1%	94.82	81.90
Attrition Rate – 1%	94.53	81.58

[b] State plans (contribution scheme)

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund for the benefit of the employees. Accordingly, the Company's contribution during the year that has been charged to statement of profit and loss amounts to ₹ 87.13 Lacs (Previous year : ₹ 74.99 Lacs).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

Note 15: Other expenses

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Repairs and maintenance - others	16.68	17.11
Rent (Refer note 22)	66.20	51.12
Printing and stationery	2.41	3.23
Travelling and conveyance	174.04	113.69
Advertisement / sales promotion	185.59	68.76
Legal expenses	59.66	58.11
Consultancy / professional fees	65.19	75.33
Postage and telephone	5.85	6.69
Insurance	19.83	13.64
Information technology services	342.69	216.28
Training and development	20.18	25.01
Bad debts written-off	423.95	2.02
Provisions for doubtful debts and other financial assets	(323.23)	(45.02)
Loss on sale of property, plant and equipment - Net	(0.03)	(0.05)
Payment to the auditors [Refer note 15(a)]	5.29	5.30
Expenditure towards corporate social responsibility activities [Refer note 15(b)]	1.03	-
Miscellaneous	7.84	10.45
Total other expenses	1,073.21	621.67

Note 15 (a): Details of payments to auditors

Payment to auditors (excluding GST)		
As auditor:		
Audit fees	4.24	4.22
Tax audit fees	1.05	1.08
Fees for other services	-	-
Re-imbursement of expenses	-	-
Total payments to auditors	5.29	5.30

Note 15 (b): Corporate social responsibility expenditure

Contribution to School (Previous Year N/A)	1.03	-
Total	1.03	-
Amount required to be spent as per Section 135 of the Act	1.02	-
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	1.03	-

Note 16: Income tax expense**(a) Income tax expense**

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current tax		
Current tax on profits/(losses) for the year	206.69	189.55
Tax pertaining to prior years	-	-
Total current tax expense	206.69	189.55
Deferred tax		
Decrease / (increase) in deferred tax assets	(1.26)	57.29
(Decrease) / increase in deferred tax liabilities	18.63	3.05
Total deferred tax expense/(benefit)	17.38	60.34
Income tax expense	224.07	249.89

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit/(Loss) before income tax expenses	1345.94	784.29
Indian tax rate	25.17%	25.17%
Tax based on normal tax rate	338.75	197.39
Items not considered while determining taxable profits	27.86	62.01
Other Timing Differences	(55.45)	(9.51)
Adjustments recognised in the current year in relation to the current tax of prior years	(87.10)	-
Total tax expense	224.07	249.89

Note 17: Earnings per equity share

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit/(Loss) after tax	1,121.87	534.40
Weighted average number of shares outstanding	4,50,008	4,50,008
Basic and diluted earnings per share (₹)	249.30	118.75

Note: There are no dilutive instruments.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

Note 18: Financial Instruments and Fair Value Disclosures

Particulars	Notes	As at 31st March, 2024		As at 31st March, 2023	
		Carrying value	Fair value	Carrying value	Fair value
A. Financial assets					
a) Measured at amortised cost					
i) Trade receivables	6(b)	1,207.62	1,207.62	996.04	996.04
ii) Cash and cash equivalents	6(c)	97.21	97.21	186.52	186.52
iii) Other Bank Balances	6(d)	900.00	900.00	-	-
iv) Others	6(e)	124.44	124.44	82.02	82.02
v) Investment in Bank Deposit	3(b)	140.00	140.00	500.00	500.00
Sub-total		2,469.27	2,469.27	1,764.58	1,764.58
b) Measured at fair value through profit or loss					
i) Investments in mutual funds	6(a)	2,358.12	2,358.12	1,135.04	1,135.04
Sub-total		2,358.12	2,358.12	1,135.04	1,135.04
Total financial assets		4,827.39	4,827.39	2,899.62	2,899.62
B. Financial liabilities					
a) Measured at amortised cost					
i) Other financial liabilities-non current	9(a)	87.63	87.63	146.67	146.67
ii) Trade payables	9(b)	563.56	563.56	324.61	324.61
iii) Other financial liabilities - current	9(c)	564.81	564.81	475.29	475.29
Total financial liabilities		1,216.00	1,216.00	946.57	946.57

Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities. The Mutual Funds are valued using the closing NAV.

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

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

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

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

The fair value of trade receivables and payables is considered to be equal to the carrying amounts of these items due to their short – term nature.

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

Particulars	Fair Value Hierarchy (Level)	As at 31st March, 2024	As at 31st March, 2023
		Fair value	Fair value
A . Financial Assets			
a) Measurement at amortised cost			
i) Other Financial Assets	3	140.00	500.00
b) Measured at fair value through profit or loss			
i) Investment in Mutual Funds	1	2,358.12	1,135.04
Total financial assets (a+b)		2,498.12	1635.04
B . Financial Liabilities			
a) Measurement at amortised cost			
i) Other Financial liabilities	3	77.00	90.00
Total financial Liabilities		77.00	90.00

There are no transfers between Level 1, Level 2 and Level 3 during the year.

Note 19: Financial risk management

The Company's activities expose it to primarily Credit Risk and Liquidity Risk, which are not material given the nature of business and limited risk undertaken by the Company.

The Company's risk management framework is designed to bring robustness to the risk management processes within the company and to address the risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

a) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due. The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. Investments are made with a range of maturities, generally matching the projected cash flows and spreading the same across wide range of counterparties.

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

Current

Particulars	As at 31st March, 2024				
	Contractual cash flows *				
	Carrying value	0 - 1 month	1 - 3 months	More than 3 months	Total
Trade payables	563.56	-	563.56	-	563.56
Other financial liabilities	564.81	-	501.16	63.65	564.81
Total	1,128.37	-	1,064.72	63.65	1,128.37
Particulars	As at 31st March, 2023				
	Contractual cash flows *				
	Carrying value	0 - 1 month	1 - 3 months	More than 3 months	Total
Trade Payable	324.61	-	324.61	-	324.61
Other financial liabilities	475.29	-	369.70	105.59	475.29
Total	799.90	-	694.31	105.59	799.90

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

Non-Current

Particulars	As at 31st March, 2024			
	Contractual cash flows *			
	Carrying value	Within one year	Between one and three years	Total
Other financial liabilities	87.63	31.00	56.63	87.63
Total	87.63	31.00	56.63	87.63

Particulars	As at 31st March, 2023			
	Contractual cash flows *			
	Carrying value	Within one year	Between one and three years	Total
Other financial liabilities	146.67	139.38	7.29	146.67
Total	146.67	139.38	7.29	146.67

*The tables have been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a contract which may lead to a financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

The Company has a policy of extending credit only after due approvals and evaluation in terms of the agreed terms. Based on negotiations, bank guarantee is also taken from some of the customers to whom credit is extended, but adjustment to the same are made only based on mutual agreement. Such credit limits extended to trade receivables are monitored by the management committee and protective action initiated to recover the amount. In view of the short nature of its trade receivables, the Company makes provision for bad and doubtful debts on an individual basis. Write offs are made with the approval of the Board of Directors.

Trade receivables are initially measured at transaction value, which is the fair value and subsequently retained at cost less provision for impairment. Impairment losses are recognized in the profit or loss where there is objective evidence that the Company will not be able to collect all the due amounts.

Interest is generally not charged and / or paid on customer balances.

There are no significant concentrations of credit risk with respect to trade receivables due to the diverse customer base. Our historical experience of collecting receivables, supported by the level of default, so trade receivables are considered to be a single class of financial assets. All Customer balances which are overdue for more than 180 days are evaluated for provision and considered for expected credit loss provision on an individual basis. There is no significant financing component in respect of its transaction with the customers Based on the historic trend and expected performance of the customers, the Company, has computed expected credit loss allowances for doubtful receivables.

Movement in the provisions for impairment of trade receivables and contractually reimbursable cost is as follows:

	As at 31st March, 2024	As At 31st March, 2023
Balance at the beginning of the year	(1,051.25)	(1,096.27)
Provided during the year	(100.72)	43.00
Adjusted during the year	423.95	2.02
Balance at the end of the year	(728.02)	(1,051.25)

c) Foreign currency risk

The company undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations. Financial liabilities denominated in foreign currency are also subject to reinstatement risks.

The carrying amounts of foreign currency denominated financial liabilities are as follows:

As at 31st March, 2024	Total (Rs. lakhs)
Financial liabilities (USD)	49.23

As at 31st March, 2023	Total (Rs. lakhs)
Financial liabilities (USD)	32.00

Note 20: Capital Management**Risk Management**

The Company's financial strategy aims to provide adequate capital for its growth plans in 'upscale to mid-market segment' for generating superior returns and sustained stakeholder value. The Company funds its operations mainly through internal accruals. The Company does not have borrowings and continues to invest its surplus funds for its future growth as a going concern within the tenets of Safety, Liquidity and Returns.

Note 21: Related party disclosures**a) Names of related parties and nature of relationship:**

- i) Where control exists:
Holding Company ITC Limited
- ii) Key Management Personnel:
Nakul Anand (upto 01 January 2024) Non-Executive Chairman
Samir Mecherivalappil Chandrasekharan Managing Director
Anil Chadha Non-Executive Director (Designated as Chairman w.e.f. 09 January 2024)
Ashish Thakar Non-Executive Director
- iii) Other related parties with whom transactions have taken place during the year :
Associate of Holding Company International Travel House Limited
Entity under control of the ITC Group ITC Infotech India Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

b) Summary of transactions / balances :

	Transactions / balances	Holding Company		Other Related Parties		Key Management Personnel	
		31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023
1	Sale of services Operating and marketing fees * Recoveries of salary *	77.47 48.03	91.25 69.18	— —	— —	— —	— —
2	Purchase of services * - ITC Limited - International Travel House Limited - ITC Infotech India Limited	6.11 — —	7.57 — —	— 71.50 4.13	— 49.66 7.08	— — —	— — —
3	Rent *	26.12	26.91	—	—	—	—
4	Remuneration of managers / staff on deputation recovered - ITC Limited	— —	— —	— —	— —	— —	— —
5	Remuneration of managers on deputation reimbursed ((including remuneration of Managing Director) ₹ 366.31 lakhs (Previous year - ₹ 236.29 lakhs) as disclosed below)	892.72	858.57	—	—	—	—
6	Dividend payments	56.25	—	—	—	—	—
7	Expense recovered during the year (amount due on account of payments made on behalf of related parties) - ITC Limited	1.19	2.06	—	—	—	—
8	Expense reimbursed during the year (amount due to related parties on account of payments made by them on behalf of the Company) - ITC Limited - International Travel House Limited	396.88 —	332.25 —	— —	— —	— —	— —
9	Remuneration to Key Management Personnel #@ - Samir Mecherivalappil Chandrasekharan	—	—	—	—	390.16	257.43
10	Closing Balances: (i) Trade receivables - ITC Limited (ii) Trade payables - ITC Limited - International Travel House Limited (iii) Other financial liabilities - Current - ITC Limited (iv) Other financial liabilities - Non current - ITC Limited	18.09 — — 145.86 10.63	18.24 4.68 — 168.55 56.67	— — 3.12 — —	— — 1.01 — —	— — — — —	— — — — —

* Includes Goods and Services Tax.

Subject to approval of the Shareholders in General Meeting.

@ Excludes ESOS / ESAR (Refer Note 24)

Note 22 Lease arrangements

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office etc.). These leasing arrangements which are cancellable range between 11 months and 2 years generally, or longer, and are usually renewable/cancellable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent under Note 15.

Note 23 Segment reporting

The operating segment of the company has been identified in a manner consistent with the internal reporting provided to the Management Committee headed by the Managing Director. The Committee is the chief operating decision maker based on which there is only one operating segment in which the company operates i.e. operating hotels in the mid - market to upscale segment and within one geographical segment i.e. India. The Company is not reliant on revenues from operations with any single operating hotel, customer and does not receive 10% or more of its revenue from operating fee from any single external operating hotel. All the non-current assets are located in India.

Note 24 Employee share based compensation

- (i) The eligible employees of ITC Limited (ITC), who are deputed to the Company at its request, are covered under the ITC Employee Stock Option Schemes (ITC ESOS) and the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan) in accordance with the terms and conditions of such schemes, details of which are as under:

ITC ESOS:

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

ITC ESAR:

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

- (ii) The cost of stock options granted under ITC ESOS / SARs granted under ITC ESAR have been recognized as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of said deputation arrangement, the Company has accounted for the cost of the fair value of options / stock appreciation units granted to the deputed employees on-charge by ITC. The fair value of the options / SARs granted is determined, using the Black Scholes Option Pricing model, by ITC for all the grantees covered under ITC ESOS / ITC ESAR as a whole.
- (iii) The summary of movement of such stock options granted by ITC (ITC ESOS) and status of the outstanding options is as under:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(All amounts in rupees lakhs unless otherwise stated)

Particulars	As at 31st March, 2024	As at 31st March, 2023
	No. of Options	No. of Options
Outstanding at the beginning of the year	43,787	44,235
Add: Granted during the year *	9,750	9,950
Add / (Less) : Options due to transfer in and transfer out	-	-
Add : Options due to transfer in and transfer out	(2,084)	8,603
Less: Options Forfeited / Surrendered during the year	-	2,488
Less: Exercised during the year	10,558	16,513
Outstanding at the end of the year	40,895	43,787
Options exercisable at the end of the year	20,555	27,542
Options Vested and Exercisable during the year	5,790	2,640

* Includes 7,150 (Previous year 7,150) stock options granted to the Key Management Personnel of the Company. Since such stock options are not tradable, no perquisite or benefit is immediately conferred upon an employee by such grant.

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

(iv) In accordance with Ind AS 102, an amount of ₹ 75.40 Lacs (Previous Year ₹ 35.28 Lacs) towards ITC ESOS and ₹ 35.31 Lacs (Previous year - ₹188 Lacs) towards ITC ESAR has been recognized as employee benefits expense (Refer Note 14). Such charge has been recognized as employee benefits expense with corresponding impact in current/non – current financial liabilities, as applicable.

Out of the above, amount attributable to key management personnel for ITC ESOS ₹ 50.57 Lacs (Previous Year ₹ 23.77 Lacs) and ₹ 18.15 Lacs (Previous year ₹ 93.69 Lacs) for ITC ESAR respectively.

Note 25 : Other Disclosure

- (i) The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending:
- Ind AS 1, 'Presentation of Financial Statements' - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the financial statements.
 - Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases.
 - Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - This amendment has introduced a definition of 'accounting estimates' and included amendments to help distinguish changes in accounting policies from changes in accounting estimates.
- The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2023. The Company expects that there will be no material impact on the financial statements resulting from the implementation of these amendments.
- (ii) Figures for the previous year have been re-arranged, wherever necessary, to conform to the figures of the current year. The same does not have any material impact on the financial statements.

Note 26 : Commitments

Estimated amount of contracts remaining to be executed on capital accounts (net of advances): Nil (Previous Year Nil)

Note 27 Accounting Ratios

Ratio	Current period	Previous period	% Variance	Reason of Variance
Current Ratio	2.72	1.98	37.33%	Increase in Current Assets due to classification of Fixed Deposits to "Current from Non-current" based on residual maturity
Return on Equity	37.77%	24.48%	54.32%	Healthy growth in business operations in the current year contributed to an improvement in ratio.
Trade Receivables Turnover Ratio	4.76	4.21	13.04%	Improvement in the current year is on account of higher collection contributing to reducing in overall outstanding
Trade Payables Turnover Ratio	11.82	19.91	-40.63%	Current year operations has increased significantly which has led to higher trade payables as compared to previous financial year
Net Capital Turnover Ratio	1.75	3.60	-51.27%	Increase in Working capital due to classification of Fixed Deposits to "Current from Non-current" based on residual maturity.
Net Profit Ratio	21.38%	12.26%	74.40%	Healthy growth in business operations in the current year contributed to an improvement in ratio.
Return on Capital Employed	38.49%	32.10%	19.92%	Healthy growth in business operations in the current year contributed to an improvement in ratio.
Return on Investment	6.81%	6.41%	6.30%	Returns are higher due to better returns on investments in Mutual Funds and Fixed Deposits

Note:

1. Debt-Equity Ratio, Debt Service Coverage Ratio, Inventory Turnover Ratio are not applicable to the company.

Note 28 The Financial statements were approved by the Board of Directors on 2nd May, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

For **SRBC & CO LLP**

Firm Registration No. : 324982/E300003

Ajay Bansal

Partner

Membership Number : 502243

Place : Gurugram

Date : 2nd May, 2024

On behalf of the Board of Directors

Samir Mecherivalappil Chandrasekharan

Managing Director

DIN 08064002

Place : Gurugram

Date : 2nd May, 2024

Ashish Thakar

Director

DIN 09383474

Place : Gurugram

Date : 2nd May, 2024

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their Report for the financial year ended 31st March, 2024.

2. FINANCIAL PERFORMANCE

During the year under review, your Company earned license fees of ₹ 285.32 lakhs (previous year: ₹ 210.28 lakhs) representing an increase of about 36% over the previous year. The Other Income of the Company was ₹ 93.30 lakhs (previous year: ₹ 64.57 lakhs) and profit for the year was ₹ 270.09 lakhs (previous year: ₹ 191.73 lakhs).

The financial results of your Company, summarised, are as under:

Particulars	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
Profits		
a. Profit Before Tax	360.93	256.21
b. Less: Tax Expense		
- Current Tax	84.99	61.01
- Deferred Tax	5.85	3.47
c. Profit for the year	270.09	191.73
d. Other Comprehensive Income	—	—
e. Total Comprehensive Income	270.09	191.73
Retained Earnings		
a. At the beginning of the year	2,050.12	1,866.71
b. Add: Profit for the year	270.09	191.73
c. Less: Dividend Paid	9.50	8.31
d. At the end of the year	2,310.71	2,050.12

3. DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹ 100/- (previous year: ₹ 80/-) per Equity Share of ₹ 100/- each for the year ended 31st March, 2024. Total cash outflow in this regard will be ₹ 11,87,500/- (previous year: ₹ 9,50,000/-).

4. OPERATIONAL PERFORMANCE

The Company's Hotel in Port Blair, licensed to ITC Limited ('ITC'), the holding company, continues to offer a unique gateway to the Andamans with its strategic location, excellent architectural design and superior quality. The operation and marketing of the Hotel is managed by ITC.

The hospitality industry has shown progressive improvement during the year led by retail and MICE segments. However, the performance of the Hotel continues to be affected due to the ongoing renovation activities at Port Blair airport impacting connectivity with the mainland.

5. DIRECTORS
(a) Changes in Directors

During the year under review, Mr. Nakul Anand (DIN: 00022279) and Mr. Anil Chadha (DIN: 08073567) stepped down as Directors of your Company with effect from close of work on 1st January, 2024 and 9th January, 2024, respectively. Your Directors place on record their appreciation for the contributions made by Mr. N. Anand and Mr. Chadha during their association with the Company.

The Board of Directors of the Company ('the Board') at its meeting held on 9th January, 2024, appointed Mr. Ashish Thakar (DIN: 09383474) as the Chairman of the Board and Mr. Zubin Sarosh Songadwala (DIN: 09774428) as Additional Non-Executive Director of the Company with effect from the said date. In accordance with Section 161 of the Companies Act, 2013 ('the Act') and Article 130 of the Articles of Association of the Company, Mr. Songadwala will vacate his office at the ensuing Annual General Meeting ('AGM') of the Company and is eligible for appointment as Director of the Company. The Board at its meeting held on 16th April, 2024 has recommended for the approval of the Members, the appointment of Mr. Songadwala as Non-Executive Director of your Company, liable to retire by rotation.

Mr. Songadwala, pursuant to Section 152 of the Act, has given his

consent to act as Director, of your Company, and has also given requisite Notice, pursuant to Section 160 of the Act, proposing his appointment. Appropriate resolution seeking approval of the Members to the above is appearing in the Notice convening the ensuing AGM of the Company.

There were no other changes in the composition of the Board of the Company during the year.

(b) Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with Articles 143, 144, 145 and 146 of the Articles of Association of the Company, Mr. Ashish Thakar (DIN: 09383474), Director, will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company and being eligible, offers himself for re-appointment. Your Board has recommended his re-appointment.

6. BOARD COMPOSITION AND MEETINGS

The present composition of your Board is as follows:

Mr. A. Thakar	- Chairman and Non- Executive Director
Mr. Samir M.C	- Non-Executive Director
Mr. G. H. C. Jadwet	- Non-Executive Director
Mr. Z. S. Songadwala	- Additional Non-Executive Director

Four meetings of the Board were held during the year ended 31st March, 2024 on 15th April, 2023, 17th July, 2023, 9th October, 2023 and 9th January, 2024.

7. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

8. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

9. PARTICULARS OF EMPLOYEES

The details of employees of the Company as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure 1** to this Report.

Your Company seeks to provide equal opportunities for men and women and is committed to a gender-friendly workplace. To ensure a safe and progressive work environment, Internal Complaints Committee has been constituted by the Company as per provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

During the year, no complaint for sexual harassment was received by the Company.

10. RISK MANAGEMENT

The risk management framework of the Company is commensurate

with its size and nature of business. The risk management framework of the Company is designed to bring robustness to the risk management processes, addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company. Management of risks vests with the executive management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. The Board annually reviews the effectiveness of the Company's risk management systems and policies.

A combination of policies and processes as outlined above adequately addresses the various risks associated with the Company's businesses.

11. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations.

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

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

13. RELATED PARTY TRANSACTIONS

During the year under review, all contracts or arrangements entered into by your Company with its related parties were in the ordinary course of business and on an arms' length basis and in accordance with the provisions of the Act.

The details of material related party transaction of the Company in prescribed Form AOC-2 are provided in **Annexure 2** to this Report.

14. DEPOSITS

Your Company has not accepted any deposit from the public / members under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year under review, no significant or material order was passed by any Regulator / Court / Tribunal impacting the going concern status of the Company or its future operations.

16. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

17. STATUTORY AUDITORS

Messrs. S. B. Dandekar & Co.('SBD'), Chartered Accountants were appointed as the Company's Statutory Auditors for a period of five years from the conclusion of the Forty Sixth AGM held in 2022 till the conclusion of Fifty First AGM of the Company.

Pursuant to Section 142 of the Act, the Board has recommended for the approval of the Members, remuneration of SBD, to conduct the statutory audit of the Company for the financial year 2024-25. Appropriate resolution seeking your approval to the above is appearing in the Notice convening the ensuing AGM of the Company.

There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report on the financial statements of the Company for the year ended 31st March, 2024.

18. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The Company continues to take appropriate steps in adopting eco-friendly and energy conservation practices including waste management disposal systems to control water, noise and environmental pollution.

In its pursuit to maintain optimum energy conservation measures, the Company regularly employs renewable energy sources such as solar photovoltaic systems and solar water heating equipment to reduce the heating load on hot water systems.

Technology Absorption

Operating in the service-oriented hotels industry, the Company did not import any specific know-how or technology during the reporting year. Research and development activities were not conducted. Nevertheless, the Company consistently embraces and integrates the latest technologies to enhance operational efficiency and effectiveness which contributes to product enhancement, cost reduction, product development, or substitution of imports.

Foreign Exchange Earnings and Outgo

During the year under review, there were no foreign exchange earnings or outgo.

20. ACKNOWLEDGEMENT

Your Directors acknowledge the assistance and support rendered by all the stakeholders and look forward to the future with confidence.

On behalf of the Board

Ashish Thakar
Chairman

Samir Chandrasekharan Mecherivalappil
Director

Dated : 16th April, 2024

Place : Gurugram

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2024*[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

Names of Employees	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
Satyabrata Jana	37	Executive	7,38,021	7,14,638	BA	15	07-03-2023	ITC WelcomHotel Tavleen Chail - IT Manager
Agnatus Kindo	58	Jr. Executive	5,10,188	4,87,137	Intermediate	38	01-07-1986	Nil
*Nishant Pritam Raj	27	Finance Manager	5,01,419	4,85,792	CMA, CS	2	14-03-2022	Castex Technologies Limited, Company Secretary & Compliance Officer
Gour Hari Roy	46	Executive	4,75,418	4,52,644	B.A Graduate	18	28-01-2017	Nil
Babu George	46	Executive	4,47,419	4,23,221	Graduate	2	21-11-2022	Ex Airforce Officer
Sukumar	38	Sr. Supervisor	4,46,378	4,23,446	B.Com.	16	19-08-2008	Babu & Badat, CA Firm, Data Entry Operator
Joy Kutty	56	Sr. Captain	4,45,902	4,22,891	Intermediate	32	12-01-1993	Nil
Matul Rakshit	49	CDP	4,44,103	4,20,618	Intermediate	18	01-03-2006	Nil
Deepa P	40	Executive	4,40,239	4,17,623	B.Sc Microbiology	13	09-08-2021	Sree Ayyappa Logistics - HR Executive
Selva Kumar	36	Supervisor	4,27,311	4,11,672	Diploma - Electrical and Electronic Engineering	16	02-11-2022	ITC Factory (Under Contract) - Shift Engineer

*Upto 07.10.2023

Notes :

- Gross Remuneration includes salary, variable pay/performance bonus, allowances & other benefits / applicable perquisites, except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less income tax, education cess deducted at source and employee's own contribution to provident fund.
- All appointments are/were contractual in accordance with terms and conditions as per the Company's Rules.
- The aforesaid employees are neither relative of any Director of the Company nor hold any equity share in the Company.

On behalf of the Board

Dated : 16th April, 2024

Place : Gurugram

Ashish Thakar
ChairmanSamir Chandrasekharan Mecherivalappil
Director**Annexure 2 to the Report of the Board of Directors for the financial year ended 31st March, 2024****FORM NO. AOC-2***[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]*

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

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the resolution was passed in general meeting as required under first proviso to Section 188	

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

a)	Name(s) of the related party and nature of relationship	ITC Limited, the holding company ('ITC').
b)	Nature of contracts / arrangements / transactions	Operating License Agreement ('Agreement') with ITC for operating Company's Hotel 'Welcomhotel Bay Islands' ('Hotel').
c)	Duration of the contracts / arrangements / transactions	50 years effective 15th March, 1993.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	ITC pays annual license fees of 15% of Net Operating Income of the Hotel or Rs. 25 Lakhs, whichever is higher, to the Company. Total license fees received from ITC vide this Agreement, during the year was Rs. 285.32 Lakhs (including applicable taxes).
e)	Date(s) of approval by the Board, if any	—
f)	Amount paid as advances, if any	Nil

On behalf of the Board

Dated : 16th April, 2024

Place : Gurugram

Ashish Thakar
ChairmanSamir Chandrasekharan Mecherivalappil
Director

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF BAY ISLANDS HOTELS LIMITED****Report on the Standalone Financial Statements****Opinion**

We have audited the accompanying Standalone financial statements of M/s. Bay Islands Hotels Limited ("the Company") which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, Statement of changes in equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2024, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no Key Audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the report of the Board of Directors, but does not include the financial statements and our auditor's report thereon. The report of the Board of Directors is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the report of the Board of Directors, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

Responsibility of Management 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the 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 financial statements.

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

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we enclosed in the Annexure-A, a statement on matters specified in paragraph 3 & 4 of the said order.
2. (A) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- (B) 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 pending litigations which could impact its financial position, in the nature of disputed claims against the company amounting to Rs.112.47 lakhs. Attention is drawn to Note no. 22(v) of the financial statements for details.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) (i) The management has represented that, to the best of its knowledge and belief, 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 persons or entities, including foreign entities ("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 ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv) (i) and (iv) (ii) contain any material misstatement.
 - v) (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
 - vi) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, no remuneration has been paid by the Company to its directors during the current year and hence compliance with the provisions of Section 197 of the Act is not applicable.
 - vii) The Company does not use an accounting software for maintaining its books of account. Accordingly, the requirement to report on Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

For and on behalf of
S.B.DANDEKER & CO.
Chartered Accountants
Firm Regn No.301009E

Kedarashish Bapat
Partner
M.No.- 057903
UDIN: 24057903BJVZVM6416

Place: Port Blair,
Date: 17th April, 2024

ANNEXURE "A" TO THE AUDITOR'S REPORT

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

(i) In respect of its Property, Plant & Equipment:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, Plant & Equipment.
- (B) The Company has no Intangible Assets.
- (b) The Property, Plant & Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant & Equipment at reasonable intervals. According to the information and explanations given to us, no discrepancies noticed on physical verification of Property, Plant & Equipment as compared to book records.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made there under.
- (ii) (a) The company did not hold any inventory during the year.
- (b) The Company has not been sanctioned any working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets at any time during the year.
- (iii) The company has not made any 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 during the year
- (iv) The Company has not granted any loans, made investments or provided guarantees during the year, to which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit deemed to be deposits during the year and therefore

directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under in this regard are not applicable.

- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a). The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service 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. We are informed that the Company's operations did not give rise to any dues on account of Excise duty.
 - (b). There were no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Service tax, Customs duty, Value added tax, Sales tax, Goods & Services Tax, Cess and other material statutory dues in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable. We are informed that the Company's operations did not give rise to any dues on account of Excise duty.
 - (c). The company has disputed dues of Rs.112.47 lakhs on account of Service tax claims including interest claim of Rs.41.38 lakhs. Except for this, there are no other disputed dues in respect of Sales tax, Customs duty, Excise duty and Value added tax as at 31st March 2024 which have not been deposited on account of dispute.
- (viii) There were no such transactions which were not recorded in the books of account of the company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) The company has not taken loans or other borrowings from any lender and hence clause (ix) of the Order is not applicable.
- (x)
 - (a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
 - (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year
- (xi)
 - (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
 - (b) No report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors during the year
 - (C) There were no whistle-blower complaints, received during the year by the Company, to be considered by the auditors.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2020 Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv)
 - (a) The company has an internal audit system commensurate with the size and nature of its business
 - (b) The reports of the Internal Audit for the period under audit have been considered by us in the process of our audit of the financial statements.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, and therefore sub clauses (b),(c) & (d) of clause (xvi) of the Order are not applicable.
- (xvii) The Company has not incurred cash losses in the Financial Year and in the immediately preceding Financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements of the company, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that the company is 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.
- (xx) Provisions of section 135 relating to Corporate Social Responsibility are not applicable to the company.
- (xxi) The company is not required to prepare Consolidated Financial Statements and therefore provisions of clause (xxi) of the Order are not applicable.

For and on behalf of

S.B.DANDEKER & CO.

Chartered Accountants

Firm Regn No.301009E

Kedarashish Bapat

Partner

M.No.- 057903

UDIN: 24057903BJZVZM6416

Place: Port Blair,

Date: 17th April, 2024

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Bay Islands Hotels Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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".

For and on behalf of

S.B.DANDEKER & CO.

Chartered Accountants

Firm Regn No.301009E

Kedarashish Bapat

Partner

M.No.- 057903

UDIN: 24057903BJZVZM6416

Place: Port Blair,

Date: 17th April, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

	Note	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	3	647.21	650.31
(b) Other non-current assets	4	21.65	19.23
		<u>668.86</u>	<u>669.54</u>
Current assets			
(a) Financial Assets			
(i) Investments	5	387.36	361.07
(ii) Trade Receivables	6	100.56	66.53
(iii) Cash and cash equivalents	7	26.52	34.74
(iv) Other Bank Balances	8	1,295.40	1,085.51
(v) Others	9	26.79	16.96
(b) Other current Assets	10	6.22	2.67
		<u>2,511.71</u>	<u>2,237.02</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
(a) Share Capital	11	11.88	11.88
(b) Other Equity		2,429.03	2,168.44
		<u>2,440.91</u>	<u>2,180.32</u>
Liabilities			
Non-current liabilities			
(a) Provisions	12	4.16	4.57
(b) Deferred tax liabilities	13	36.24	30.39
		<u>40.40</u>	<u>34.96</u>
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables		0.19	0.26
(ii) Other financial liabilities	14	8.07	6.67
(b) Other current liabilities	15	16.76	11.09
(c) Provisions	12	5.38	3.72
		<u>2,511.71</u>	<u>2,237.02</u>
TOTAL EQUITY AND LIABILITIES			

The accompanying notes 1 to 23 are an integral part of the Financial Statements.

In terms of our report attached

For S.B.DANDEKER & CO.

Chartered Accountants

Firm Regn No.301009E

Kedarashish Bapat

Partner

M.No.- 057903

Place: Port Blair

Date: 17th April, 2024

On Behalf of the Board

Ashish Thakar

Director

DIN: 09383474

Samir Chandrasekharan Mecherivalappil

Director

DIN: 08064002

Place: Gurugram

Date: 16th April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Note	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
I Revenue From Operations	16	285.32	210.28
II Other Income	17	93.30	64.57
III Total Income (I+II)		<u>378.62</u>	<u>274.85</u>
IV EXPENSES			
Employee benefits expense	18	13.28	12.67
Depreciation and amortization expense	3	3.10	3.10
Other expenses	19	1.31	2.87
Total expenses (IV)		<u>17.69</u>	<u>18.64</u>
V Profit before tax (III - IV)		<u>360.93</u>	<u>256.21</u>
VI Tax expense:			
Current Tax	20	84.99	61.01
Deferred Tax	20	5.85	3.47
VII Profit for the year (V - VI)		<u>270.09</u>	<u>191.73</u>
VIII Other Comprehensive Income		<u>-</u>	<u>-</u>
IX Total Comprehensive Income for the year (VII+VIII)		<u>270.09</u>	<u>191.73</u>
X Earnings per equity share (Face value of ₹ 100 each):			
(1) Basic (in ₹)	21	2,274	1,615
(2) Diluted (in ₹)	21	2,274	1,615

The accompanying notes 1 to 23 are an integral part of the Financial Statements

In terms of our report attached

For S.B.DANDEKER & CO.

Chartered Accountants

Firm Regn No.301009E

Kedarashish Bapat

Partner

M.No.- 057903

Place: Port Blair

Date: 17th April, 2024

On Behalf of the Board

Ashish Thakar

Director

DIN: 09383474

Samir Chandrasekharan Mecherivalappil

Director

DIN: 08064002

Place: Gurugram

Date: 16th April, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

		For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES			
PROFIT BEFORE TAX		360.93	256.21
ADJUSTMENTS FOR :			
Depreciation expense	3.10		3.10
Net (gain)/loss arising on investments mandatorily measured at Fair value through profit and loss	(27.60)		(21.90)
Interest Income	(65.70)		(42.31)
Other current Assets		(90.20)	(61.11)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		270.73	195.10
ADJUSTMENTS FOR :			
Trade receivables, loans, advances and other assets	(44.17)		(22.02)
Trade payables, other liabilities and provisions	8.25		8.60
		(35.92)	(13.42)
CASH GENERATED FROM OPERATIONS		234.81	181.68
Income Tax Paid		(84.99)	(61.01)
NET CASH FROM OPERATING ACTIVITIES		149.82	120.67
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of current investments	(190.00)		55.07
Redemption of current investments	191.30		-
Investment in Bank Deposits	(258.47)		(434.95)
Redemption/ Maturity of Bank Deposits	48.58		215.48
Interest Received	60.04		29.56
NET CASH (USED IN) / FROM INVESTING ACTIVITIES		(148.55)	(134.84)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :			
Dividend Paid	(9.50)		(8.31)
NET CASH FLOW USED IN FINANCING ACTIVITIES		(9.50)	(8.31)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(8.23)	(22.48)
OPENING CASH AND CASH EQUIVALENTS		34.74	57.22
CLOSING CASH AND CASH EQUIVALENTS		26.51	34.74

Note:

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the IndAS - 7 Statement of Cash Flows.
The accompanying notes 1 to 23 are an integral part of the Financial Statements.

In terms of our report attached

For S.B.DANDEKER & CO.

Chartered Accountants

Firm Regn No.301009E

Kedarashish Bapat

Partner

M.No.- 057903

Place: Port Blair

Date: 17th April, 2024

On Behalf of the Board

Ashish Thakar

Director

DIN: 09383474

Samir Chandrasekharan Mecherivalappil

Director

DIN: 08064002

Place: Gurugram

Date: 16th April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity Share Capital

(₹ in Lakhs)

	Balance at the beginning of the reporting year	Changes in equity Share capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2024	11.88	–	11.88	–	11.88
For the year ended 31st March, 2023	11.88	–	11.88	–	11.88

B. Other Equity

(₹ in Lakhs)

	Reserves and Surplus			Total
	Retained Earnings	Subsidy Reserve	General Reserve	
Balance as at 31st March, 2023	2,050.12	43.38	74.94	2,168.44
Changes in accounting policy or prior period errors	–	–	–	–
Restated balance as at 31st March, 2023	2,050.12	43.38	74.94	2,168.44
Profit for the year	270.09			270.09
Other Comprehensive Income (net of tax)	–	–	–	–
Total Comprehensive Income for the year	2,320.21	43.38	74.94	2,438.53
Dividend	9.50			9.50
Balance as at 31st March, 2024	2,310.71	43.38	74.94	2,429.03

(₹ in Lakhs)

	Reserves and Surplus			Total
	Retained Earnings	Subsidy Reserve	General Reserve	
Balance as at 31st March, 2022	1,866.71	43.38	74.94	1,985.03
Changes in accounting policy or prior period errors	–	–	–	–
Restated balance as at 31st March, 2022	1,866.71	43.38	74.94	1,985.03
Profit for the year	191.73	–	–	191.73
Other Comprehensive Income (net of tax)	–	–	–	–
Total Comprehensive Income for the year	191.73	–	–	191.73
Dividend	8.31	–	–	8.31
Balance as at 31st March, 2023	2,050.12	43.38	74.94	2,168.44

Retained Earnings- It represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Subsidy Reserve- It represents Central Subsidy received from Andaman & Nicobar Administration.

General Reserve- This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

In terms of our report attached

For S.B.DANDEKER & CO.

Chartered Accountants

Firm Regn No.301009E

Kedarashish Bapat

Partner

M.No.- 057903

Place: Port Blair

Date: 17th April, 2024

On Behalf of the Board

Ashish Thakar

Director

DIN: 09383474

Samir Chandrasekharan Mecherivalappil

Director

DIN: 08064002

Place: Gurugram

Date: 16th April, 2024

NOTES TO THE FINANCIAL STATEMENTS

Company Information

Bay Islands Hotels Limited (the 'Company') [CIN: U74899HR1976PLC052282] is a public limited company domiciled in India with its registered office located at ITC Green Centre, 10 Institutional Area, Sector-31, Gurgaon-122001, Haryana. The Company is a wholly owned subsidiary of ITC Limited. The Company owns a hotel in Port Blair known as "Welcomhotel Bay Island". The hotel operations are under an Operating License Agreement with the holding company.

1. MATERIAL ACCOUNTING POLICIES

(i) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2016.

(ii) Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair value, as explained in the accounting policies. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market

participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

(iii) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(iv) Property, Plant & Equipment

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

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

The estimated useful lives of PP&E of the Company are as follows:

Buildings	60 Years

Land is not depreciated. PP&E residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

(v) Impairment of Assets

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

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

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

(vi) Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

a) Financial Assets

Recognition: Financial assets include Investments, Trade receivables, Advances, Security deposits, Cash and cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

Financial assets are classified as those measured at:

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

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

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

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

reclassification principles laid down in the Ind AS relating to Financial Instruments.

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

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

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

b) Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

c) Offsetting Financial Instruments

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

d) Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

(vii) Revenue

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for goods supplied and services rendered, net of returns and estimates of variable consideration such as discounts to customers. Revenue excludes taxes such as Goods and Services Tax which are payable in respect of such sale.

Revenue from the sale of goods and services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable.

(viii) Employee Benefits

- Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.
- Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The contributions are charged to the Statement of Profit and Loss of the year, when the contributions to the respective funds are due.
- Gratuity: The Company has taken a Policy with Life Insurance Corporation of India (LIC) to cover the gratuity liability with respect to the employees and the premium paid to LIC is charged to Statement of Profit and Loss.
- Leave Encashment: Short term leave encashment and long term leave encashment are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method and impact of such valuation is recognised in Profit and Loss account. These benefits are unfunded.

(ix) Claims

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

(x) Provisions

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

(xi) Leases

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

Company as a Lessee

Right – of – Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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

Company as a Lessor

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

(xii) Taxes on Income

Taxes on income comprise current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it

is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, is disclosed separately under other comprehensive income or equity, as applicable.

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

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

(xiii) Dividend Distribution

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

2. Use of Estimates and Judgments

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Property, Plant and Equipment

(₹) in lakhs

Particulars	Gross Block							Depreciation and Amortization							Net Book Value	
	As at 1st April, 2022	Additions	Withdrawals and Adjustments	As at 31st March, 2023	Additions	Withdrawals and Adjustments	As at 31st March, 2024	Upto 1st April, 2022	For the year	Withdrawals and Adjustments	As at 31st March, 2023	For the year	Withdrawals and Adjustments	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Land	570.00	-	-	570.00	-	-	570.00	-	-	-	-	-	-	-	570.00	570.00
Buildings	105.26	-	-	105.26	-	-	105.26	21.85	3.10	-	24.95	3.10	-	28.05	77.21	80.31
TOTAL	675.26	-	-	675.26	-	-	675.26	21.85	3.10	-	24.95	3.10	-	28.05	647.21	650.31

Note :

All Assets mentioned above have been given under an operating license to the Holding Company

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)		As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
4. Other Non-Current Assets			6. Trade Receivables		
Advance Tax (net of provisions)	21.65	19.23	Secured, considered good	-	-
TOTAL	21.65	19.23	Unsecured, considered good	100.56	66.53
	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)	Which have significant increase in credit risk	-	-
5. Current Investments			Credit impaired	-	-
(at fair value through profit or loss)			Less: Allowance for credit impairment	-	-
Investment in Mutual Funds			TOTAL	100.56	66.53
ICICI Prudential Liquid Fund	218.41	203.62			
61,111.66 (P.Y. 61,111.66) units of Rs. 100 each					
Nippon India Liquid Fund	168.95	157.45			
2,859.195 (P.Y. 2,859.195) units of Rs. 1000 each					
Aggregate amount of unquoted Investments	387.36	361.07			

Trade receivables are initially recognized at fair value plus any directly attributable transaction costs. The net carrying value of trade receivables is not significantly different from their carrying values due to the short - term duration of trade receivables. Further, there is no significant credit risk involved with trade receivable since all the receivables are from Holding Company.

Ageing Schedule

(₹ in lakhs)

As at 31 March 2024	Not due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	100.56	-	-	-	-	-	100.56
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Trade Receivables - considered good	-	-	-	-	-	-	-
Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	100.56	-	-	-	-	-	100.56

As at 31 March 2023	Not due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	66.53	-	-	-	-	-	66.53
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Trade Receivables - considered good	-	-	-	-	-	-	-
Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	66.53	-	-	-	-	-	66.53

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
7. Cash and Cash Equivalents @		
Balances with Banks		
Current accounts	26.52	34.74
TOTAL	26.52	34.74

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

The Company does not have any significant cash and cash equivalents that are not available for use.

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
8. Other Bank Balances		
In deposit accounts *	1,295.40	1,085.51
TOTAL	1,295.40	1,085.51

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

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
9. Other Financial Assets		
Unsecured		
a) Interest accrued on Deposits with Bank	18.45	12.79
b) Others*	8.34	4.17
TOTAL	26.79	16.96

* Others comprise of amount recoverable from the Holding Company

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
10. Other current assets		
Deposits With Government and Public Bodies#	6.22	2.67
TOTAL	6.22	2.67

Represents Deposit with CBIC for filing of Appeal

	As at 31st March, 2024 No. of Shares	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 No. of Shares	As at 31st March, 2023 (₹ in lakhs)
11. Share capital				
Authorised				
Equity Share of ₹ 100 each	90,000	90.00	90,000	90.00
13.5% Redeemable Cumulative Preference Shares of ₹ 100 each	30,000	30.00	30,000	30.00
Issued and Subscribed				
Equity Shares of ₹ 100 each, fully paid	11,875	11.88	11,875	11.88
	11,875	11.88	11,875	11.88

**A) Reconciliation of number of Equity Shares
Shares Outstanding**

As at beginning of the year	11,875	11.88	11,875	11.88
Add: Issued During the year	—	—	—	—
As at end of the year	11,875	11.88	11,875	11.88

B) Shareholders holding more than 5% of the Shares in the Company

	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 %	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 %
ITC Limited, the Holding Company, jointly with its nominees	11,875	100	11,875	100

C) Shares held by holding company and its nominees

	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 (₹ in lakhs)
ITC Limited, the Holding Company	11,869	11.87	11,869	11.87
ITC Limited, the Holding Company, jointly with its nominees	6	0.01	6	0.01

Terms/Rights Attached to Equity Shares

The equity shares of company, having par value of ₹ 100 per share, rank pari passu in all respects including entitlement to dividend.

D) Shares held by promoters

Particulars	Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
		No. of shares as at end of the year	% of Total Shares	% change during the year	No. of shares as at end of the year	% of Total Shares	% change during the year
Equity Shares of ₹ 100 each, fully paid	ITC Limited	11875	100%	—	11875	100%	—
Total		11875	100%	—	11875	100%	—

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
12. Provisions		
Provision for employee benefits		
- Provision for Leave Encashment	4.25	4.57
- Provision for Gratuity	1.13	—
TOTAL	5.38	4.57

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
13. Deferred tax liabilities		
Deferred tax liabilities	36.24	30.39
TOTAL	36.24	30.39

Movement in deferred tax (liabilities) / assets balances

As at 31st March, 2024 (₹ in lakhs)	As on 1st April 2023	Recognized in profit or (loss)	Recognized in OCI	Recognized directly in Equity	Reclassified to Profit or (loss)	Closing Balance
Deferred Tax (liabilities) / assets in relation to:						
On fiscal allowances on PPE	(20.05)	0.77	–	–	–	(19.28)
Other timing differences	(10.34)	(6.62)	–	–	–	(16.95)
Deferred tax liabilities	(30.39)	(5.85)	–	–	–	(36.24)

As at 31st March, 2023 (₹ in lakhs)	As on 1st April 2022	Recognized in profit or (loss)	Recognized in OCI	Recognized directly in Equity	Reclassified to Profit or (loss)	Closing Balance
Deferred Tax assets/ (liabilities) in relation to:						
On fiscal allowances on PPE	(20.82)	0.77	–	–	–	(20.05)
Other timing differences	(6.10)	(4.24)	–	–	–	(10.34)
Deferred tax liabilities	(26.92)	(3.47)	–	–	–	(30.39)

	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)		For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
14. Other Financial liabilities			18. Employee Benefit Expenses		
Other Payables	8.07	6.67	Salaries and Wages	190.40	171.22
TOTAL	8.07	6.67	Contribution to Provident and other funds	17.33	15.61
	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)	Staff welfare expenses	1.43	1.52
15. Other Current liabilities				209.16	188.35
Statutory liabilities			Less: Recoveries made / reimbursements received	-195.88	-175.68
- Taxes payable			TOTAL	13.28	12.67
(other than Income tax)	16.76	11.09		For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
TOTAL	16.76	11.09	19. Other Expenses		
	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)	Audit, Tax & Secretarial Compliance Expenses	0.72	0.96
16. Revenue from operations			Travelling and conveyance	–	0.76
Operating Licence Fee	285.32	210.28	Miscellaneous expenses	0.59	1.15
TOTAL	285.32	210.28	TOTAL	1.31	2.87
	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)	Audit, Tax & Secretarial Compliance Expenses include :		
17. Other income			Auditors' remuneration and expenses*		
Interest income	65.70	42.67	Audit fees	0.19	0.19
Other non-operating Income	27.60	21.90	Other Services	–	0.07
TOTAL	93.30	64.57	*Excluding taxes		
Interest income comprises interest from:				For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
Deposits with Banks			20. Income Tax Expenses		
- carried at amortized cost	65.70	42.30	A. Amount Recognized in profit and loss		
Others (from statutory authorities etc.)	–	0.37	Current tax		
TOTAL	65.70	42.67	Income tax for the year		
Other non-operating Income			Current tax	84.99	61.01
Net Gain / (Loss) arising on financial instruments measured at FVTPL * (Refer Note 23)	27.60	21.90	Total Current Tax	84.99	61.01
TOTAL	27.60	21.90	Deferred tax		
			Deferred tax for the year	5.85	3.47
			Total Deferred Tax	5.85	3.47
			TOTAL	90.84	64.48
			B. Reconciliation of effective tax rate		
			The income tax expense for the year can be reconciled to the accounting profit as follows:		
			Profit before tax	360.93	256.21
			Income Tax expense calculated at 25.168% (P.Y. - 25.168%)	90.84	64.48
			Other differences	–	–
			Income Tax recognised in Statement of Profit & Loss	90.84	64.48

* Includes Rs. 1.30 Lakhs (P.Y. Rs. 5.08 Lakhs) being net gain on sale on investment

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

21. Earnings per Share

		For Year ended March 31st, 2024	For Year ended March 31st, 2023
Earnings per share has been computed as under:			
(a)	Profit for the period (₹ in Lakhs)	270.09	191.73
(b)	Weighted average number of shares outstanding for the purpose of basic earnings per share	11,875	11,875
(c)	Weighted average number of shares in computing diluted earnings per share	11,875	11,875
(d)	Earnings per share on profit for the year (Face Value ₹ 100 per share)		
	- Basic [(a)/(b)]	₹ 2,274	₹1,615
	- Diluted [(a)/(c)]	₹ 2,274	₹1,615

22. Additional Notes to the Financial Statements

(i) Related Party Transactions

Holding Company- ITC Limited

Key Management Personnel - Board of Directors

Nakul Anand (upto 01.01.2024)

GHC Jadwet

Samir MC

Ashish Thakar

Anil Chadha (upto 01.01.2024)

Zubin Songadwala (w.e.f. 09.01.2024)

Summary of Transactions during the period

(a) Transactions with Holding Company

(₹ in lakhs)

S. No.	Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
1.	Operating Licence Fee Received*	336.67	248.13
2.	Expenses Recovered**	195.88	175.68
3.	Dividend Payment	9.50	8.31
4.	Balance as at period end	108.90	70.70
	a. Trade Receivables	100.56	66.53
	b. Other Recoverables	8.34	4.17

*Includes Goods and Services Tax

**Represents recovery of staff salaries

(b) Transaction with Key Management Personnel- Nil (P.Y. Nil)

- (ii) There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days during the year and also as on March 31, 2024. This information which is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- (iii) The operating segment of the Company has been identified in a manner consistent with the internal reporting provided to the Board, who is the Chief Operating Decision Maker, based on which there is only one operating segment in which the Company operates i.e. Leisure and Hospitality within one geographical segment i.e. India.
- (iv) Claims against the Company not acknowledged as debts Rs. 112.47 Lakhs (P.Y-Rs. 105.08 Lakhs), including interest on claims, where applicable, estimated to be Rs. 41.38 Lakhs (P.Y – Rs. 33.99 Lakhs) which comprises of:
- Service Tax claim disputed by the Company relating to issues of applicability aggregating Rs. 112.47 Lakhs (P.Y – Rs. 105.08 Lakhs), including interest on claims, where applicable, estimated to be Rs. 41.38 Lakhs (P.Y – Rs. 33.99 Lakhs).
- It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.
- (v) Provision for Leave Encashment - As per Actuarial Valuations as on March 31, 2024 and recognised in the financial statements under the head of Employee benefits expense.
- (vi) Company as a Lessor:
- a) The Company's leasing arrangements that existed during the period are in respect of agreement with Holding Company.
 - b) Such leasing arrangement is secured by agreements / contracts, which provide for adequate safeguards to mitigate any risk that may arise to the underlying assets given out on lease.
 - c) Since the lease payments from the agreement with ITC Ltd is contingent on the future Net income likely to accrue to the Hotel, the Company expects to receive a minimum of ₹25 lakhs for each of the next 5 financial years and beyond.
 - d) Items of property, plant and equipment disclosed under note 3 which are subject to an operating lease are mentioned below:

(₹ in lakhs)

Asset Class	As on 31st March, 2024		As on 31st March, 2023	
	Gross Block	Net Block	Gross Block	Net Block
Land	570	570.00	570.00	570.00
Building	105.26	77.21	105.26	80.31

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(vii) Ageing of Trade Payables:

(₹ in lakhs)

As on 31st March, 2024	Not Due	Unbilled Payable	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	–	–	–	–	–	–	–
Others	–	0.19	–	–	–	–	0.19
Disputed Dues - MSME	–	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–	–	–
Total	–	0.19	–	–	–	–	0.19

(₹ in lakhs)

As on 31st March, 2023	Not Due	Unbilled Payable	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	–	–	–	–	–	–	–
Others	–	0.26	–	–	–	–	0.26
Disputed Dues - MSME	–	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–	–	–
Total	–	0.26	–	–	–	–	0.26

(viii) Key Financial Ratios

Ratio	Numerator	Denominator	FY 23-24	FY 22-23	Reasons for Variance
Current Ratio (in times)	Current Assets	Current Liabilities	60.6	72.0	Due to increase in current liabilities in C.Y. which has a low base
Return on Equity (in %)	Profit for the year	Average Shareholder's Equity	12%	9%	Due to improvement in business performance in C.Y.
Trade Receivables turnover ratio (in times)	Revenue From Operations	Average Trade Receivables	3	4	Due to increase in debtors in CY
Trade Payables turnover ratio (in times)	Revenue From Operations	Average Trade Payables	1268	843	Due to small denominator – trade payables.
Net Capital turnover Ratio (in times)	Revenue From Operations	Working Capital	0.2	0.1	Due to increase in sales in C.Y.
Net Profit Ratio (in %)	Profit for the year	Revenue from Operations	95%	91%	Due to increase in profit in C.Y.
Return on Capital employed (in %)	Profit before tax	Average Capital Employed	15%	12%	Due to improvement in business performance in C.Y.
Return on Investment (in %) (annualized)	Income from investment	Average Investment	7%	6%	Due to enhanced yield from investment in C.Y.

Debt-Equity Ratio, Debt Service Coverage Ratio and Inventory Turnover Ratio are not applicable to the Company.

- (ix) There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.
- (x) The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending:
- Ind AS 1, 'Presentation of Financial Statements' - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the standalone financial statements.
 - Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases.
 - Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' – This amendment has introduced a definition of 'accounting estimates' and included amendments to help distinguish changes in accounting policies from changes in accounting estimates.

The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2023. The Company expects that there will be no material impact on the financial statements resulting from the implementation of these amendments.

- (xi) Figures for the previous year have been re-arranged, wherever necessary, to conform to the figures of the current year. The same does not have any material impact on the financial statements.
- (xii) The financial statements were approved for issue by the Board of Directors on 16th April, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

23. Financial Instruments and Related Disclosures

1. Capital Management

The Company's financial strategy aims to foster its strategic priorities and provide adequate capital to its business for growth and creation

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

of sustainable stakeholder value. The Company funds its operations mainly through internal accruals and has no borrowings. The Company aims at maintaining adequate capital so as to maintain adequate supply of funds towards future growth of its business as a going concern.

2. Categories of Financial Instruments

Particulars	Note	As at 31st March 2024 (₹ in lakhs)		As at 31st March 2023 (₹ in lakhs)	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial Assets					
a) Measured at amortised cost					
i) Trade Receivables	6	100.56	100.56	66.53	66.53
ii) Cash and cash Equivalents	7	26.52	26.52	34.74	34.74
iii) Other Bank Balances	8	1,295.40	1,295.40	1,085.51	1,085.51
vi) Other Financial Assets	9	26.79	26.79	16.96	16.96
Sub Total		<u>1,449.26</u>	<u>1,449.26</u>	<u>1,203.74</u>	<u>1,203.74</u>
b) Measured at Fair Value through Profit & Loss					
i) Investment in Mutual Fund	5	387.36	387.36	361.07	361.07
Total Financial Assets		<u>1,836.62</u>	<u>1,836.62</u>	<u>1564.81</u>	<u>1564.81</u>
B. Financial Liabilities					
a) Measured at amortised cost					
i) Trade Payables		0.19	0.19	0.26	0.26
ii) Others	14	8.07	8.07	6.67	6.67
Total Financial Liability		<u>8.26</u>	<u>8.26</u>	<u>6.93</u>	<u>6.93</u>

3. Financial risk management objectives

The Company's activities expose it to financial risks such as market risk, credit risk and liquidity risk. Given the nature of its operation, the Company's exposure to financial risk is considered to be minimal as explained below.

a) Market Risk

The Company's business operations are limited to receipt of operating license fees and investment activities. These activities do not expose significant risk to the Company except interest rate and price risk.

Interest Rate Risk

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

Price Risk

The Company invests its surplus funds in debt mutual funds and bank fixed deposits measured at fair value through profit/loss and at amortized cost respectively. Aggregate value of such investments as at 31st March, 2024 is ₹ 1,682.76 Lakhs (P.Y. ₹1,446.58 Lakhs).

Investments in the mutual fund schemes which are current in nature have short tenor. Accordingly, these do not pose any significant price risk.

b) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due. On account of insignificant payables, the exposure to liquidity risk is negligible.

c) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company. Apart from its operating activities, the Company is also exposed to credit risk from its investing and financing activities.

Trade receivables are initially recognized at fair value plus any directly attributable transaction costs. The net carrying value of trade receivables is not significantly different from their carrying values due to the short - term duration of trade receivables. Further, there is no significant credit risk involved with trade receivable since all the receivables are from Holding Company.

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

Company's deployment in debt instruments are primarily in fixed deposits with highly rated banks that are held at amortized cost amounting to ₹ 1,295.40 Lakhs (P.Y. ₹1,085.51 Lakhs). As these counter parties are public sector undertakings with investment grade credit ratings and taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

4. Fair value measurement

Fair value hierarchy

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

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

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

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

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of trade receivables and payables is considered to be equal to the carrying amounts of these items due to their short - term nature. Further, debt mutual funds have been considered at Level 1 and there is no change in classification of instruments between periods covered in the financial statements.

On behalf of the board

Place: Gurugram
Date: 16th April, 2024

Ashish Thakar
Director
DIN:09383474

Samir Chandrasekharan Mecherivalappil
Director
DIN:08064002

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their Report for the financial year ended 31st March, 2024.

2. FINANCIAL PERFORMANCE

During the year under review, your Company recorded a Total Income of ₹ 4,401.25 lakhs (previous year: ₹ 3,721.27 lakhs), reflecting a growth of about 18% over the previous year. The Other Income of the Company was ₹ 487.69 lakhs (previous year: ₹ 260.17 lakhs) and profit for the year was ₹ 1,000.11 lakhs (previous year: ₹ 968.46 lakhs).

The financial results of your Company, summarised, are as under:

	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
Profits		
a. Profit Before Tax	1,000.11	968.46
b. Less : Tax Expense	—	—
c. Profit for the year	1,000.11	968.46
d. Other Comprehensive Income	0.07	(8.48)
e. Total Comprehensive Income	1,000.18	959.98
Retained Earnings		
a. At the beginning of the year	(7,005.86)	(7,965.84)
b. Add : Profit for the year	1,000.11	968.46
c. Add : Other Comprehensive Income	0.07	(8.48)
d. At the end of the year	(6,005.68)	(7,005.86)

3. OPERATIONAL PERFORMANCE

Your Company owns 'ITC Grand Bharat' – a 104-key all-suite luxury retreat at Gurugram, which has been licensed to ITC Limited, the holding company. The retreat, an oasis of unhurried luxury, is co-located with the Company's prestigious Classic Golf & Country Club ('the Club'), a 27-hole Jack Nicklaus Signature Golf Course.

During the year, the Club has firmed up its position as one of the leading golf courses in India and in Asia, and continues its status as a member of "Asian Tour Destination", which is an exclusive network of world class golf venues, with direct ties to the Asian Tour. The Club witnessed a robust traction in footfalls demonstrating a pattern of consistent growth annually.

The Club hosted various prestigious tournaments & events ranging from Junior, Professional and Corporate Tournaments. The Club also secured the European Challenge Tour Event, drawing participation from over 100 International Players. The Club continues to make efforts to promote Junior Golf amongst the community in Delhi & NCR and hosted Group Games, predominantly featuring Japanese and Korean participants.

During the year, ITC Grand Bharat strengthened its position as one of the leading luxury wedding destinations in the country, and became the destination of choice for High End Residential Weddings. The retreat was also chosen for the G-20 Sherpa Meet and pridefully hosted the diplomats from all G-20 nations, reflecting the industry's acknowledgement of the exceptional hospitality offered by the Hotel.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Changes in Directors and Key Managerial Personnel

During the year under review, the Members at the Thirty First Annual General Meeting (AGM) held on 6th June, 2023 approved the appointment of Mr. Ashish Thakar (DIN: 09383474) as a Non-Executive Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation, and also approved the appointment of Mr. Rishi Mattu as Manager of the Company for a period of three years with effect from 19th April, 2023.

Mr. Nakul Anand (DIN:00022279) and Mr. Jagdish Singh (DIN:00042258) stepped down as Directors of your Company with effect from close of work on 1st January, 2024, and 31st January, 2024, respectively. Your Directors place on record their appreciation for the contributions made by Mr. Anand and Mr. Singh during their association with the Company.

The Board of Directors of your Company ('the Board') at its meeting held on 10th January, 2024 appointed Mr. Ashish Thakar (DIN:09383474) as the Chairman of the Board and Mr. Atul Bhalla (DIN:08222221) as Additional Non-Executive Director of the

Company with effect from the said date. In accordance with Section 161 of the Companies Act, 2013 ('the Act') and Article 92 of the Articles of Association of the Company, Mr. Bhalla will vacate his office at the ensuing AGM and is eligible for appointment as Director of the Company. The Board at its meeting held on 1st May, 2024 has recommended for the approval of the Members, the appointment of Mr. Bhalla as Non-Executive Director of your Company, liable to retire by rotation.

Mr. Bhalla, pursuant to Section 152 of the Act, has given his consent to act as Director of your Company. Requisite Notice, pursuant to Section 160 of the Act, proposing his appointment has also been received by the Company. Appropriate resolution seeking approval of the Members to the above is appearing in the Notice convening the ensuing AGM of the Company.

There were no other changes in the composition of the Board or Key Managerial Personnel of the Company during the year under review.

(b) Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with Articles 106, 107 and 108 of the Articles of Association of the Company, Ms. Ratna Chadha (DIN: 01027402), Director, will retire by rotation at the ensuing AGM of the Company and, being eligible, offers herself for re-election. Your Board has recommended her re-election.

(c) Board Evaluation

The Board carried out annual performance evaluation of its own performance and that of the individual Directors, as required under Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, based on criteria approved by the Board.

5. BOARD COMPOSITION AND MEETINGS

The present composition of your Board is as follows:

Mr. A. Thakar – Chairman and Non-Executive Director

Ms. R. Chadha – Non-Executive Director

Mr. A. Bhalla – Additional Non-Executive Director

Four meetings of the Board were held during the year ended 31st March, 2024, on 19th April, 19th July, 9th October, 2023 and 10th January, 2024, respectively.

6. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

8. PARTICULARS OF EMPLOYEES

The details of employees of the Company as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure 1** to this Report.

Your Company seeks to provide equal opportunities for men and women and is committed to a gender-friendly workplace. To ensure a safe and progressive work environment, Internal Complaints Committee has been constituted by the Company as per provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year, no complaint for sexual harassment was received by the Company.

9. RISK MANAGEMENT

The risk management framework of the Company is commensurate with its size and nature of business. Management of risks vests with the executive management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. The Internal Audit Department of ITC Limited, the holding company, as the Internal Auditor of your Company, periodically carries out, at the request of the Company, risk focused audits with the objective of identification of areas where risk management processes could be strengthened. As required under the Risk Management Policy of the Company, a Risk Mitigation Reportback is prepared on a half-yearly basis and reviewed by the Management Committee of the Company.

Further, an annual update was provided to the Board for the year, on the effectiveness of the Company's risk management systems and policies.

A combination of policies and processes as outlined above adequately addresses the various risks associated with the Company's businesses.

10. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations. The Internal Auditor of the Company periodically evaluates the adequacy and effectiveness of such internal financial controls. The Board provides guidance on internal controls, reviews internal audit findings and implementation of internal audit recommendations.

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

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company's CSR Policy outlines programmes, projects and activities falling within the purview of Schedule VII and Section 135 of the Act and the Rules made thereunder.

The Annual Report on CSR activities of the Company, as required under Sections 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014, is enclosed as **Annexure 2** to this Report.

During the year, the Company was not required to constitute the Corporate Social Responsibility Committee in terms of Section 135(9) of the Act.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

13. RELATED PARTY TRANSACTIONS

During the year under review, all contracts or arrangements entered into by your Company with its related parties were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Act.

The details of material related party transaction of the Company in the prescribed Form No. AOC-2 are provided in **Annexure 3** to this Report.

14. DEPOSITS

Your Company has not accepted any deposit from the public / members under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS / TRIBUNALS

During the year under review, no significant or material order was passed by any Regulator / Court / Tribunal impacting the going concern status of the Company or its future operations.

16. ANNUAL RETURN

The Annual Return of the Company is available on its website at <https://cgroonline.com/annual-return/>.

17. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

18. AUDITORS

(a) Statutory Auditors

Messrs. Deloitte Haskins & Sells LLP ('Deloitte'), Chartered Accountants, were appointed as the Company's Statutory Auditors for a second term of five years from the conclusion of the Twenty Seventh AGM held in 2019 till the conclusion of the ensuing Thirty Second AGM of the Company. Accordingly, Deloitte will complete their present term in the ensuing AGM.

The Board has recommended for the approval of the Members, the appointment of Messrs. S. R. Batliboi & Co. LLP ('SRBC'), Chartered Accountants (Registration No. 301003E / E300005), as Statutory Auditors of the Company, for a term of five years from the conclusion of the ensuing Thirty Second AGM of the Company till the conclusion of the Thirty Seventh AGM of the Company. SRBC have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

Pursuant to Section 142 of the Act, the Board has also recommended for the approval of the Members, remuneration of SRBC to conduct the statutory audit of the Company for the financial year 2024-25. Appropriate resolution seeking your approval to the above is appearing in the Notice convening the ensuing AGM of the Company.

There is no qualification, reservation, adverse remark or disclaimer made by Deloitte, in their Report on the financial statements of the Company for the year ended 31st March, 2024.

(b) Secretarial Auditor

Your Board appointed Mr. Amit Gupta, Company Secretary in Practice, Proprietor Messrs. Amit Gupta & Associates, as the Secretarial Auditor of the Company for the financial year ended 31st March, 2024. The Report of the Secretarial Auditor, pursuant to Section 204 of the Act, is enclosed as **Annexure 4** to this Report.

There is no qualification, reservation, adverse remark or disclaimer made by the Secretarial Auditors in their Report.

19. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The Company is committed to adopt eco-friendly and energy conservation practices and has accordingly, initiated several eco-friendly processes for energy and water conservation, waste management disposal and measures to control water, noise and environmental pollution.

The Company continued to make focused energy conservation efforts throughout the year to improve its usage efficiencies. Energy conservation measures viz. installing retrofitted emission control device in the DG sets, energy efficient lights, etc. are constantly undertaken by the Company. Routine maintenance is performed to keep all equipment in the most efficient state of operations.

As a result of the aforesaid measures, the Company achieved optimum utilization of energy in electrical units and water consumption.

Technology Absorption

The Company is in hotel and recreation business, which is a service industry and no specific knowhow or technology was imported by the Company during the year. The Company has not carried out any activity which can be construed as a research and development activity. However, the Company continues to adopt and use the latest technologies to improve the efficiency and effectiveness of its business operations.

Foreign Exchange Earnings and Outgo

The foreign exchange earnings of your Company during the year aggregated ₹ 106.12 lakhs (previous year: ₹ 93.97 lakhs), while the foreign exchange outflow was Nil (previous year: Nil).

21. ACKNOWLEDGEMENT

Your Directors acknowledge the assistance and support rendered by all the stakeholders and look forward to the future with confidence.

On behalf of the Board

Ashish Thakar Atul Bhalla
Chairman Director

Dated: 01.05.2024

Place: Gurugram

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2024

[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014]

Names of employees	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of employment/ deputation	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
Shikhar Maheshwari*	34	Chief Financial Officer	75,94,336	44,28,192	B.Com. (Hons), A.C.A	13	15.10.2021	ITC Limited – Hotels Division, Financial Controller
Rishi Mattu*	46	Manager	61,71,310	34,58,505	Diploma In Hotel Management	24	19.04.2023	ITC Limited – Hotels Division, General Manager
Col. Rajesh Singh Bains*#	60	Manager - Loss Prevention	39,28,033	20,34,219	B.Sc., PG Degree in Defence Armanent Technology	40	01.04.2018	ITC Limited – Hotels Division, Manager - Loss Prevention
Pradeep Singh	59	Executive Vice President-HR & Liaison	31,13,778	24,03,452	B.Com., L.L.B., M.B.A.	35	10.11.2006	Amira Foods (India) Limited, Senior Manager-HR & IR
Alok Rastogi*	58	Executive Chef	27,24,552	17,38,379	B. A, Diploma Holder	38	01.04.2019	ITC Limited – Hotels Division, Chef
Sameer Dhanuka*	25	Finance Manager	23,25,841	14,20,417	B. Com (Hons), A.C.A	2.5	01.07.2022	ITC Limited – Hotels Division, Finance Manager
Keshav Kumar	47	General Manager - Golf Operations & Marketing	19,06,500	15,90,119	B.Com.	16	17.04.2009	Golden Greens Golf & Resorts Limited, Manager-Golf Operations
Vikas Kumar	49	General Manager – Course Maintenance	18,35,839	15,37,334	B.Sc., M.Sc., P.G.D in Plantation Technology	22	05.10.2006	Soka Bodhi Tree Garden, Horticulturist
Col. Narendra Singh*	56	Head - Loss Prevention	16,77,527	8,43,210	B.Com.	30	01.11.2023	ITC Limited – Hotels Division, Head - Loss Prevention
Shiv Charan	52	Manager – Engineering	16,30,325	13,67,166	M.B.A, B.E.	34	16.05.2011	ITC Limited – Hotels Division, Assistant Manager Engineering

*On deputation from ITC Limited, the holding company ('ITC').

#Retired from ITC on 21st October, 2023.

Notes:

- In respect of employees on deputation, gross remuneration disclosed as above is the cost which is borne by the Company.
- For the other employees, gross remuneration includes salary, variable pay / performance bonus, allowances & other benefits / applicable perquisites borne by the Company, except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less income tax, education cess deducted at source and employee's own contribution to provident fund.
- Certain employees may have been granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since these Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employees by grant of such Options, and accordingly the said grants have not been considered as remuneration.
- All appointments (except deputed employees) are / were contractual in accordance with terms and conditions as per Company's Rules.
- The aforesaid employees are neither relative of any Director or Manager of the Company nor hold any equity share in the Company.

On behalf of the Board

Ashish Thakar
Chairman

Atul Bhalla
Director

Dated: 01.05.2024

Place: Gurugram

Annexure 2 to the Report of the Board of Directors

**Annual Report on Corporate Social Responsibility (CSR) Activities of the Company
for the financial year ended 31st March, 2024**

1. Brief outline on CSR Policy of the Company:

The Company being a wholly owned subsidiary of ITC Limited ('ITC'), discharges its responsibility by aligning itself with the CSR Policy of ITC and by undertaking CSR activities in areas or subjects which are independent of the normal conduct of the Company's business and are covered under the activities listed in Schedule VII read with Section 135 of the Companies Act, 2013 ('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company's CSR Programmes are implemented (i) directly, or (ii) through a registered public trust or a registered society or foundation or a company under Section 8 of the Act, established by ITC (Collectively, ITC Entities), having track record of at least three years in undertaking similar activities, or (iii) through other eligible implementing agencies.

The Company may also collaborate with ITC or other companies for undertaking CSR Programmes in such a manner that the respective companies are in a position to report separately on the CSR activities being undertaken.

2. Composition of CSR Committee as on 31st March, 2024: Not Applicable

3. The web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <https://cgroonline.com/corporate-social-responsibility/>

4. Executive Summary alongwith the web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. Average net profits of the Company as per Section 135(5): ₹ 653.16 lakhs

a) Two percent of average net profits of the Company as per Section 135(5) ₹ 13.06 lakhs

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

c) Amount required to be set off for the financial year, if any : Nil

d) Total CSR obligation for the financial year (5a+5b-5c) ₹ 13.06 lakhs*

* The Board has approved a contribution upto ₹ 13.50 lakhs for CSR expenditure for the financial year 2023-24, as against the mandatory requirement of ₹ 13.06 lakhs.

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 13.09 lakhs

b) Amount spent in Administrative Overheads: Nil

c) Amount spent on Impact Assessment, if applicable: Nil

d) Total amount spent for the Financial Year [6(a)+6(b)+6(c)]: ₹ 13.09 lakhs

e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (₹)	Date of transfer	Name of the Fund	Amount (₹)	Date of transfer
13.09	Nil				

f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	13.06
(ii)	Total amount spent for the Financial Year	13.09
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.03 #
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

The Company is not proposing to carry forward and claim set-off against the excess amount of ₹ 0.03 Lakhs in succeeding Financial Years.

7. (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 ₹)	Balance Amount in Unspent CSR Account under subsection (6) of Section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

Yes ☒ No ☐

If Yes, enter the number of Capital assets created / acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

On behalf of the Board

Ashish Thakar
Chairman

Atul Bhalla
Director

Dated: 01.05.2024

Place: Gurugram

Annexure 3 to the Report of the Board of Directors for the financial year ended 31st March, 2024

FORM NO. AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangements or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	ITC Limited, the holding company ('ITC')
b)	Nature of contracts / arrangements / transactions	License Agreement ('Agreement') with ITC for operating the Company's Hotel 'ITC Grand Bharat' ('Hotel').
c)	Duration of the contracts / arrangements / transactions	99 years with effect from 14th November, 2014
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	ITC pays an annual license fee at 7% of Annual Net Operating Income of the Hotel or ₹4.50 crores, whichever is higher, to the Company. Total license fees received from ITC vide this Agreement, during the year was ₹ 7,59,02,772/- (including applicable taxes).
e)	Date(s) of approval by the Board, if any	–
f)	Amount paid as advances, if any	Nil

Dated: 01.05.2024

Place: Gurugram

On behalf of the Board

Ashish Thakar
Chairman

Atul Bhalla
Director

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Landbase India Limited,
CIN: U74899HR1992PLC052412

Regd. office address: ITC Green Centre, 10 Institutional Area, Sector 32, Gurugram, HR 122001

Corporate office: Classic Golf & Country Club, Hasanpur, Tauru, Mewat District, HR 122105

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Landbase India Limited** (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our 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 the secretarial audit,

We hereby report that in our opinion:

- the Company has, during the audit period covering the financial year ended on 31st March, 2024 ('Audit Period') complied with the statutory provisions listed hereunder; and also
- the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- The Companies Act, 2013 ('the Act') and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (**Not Applicable to the Company during the Audit Period**);
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 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; (**No FDI and ECB was taken and No ODI was made by the Company during the Audit Period**)

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (**Not applicable to the Company during the Audit Period**);
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021;
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable (**Not applicable to the Company during the Audit Period**).

During the Audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards, as mentioned above:

- The statutory forms and returns, which were required to be submitted under the Act, were filed by the company within the time prescribed under the Act.
- Notices, forms, returns, registers and other document(s) required to be maintained either in physical form or in electronic form in accordance with the Act, are properly maintained in the prescribed manner.

We further report that during the Audit Period:

The Board of Directors of the Company is duly constituted in compliance with the provisions of the Act. 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.

Adequate notice was given to all directors to schedule the Board Meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings were carried out with the requisite majority as recorded in the minutes of the meetings of the Board of Directors.

We further report that based on the compliance mechanism established by the Company, we are of the opinion that 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.

For Amit Gupta & Associates

Company Secretaries

Amit Gupta

Practising Company Secretary

Membership No. : F5478

C.P. No. 4682

UDIN - F005478F000287531

Date: May 01, 2024

Place: Lucknow

Note: This report should be read with the letter of even date by the Secretarial Auditors.

To,
The Members,
Landbase India Limited,
CIN: U74899HR1992PLC052412
Regd. office address: ITC Green Centre, 10 Institutional Area, Sector 32, Gurugram, HR 122001
Corporate office: Classic Golf & Country Club, Hasanpur, Tauru, Mewat District, HR 122105

Our Report of even date is to be read along with this letter.

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts were reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the financial records and books of account of the Company.
- We have obtained the management representation, wherever required, about the compliance of laws, rules and regulations and happening of events etc.
- Compliance with the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedure on a test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Amit Gupta & Associates

Company Secretaries

Amit Gupta

Practising Company Secretary

Membership No. : F5478

C.P. No. 4682

UDIN - F005478F000287531

Date: May 1, 2024

Place: Lucknow

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LANDBASE INDIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Landbase India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors report but does not include the 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 conclusion thereon.
- In connection with our audit of the 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 during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 financial statements, management and Board of Directors 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the 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 financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 23 of the financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 32 to the financial statements.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 33 to the financial statements.
 - (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes 37 to the financial statements, 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes 37 to the financial statements, 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, 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.

- Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Vikas Khurana
Partner

Place : Gurugram
Date : May 1, 2024

(Membership No.: 503760)
(UDIN - 24503760BKFDGR9694)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with Reference to the financial Statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Landbase India Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal

financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Vikas Khurana
Partner

Place : Gurugram
Date : May 1, 2024

(Membership No.: 503760)
(UDIN - 24503760BKFDGR9694)

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work-in-progress.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment and capital work-in-progress were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment 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, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 Crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets, hence reporting on the quarterly returns or statement filed by the Company with such banks or financial institutions is not applicable.
- (iii) According to the information and explanations given to us, the Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013, reporting under clause (vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all the cases during the year. We are informed that Excise duty and Customs Duty are not applicable to the Company.
There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
 - (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (FY)	Amount Involved (In Lacs)	Amount Disputed (Net of Payment under Protest) (In Lacs)
The Punjab Entertainment Duty Act, 1955	Entertainment Duty	Hon'ble Supreme Court of India	2003-04 to 2009-10	552.62	275.62*

* Total disputed dues aggregating ₹ 275.62 Lacs as mentioned above, pertain to matters which have been stayed for recovery by the relevant authorities.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) As informed to us, the Company has not raised any money as short-term fund. Hence, reporting under clause (ix)(d) of the Order is not applicable.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (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 (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (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 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The provision of Section 177 is not applicable to the Company and hence, the reporting requirement under clause (xiii) in relation to section 177 of the Companies Act is not applicable to the Company.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system 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 any of its directors or directors of it's holding company, subsidiary company, associate company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
As informed by management, the Company does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the current year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the current year.
- (xxi) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under (xxi) of the Order is not applicable.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Vikas Khurana
Partner

Place : Gurugram
Date : May 1, 2024

(Membership No.: 503760)
(UDIN - 24503760BKFDGR9694)

Balance Sheet as at 31st March, 2024

Particulars	Note	As at 31st March, 2024 (₹ in lakhs)	As at 31st March, 2023 (₹ in lakhs)
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3A	23,443.06	23,636.88
(b) Capital work-in-progress	3B	68.56	45.50
(c) Intangible assets	3C	14.74	7.96
(d) Financial assets			
(i) Investments	4	2,477.88	0.00 *
(ii) Other financial assets	5	2,201.72	2,956.36
(e) Other non-current assets	6	456.70	475.21
Total Non - Current Assets		28,662.66	27,121.91
2 Current assets			
(a) Inventories	7	88.64	99.47
(b) Financial assets			
(i) Investments	8	303.93	174.96
(ii) Trade receivables	9	131.45	65.05
(iii) Cash and cash equivalents	10	60.47	26.24
(iv) Other bank balances	11	1,467.74	2,238.65
(v) Other financial assets	5	490.01	64.95
(c) Other current assets	6	59.73	2,569.85
Total Current Assets		2,601.97	2,718.28
TOTAL ASSETS (1+2)		31,264.63	29,840.19
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	12	31,700.00	31,700.00
(b) Other equity		(5,394.06)	(6,394.24)
Total equity		26,305.94	25,305.76
Liabilities			
2 Non-current liabilities			
(a) Financial Liabilities			
- Other financial liabilities	13	3,123.10	3,119.49
(b) Provisions	14	160.20	131.55
(c) Other non-current liabilities	15	543.44	482.19
Total Non - Current Liabilities		3,826.74	3,733.23
3 Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	218.50	303.96
(ii) Other financial liabilities	13	435.08	94.66
(b) Other current liabilities	15	456.04	375.66
(c) Provisions	14	22.33	26.92
Total Current Liabilities		1,131.95	801.20
TOTAL EQUITY AND LIABILITIES (1+2+3)		31,264.63	29,840.19

* Represents ₹ 150

The accompanying notes 1 to 39 are an integral part of the Financial Statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Vikas Khurana
Partner

Place: Gurugram
Date: May 1, 2024

On behalf of the Board

Ashish Thakar
DIN : 09383474

Atul Bhalla
Chairman Director
DIN : 08222221

Rishi Mattu
Manager

Shikhar Maheshwari
Chief Financial Officer

Rucche Siingh
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2024

Particulars	Note	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
I Revenue from operations	16	3,913.56	3,461.10
II Other income	17	487.69	260.17
III Total Income (I+II)		<u>4,401.25</u>	<u>3,721.27</u>
IV EXPENSES			
(a) Cost of materials consumed		141.70	117.91
(b) Purchase of Stock in Trade		2.89	2.37
(c) Changes in inventories of Stock-in-Trade	18	(0.19)	0.25
(d) Employee benefits expense	19	829.27	785.61
(e) Finance Costs	20	21.71	–
(e) Depreciation and amortization expenses	3	508.31	520.34
(f) Other expenses	21	1,897.45	1,326.33
Total Expenses (IV)		3,401.14	2,752.81
V Profit before tax (III - IV)		1,000.11	968.46
VI Tax Expense		–	–
VII Profit for the year (V-VI)		<u>1,001.11</u>	<u>968.46</u>
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
– Remeasurements gains/ (losses) on defined benefit plans		0.07	(8.48)
– Income tax expense on remeasurement of defined benefit plans		–	–
IX Total Comprehensive Income for the year (VII+VIII)		<u>1,000.18</u>	<u>959.98</u>
X Earnings per equity share (Face Value ₹ 10.00 each)			
Basic/ Diluted(in ₹)	22	0.32	0.31

The accompanying notes 1 to 39 are an integral part of the Financial Statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Vikas Khurana
Partner

Place: Gurugram
Date: May 1, 2024

On behalf of the Board

Ashish Thakar
Chairman
DIN : 09383474

Atul Bhalla
Director
DIN : 08222221

Rishi Mattu
Manager

Shikhar Maheshwari
Chief Financial Officer

Rucche Siingh
Company Secretary

Statement of Cash Flows for the year ended 31st March, 2024

Particulars	For the year ended 31st March, 2024 (₹ in lakhs)	For the year ended 31st March, 2023 (₹ in lakhs)
A Cash Flow from Operating Activities		
Profit before tax	1,000.11	968.46
Adjustments for:		
Depreciation and amortization expenses	508.31	520.34
Interest Income	(416.05)	(208.59)
Net (gain)/ loss on sale and write off of property, plant and equipment (Including CWIP)	38.55	20.52
Net (gain)/ loss arising on financial assets mandatorily measured at Fair value through profit and loss	(37.21)	(38.69)
Bad debts & Advances written off	-	0.62
Operating Profit Before Working Capital Changes	1,093.71	1,265.66
Adjustment in working capital:		
(Increase) / Decrease in trade receivables	(66.40)	67.38
(Increase) / Decrease in Inventories	10.83	(6.84)
(Increase) / Decrease in other assets	2.64	10.21
(Increase) / Decrease in other financial assets	(370.89)	0.74
Increase / (Decrease) in trade payables	(85.44)	121.57
Increase / (Decrease) in other financial liabilities	339.73	21.22
Increase / (Decrease) in Provisions	24.13	16.86
Increase / (Decrease) in other liabilities	141.63	119.59
Cash flow generated from operations	1,089.94	1,616.39
Income taxes refund/ (paid)	13.99	(17.01)
Net Cash from Operating Activities	1,103.93	1,599.38
B Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(394.90)	(443.89)
Sales of property, plant and equipment	11.70	86.02
Purchase of current investments	(3,105.00)	(3,245.00)
Sale / redemption of current investments	3,013.23	3,798.89
Purchase of non-current investments	(2,474.90)	-
Interest received	357.92	275.59
Investment in bank deposits (original maturity more than 3 months)	(2,316.40)	(6,237.93)
Redemption/maturity of bank deposits (original maturity more than 3 months)	3,838.65	4,174.23
Net Cash used in Investing Activities	(1,069.70)	(1,592.09)
C Cash Flow from Financing Activities		
Net increase/ (decrease) in Cash and cash equivalents	34.23	7.29
Opening Cash and cash equivalents	26.24	18.95
Closing Cash and cash equivalents (Refer note 10)	60.47	26.24

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flows.
The accompanying notes 1 to 39 are an integral part of the Financial Statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Vikas Khurana
Partner

Place: Gurugram
Date: May 1, 2024

On behalf of the Board

Ashish Thakar
Chairman
DIN : 09383474

Atul Bhalla
Director
DIN : 08222221

Rishi Mattu
Manager

Shikhar Maheshwari
Chief Financial Officer

Rucche Siingh
Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2024
A. Equity Share capital

(₹ in lakhs)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March 2024	31,700.00	–	31,700.00
For the year ended 31st March 2023	31,700.00	–	31,700.00

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus		Total
	General Reserve	Retained earnings	
Balance as at 1st April, 2023	611.62	(7,005.86)	(6,394.24)
Profit for the year ended 31st March, 2024	–	1,000.11	1,000.11
Other Comprehensive Income	–	0.07	0.07
Total Comprehensive Income for the year	–	1,000.18	1,000.18
Balance as at 31st March, 2024	611.62	(6,005.68)	(5,394.06)

(₹ in lakhs)

Particulars	Reserves and Surplus		Total
	General Reserve	Retained earnings	
Balance as at 1st April, 2022	611.62	(7,965.84)	(7,354.22)
Profit for the year ended 31st March, 2023	–	968.46	968.46
Other Comprehensive Income	–	(8.48)	(8.48)
Total Comprehensive income for the year	–	959.98	959.98
Balance as at 31st March, 2023	611.62	(7,005.86)	(6,394.24)

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits/ (losses) of the Company and effects of remeasurement of defined benefit obligations.

The accompanying notes 1 to 39 are an integral part of the Financial Statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Vikas Khurana
Partner

Place: Gurugram
Date: May 1, 2024

On behalf of the Board

Ashish Thakar
Chairman
DIN : 09383474

Atul Bhalla
Director
DIN : 08222221

Rishi Mattu
Manager

Shikhar Maheshwari
Chief Financial Officer

Rucche Siingh
Company Secretary

Notes to the Financial statements

Company Information

Landbase India Limited (the 'Company') [CIN: U74899HR1992PLC052412] is a unlisted public limited company domiciled in India with its registered office located at ITC Green Centre, 10 Institutional Area, Sector 32, Gurugram 122001. The Company owns the Classic Golf & Country Club, a 27-hole Jack Nicklaus Signature Golf Course. It also owns a 104 key all suite luxury retreat "ITC Grand Bharat" which is licensed to and operated by ITC Limited.

1. MATERIAL ACCOUNTING POLICIES

i. Statement of Compliance

These financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The company adopted Ind AS from 1st April 2016.

ii. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair values, as explained in the accounting policies. The financial statements are presented in Indian Rupees which is also the Company's functional currency.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

iii. Property, Plant and Equipment

Property, plant and equipment (PP&E) are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PP&E recognised as at 1st April, 2015 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of PP&E are depreciated in a manner that amortises the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

PP&E's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

The estimated useful lives of PP&E of the Company are as follows:

Building	3 - 60 years
Plant & Machinery/ Golf Course	3 - 15 years
Office & Other Equipment	5 years
Furniture & Fixtures	8 - 10 years
Computers	3 - 6 years
Vehicles	8 - 10 years
Golf Carts	8 years

iv. Other Intangible Assets

Other Intangible Assets that the Company controls and from which it expects future economic benefits, are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination, at fair value on the date of acquisition;
- for separately acquired assets, at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established.

Notes to the Financial statements (Contd.)

Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP.

After initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g. patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g. computer software, design, prototypes) or commercial obsolescence (e.g. lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight-line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized. However, it is annually tested for impairment.

Amortization expenses and impairment losses and reversal of impairment losses are included in the 'Depreciation and amortization expense' in the Statement of Profit and Loss.

The estimated useful lives of intangible assets of the Company with finite lives are as follows:

Computer Software	5 years

v. **Impairment of Assets**

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's fair value less costs of disposal net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

vi. **Inventories**

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified at the time of periodic physical verification of inventories and, where necessary, a markdown is made for such inventories.

vii. **Financial instruments, Financial assets, Financial liabilities and Equity instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial assets

Recognition: Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income. \
- fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in the fair value, including interest income and dividend income, if any, are recognised under 'other income' in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Notes to the Financial statements (Contd.)

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial liability

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting financial instruments"

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

viii. Revenue from sale of products and services

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for services rendered, net of discounts to customers. Revenue does not include VAT and Goods and Services Tax (GST).

Revenue from the sale of products and services is recognised when the Company performs its obligations to its customers, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is the periods during which such services are rendered.

Revenue is recognised over a period of time or at a point in time depending on the manner in which the performance obligation associated with each contract with customer is satisfied as under:

- i) Membership Income:
 - a) Revenue from membership fee is accounted for over a period of time.
 - b) Entrance fees and transfer / re-nomination fees is recognized at a point in time.
 - c) Interest charged on delayed receipt of Subscription is accounted when it is probable that the entity shall collect the consideration.
- ii) Green Fee Income, Caddie fee, Golf Set Rental, Cart Rental, Guest Entry Fees, etc. is recognized at a point in time.
- iii) License Fees income is recognised as per the terms of the agreement.

ix. Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

Regular contributions made to State plan namely Employee Provident Fund and Employee's State Insurance Fund are charged to revenue every year.

Company has Gratuity (Unfunded Plan) which are in the nature of defined benefit scheme. The liabilities towards such schemes, as applicable, is calculated by an independent actuarial valuation using the projected unit credit method as per the requirements of Indian Accounting Standard – 19 on "Employee Benefits". Gain or Loss on account of remeasurements are recognised through Other Comprehensive Income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded. These compensated absences are recognized in the Statement of Profit & Loss as income or expense, being long-term employee benefit.

x. Employee Share Based Compensation

The cost of stock options and stock appreciation units granted by ITC Limited, the Holding Company, to its eligible employees deputed to the Company is recognized at fair value. These Schemes are in the nature of equity settled / cash settled share based compensation and are assessed, managed / administered by the Holding Company.

In case of stock options, the fair value of stock options at the grant date is amortised on a straight line basis over the vesting period and cost recognized as an employee benefits expenses in the Statement of Profit and Loss with a corresponding credit in equity, net of reimbursements, if any.

In case of stock appreciation units, the fair value of stock appreciation units at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognized as an employee benefits expenses in the Statement of Profit and Loss with a corresponding increase in other financial liabilities.

xi. Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates enacted or substantively enacted during the period, together with any adjustment to tax payable in respect of previous years.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, is disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Notes to the Financial statements (Contd.)

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

xii. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

xiii. Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

xiv. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

Right – of – Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

The Company recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities are also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease.

2. Use of Estimates and Judgements

Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

- Claims, Provisions and Contingent Liabilities

The Company has third party claims and ongoing litigations with Income Tax Department and Excise & Taxation Department. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

- Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

- Deferred taxation

The Company has significant carry forward income tax losses (business and depreciation) for which deferred tax asset has not being recognized since there is no reasonable certainty of significant profits in the near future.

- Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

Notes to the Financial statements (Contd.)

Note - 3
A. Property, Plant and Equipment

Particulars	Gross Block					Depreciation and Amortization					Net Block			
	As at 1st April, 2022	Additions	Withdrawals and adjustments	As at 31st March, 2023	As at 1st April, 2023	Additions	Withdrawals and adjustments	As at 31st March, 2024	As at 1st April, 2022	For the year	Withdrawals and adjustments	Upto 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Land (Freehold)*	7,528.73	-	5.37	7,523.36	7,523.36	-	-	7,523.36	-	-	-	-	7,523.36	7,523.36
Building*	16,607.07	75.06	44.95	16,637.18	16,637.18	80.27	0.01	16,717.44	1,944.43	283.49	5.55	2,222.37	2,222.37	14,206.52
Plant & Machinery*	1,644.85	116.22	43.13	1,717.94	1,717.94	192.66	32.33	1,878.27	546.04	112.93	31.49	627.48	627.48	1,155.74
Office & Other Equipment	0.27	-	-	0.27	0.27	-	-	0.27	0.20	0.20	-	0.20	0.20	0.07
Golf Course	127.38	-	-	127.38	127.38	-	-	127.38	14.49	-	-	14.49	14.49	112.89
Furniture & Fixtures*	361.22	9.20	0.37	370.05	370.05	6.51	6.48	370.08	270.59	39.15	0.36	309.38	309.38	56.87
Computers	48.57	2.92	4.79	46.70	46.70	18.94	(2.32)	67.96	35.19	8.47	4.58	39.08	39.08	23.14
Vehicles	107.11	47.75	27.60	127.26	127.26	26.08	-	153.34	59.90	11.80	20.25	51.45	51.45	86.78
Golf Carts	604.75	102.60	31.47	675.88	675.88	-	50.70	625.18	291.45	62.21	28.97	324.69	324.69	351.19
Total (A)	27,029.95	353.75	157.68	27,226.02	27,226.02	324.46	87.20	27,463.28	3,162.29	518.05	91.20	3,589.14	3,589.14	23,636.88
B. Capital work in progress (B)	0.93	85.57	41.01	45.50	45.50	68.56	45.50	68.56	-	-	-	-	-	45.50
C. Intangible Assets														
Computer Software	15.72	5.67	-	21.39	21.39	11.31	-	32.70	11.15	2.28	-	13.43	13.43	7.96
Total (C)	15.72	5.67	-	21.39	21.39	11.31	-	32.70	11.15	2.28	-	13.43	13.43	7.96
Grand Total (A+B+C)	27,046.60	444.99	198.69	27,292.91	27,292.91	404.33	132.70	27,564.54	3,173.44	520.33	91.20	3,602.57	3,602.57	23,690.34

The amortization expense of intangible assets has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss.

3B.1 Capital Work in Progress (CWIP) Ageing Schedule

(₹ in lakhs)

As at 31st March, 2024	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	68.56	-	-	-	68.56
Total	68.56	-	-	-	68.56

(₹ in lakhs)

As at 31st March, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	45.50	-	-	-	45.50
Total	45.50	-	-	-	45.50

Notes to the Financial statements (Contd.)

	As at 31st March, 2024	(₹ in lakhs) As at 31st March, 2023
4. Non Current Investments		
Investment in Equity Instruments (at fair value through other comprehensive income)		
Unquoted		
- Jupiter Township Limited*	0.00	0.00
Investment in Bonds in the nature of Debentures (at amortised cost)		
Quoted		
(Taxable Bonds - Unsecured, Redeemable & Non-Convertible)		
- Small Industries Development Bank of India		
7.43% - Series I - 31-Aug-2026, 2,000 (2023 - NIL) Units of Rs.1,00,000.00 each.	1,981.34	-
7.44% - Series I - 04-Sep-2026, 500 (2023 - NIL) Units of Rs.1,00,000.00 each.	496.54	-
Total	2,477.88	0.00

* Represents investment of ₹ 150 in 1 equity share.

	(₹ in lakhs)			
	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non-Current	Current	Non-Current
5. Other Financial Assets				
Security Deposits	1.49	16.07	1.91	–
Deposits other than Security Deposits*	259.87	–	–	–
Bank deposits with more than 12 months maturity	–	2,185.65	–	2,937.00
Advances	–	7.60	–	7.60
Less : advances-credit impaired		(7.60)	–	(7.60)
Interest accrued on Deposit, Investment, etc.	133.28	–	63.04	19.36
Other Receivables (Contractual reimbursements)	95.37	–	–	–
Total	490.01	2,201.72	64.95	2,956.36

*paid under protest.

(₹ in lakhs)					
		As at 31st March, 2024		As at 31st March, 2023	
		Current	Non-Current	Current	Non-Current
6.	Other assets				
A.	Capital advances				
	– For Capital work in progress	–	5.33	–	0.71
B.	Advances other than capital advances				
(i)	Security Deposits				
	- Utility deposits	–	–	–	16.07
	- With Statutory Authorities	–	7.00	–	7.00
(ii)	Advance Tax	–	163.53	–	173.25
(iii)	Other Advances				
	- With Statutory Authorities*	8.41	277.00	4.90	277.00
	- Others (Prepaid expenses, advances, etc.,)	51.32	3.84	44.06	1.18
	Total	59.73	456.70	48.96	475.21

* Non-current other advances with Statutory Authorities include

Particulars	As at 31st March, 2024	(₹ in lakhs) As at 31st March, 2023
Entertainment Tax paid under protest considered good	277.00	277.00
Entertainment Tax paid under protest considered doubtful	6.50	6.50
Less: Provision for doubtful advances	(6.50)	(6.50)
Total	277.00	277.00

	As at 31st March, 2024	(₹ in lakhs) As at 31st March, 2023
7. Inventories		
(At lower of cost and net realisable value)		
Tobacco Stock	0.20	0.01
Food & Beverages	31.83	18.04
Stock of Parking Slot/ Servant quarters	13.20	13.20
Stores and spares	56.61	81.42
Less : Provision for obsolete Stock	(13.20)	(13.20)
Total	88.64	99.47

Notes to the Financial statements (Contd.)

	As at 31st March, 2024 Unquoted	(₹ in lakhs) As at 31st March, 2023 Unquoted
8. Current investments		
Investment in Mutual Funds (at fair value through profit or loss, unless stated otherwise)		
Axis Liquid Fund Nil (2023 - 6,995.74) Units of Rs.1,000.00 each.	-	174.96
Nippon India Liquid Fund 5,143.65 (2023 - Nil) Units of Rs.1,000.00 each.	303.93	-
Total	303.93	174.96
		(₹ in lakhs)
	As at 31st March, 2024	As at 31st March, 2023
9. Trade receivables (Current)		
(a) Secured, considered good	2.32	1.67
(b) Unsecured, considered good	129.13	63.38
Total	131.45	65.05

Trade Receivable Ageing Schedule

		Outstanding for following periods from due date					(₹ in lakhs)
As at 31st March, 2024	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	93.97	37.48	-	-	-	-	131.45
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables -credit impaired	-	-	-	-	-	-	-
Sub total	93.97	37.48	-	-	-	-	131.45
Less : Allowance for credit impairment	-	-	-	-	-	-	-
Total	93.97	37.48	-	-	-	-	131.45

		Outstanding for following periods from due date					(₹ in lakhs)
As at 31st March, 2023	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	45.05	19.72	0.28	-	-	-	65.05
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables -credit impaired	-	-	-	-	-	-	-
Sub total	45.05	19.72	0.28	-	-	-	65.05
Less : Allowance for credit impairment	-	-	-	-	-	-	-
Total	45.05	19.72	0.28	-	-	-	65.05

	As at 31st March, 2024	(₹ in lakhs) As at 31st March, 2023
10. Cash and cash equivalents		
Balances with Banks		
- Current accounts	44.58	23.41
Cheques in hand	15.00	1.58
Cash on hand	0.89	1.25
Total	60.47	26.24

The Company does not have any significant cash and cash equivalents that are not available for use.

	As at 31st March, 2024	(₹ in lakhs) As at 31st March, 2023
11. Other bank balances		
In Deposit accounts *	1,467.74	2,238.65
Total	1,467.74	2,238.65

*Represents deposits with original maturity of more than 12 months and remaining maturity of less than 12 months.

Notes to the Financial statements (Contd.)

	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
12. Equity Share Capital				
Authorised				
Equity shares of ₹ 10 each	31,70,00,000	31,700	31,70,00,000	31,700
Redeemable, Non-convertible Preference Shares of ₹ 100 each	1,87,00,000	18,700	1,87,00,000	18,700
Issued and Subscribed				
Equity shares of ₹ 10 each, fully paid	31,70,00,000	31,700	31,70,00,000	31,700

a) Reconciliation of number of Shares

Equity shares

As at beginning of the year	31,70,00,000	31,700	31,70,00,000	31,700
Add: Issue of Shares	—	—	—	—
As at end of the year	31,70,00,000	31,700	31,70,00,000	31,700

b) The equity shares are issued by the Company at par value of ₹ 10 per share.

c) Rights, preferences and restrictions attached to Equity shares

The company has one class of equity shares having par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	%	No. of Shares	%
d) Shareholders holding more than 5% of the aggregate Shares in the Company				
Equity shares				
ITC Limited, the Holding Company, jointly with its nominees	31,70,00,000	100%	31,70,00,000	100%

	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
e) Shares held by holding company and its nominees				
Equity Shares				
ITC Limited, the Holding Company	31,69,99,994	31,700	31,69,99,994	31,700
ITC Limited, the Holding Company jointly with its nominees*	6	0.00 *	6	0.00*

*Represents ₹ 60.

f) Shares held by promoters

Particulars	Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
		No of Shares as at end of the year	% of total shares	% Change during the year	No of Shares as at end of the year	% Of total shares	% Change during the year
Equity shares of ₹ 10 each fully paid	ITC Limited, the Holding Company	31,69,99,994	100%	—	31,69,99,994	100%	—
Equity shares of ₹ 10 each fully paid	ITC Limited, the Holding Company jointly with its nominees	6	0%	—	6	0%	—
Total		31,70,00,000	100%	—	31,70,00,000	100%	—

(₹ in lakhs)

13. Other financial liabilities

Non-Current

Deposits received from Members				
Security deposits received	3,181.75		3,172.05	
Less: Subscription fees receivable	(58.65)	3,123.10	(54.80)	3,117.25
ITC ESARs compensation payable	—	—	—	2.24
Total		3,123.10		3,119.49

Current

Deposits received from Members				
Security deposits received	76.27		58.93	
Less: Subscription fees receivable	(2.23)	74.04	(2.35)	56.58
Other deposits received		3.25		3.25
Others				
- Retention money payable on purchase of property, plant and equipments		5.50		1.20
- Employee benefits payable		41.20		26.52
- Payable towards State Authorities		308.26		—
- ITC ESARs compensation payable		2.83		7.11
Total		435.08		94.66

Notes to the Financial statements (Contd.)

	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non- Current	Current	Non- Current
	(₹ in lakhs)		(₹ in lakhs)	
14. Provisions				
Provision for employee benefits (Refer Note 26)				
Retirement benefits	15.55	105.48	10.07	95.52
Other benefits	6.78	54.72	16.85	36.03
Total	22.33	160.20	26.92	131.55
	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non- Current	Current	Non- Current
	(₹ in lakhs)		(₹ in lakhs)	
15. Other Liabilities				
Advances received from customers	46.42	–	30.35	–
Revenue received in advance	360.56	543.44	318.00	482.19
Statutory liabilities	49.06	–	27.31	–
Total	456.04	543.44	375.66	482.19
	For the year ended		For the year ended	
	31st March, 2024		31st March, 2023	
	(₹ in Lakhs)		(₹ in lakhs)	
16. Revenue from Operations				
(A) Sale of services and products				
Sale of services				
Membership income*	1,352.83		1,194.95	
Green fees	659.67		565.06	
Caddie fees	318.27		264.41	
Cart rental	340.04		317.25	
Guest Entry Fees, Golf Set Rental & Range Income	80.53		83.71	
Advertisement income	48.68		71.91	
License fees	658.46		598.49	
Food & Beverages	442.41		351.72	
	3,900.89		3,447.50	
Sale of products	3.03		2.92	
Total (A)	3,903.92		3,450.42	
(B) Other Operating Revenues				
Insurance claim received	2.43		0.41	
Liabilities Written Back	0.50		3.14	
Others including scrap sales	6.71		7.13	
Total (B)	9.64		10.68	
Revenue from operations (A+B)	3,913.56		3,461.10	
*Includes amortisation of Individual, Corporate and Tenure membership fees of ₹ 413.37 lakhs (2023: ₹ 347.67 lakhs).				
	For the year ended		For the year ended	
	31st March, 2024		31st March, 2023	
	(₹ in Lakhs)		(₹ in lakhs)	
17. Other Income				
Interest Income				
- Deposits with banks etc. - carried at amortized cost	353.88		208.59	
- Interest on refund of Income Tax	4.27		5.03	
- From members on delayed payments	23.40		6.83	
- Others (from statutory authorities etc.)	0.96		1.04	
- Financial assets - measured at amortised cost	57.90		–	
Other non-operating income				
- Net gain arising on financial assets mandatorily measured at FVTPL*	37.21		35.69	
- Others	10.07		2.99	
Total	487.69		260.17	
* Includes ₹ 33.93 lakhs (2023 ₹ 34.37 lakhs) being net gain on sale of investments.				
	For the year ended		For the year ended	
	31st March, 2024		31st March, 2023	
	(₹ in Lakhs)		(₹ in lakhs)	
18. Changes in investments of Stock of Trade				
Opening Inventories (A)	0.01		0.26	
Closing Inventories (B)	0.20		0.01	
Changes in inventories of Stock in Trade (A) - (B)	(0.19)		0.25	
	For the year ended		For the year ended	
	31st March, 2024		31st March, 2023	
	(₹ in Lakhs)		(₹ in lakhs)	
19. Employee benefit expenses				
Salaries and wages, including bonus	509.82		468.54	
Contribution to Provident and other funds	33.52		33.68	
Staff welfare expenses	64.59		60.57	
Reimbursement of manager's salary on deputation	220.04		217.68	
Share based payments to employees (Refer note 27)	1.30		5.14	
Total	829.27		785.61	

Notes to the Financial statements (Contd.)

	For the year ended 31st March, 2024	(₹ in lakhs) For the year ended 31st March, 2023
20. Finance cost		
Interest Expense - Others	21.71	—
Total	21.71	—
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
21. Other expenses		
Power & Fuel	651.65	195.57
Consumption of Stores and Spare parts	162.27	164.90
Rent including lease rentals	25.35	23.82
Contracted Manpower and Services	429.66	358.54
Rates and taxes	54.04	54.39
Insurance	20.36	18.99
Repairs and maintenance - Buildings	14.58	27.15
Repairs and maintenance - Machinery	53.79	44.47
Repairs and maintenance - Others	51.62	76.07
Maintenance and upkeep	52.77	54.65
Advertising / Sales promotion	62.26	55.37
Travelling and Conveyance Expenses	34.96	33.90
Hire Charges	12.55	9.41
Legal Expenses	60.44	32.84
Consultancy / Professional fees	35.57	30.55
Bank and credit card charges	24.09	25.55
Postage, telephone etc.	2.22	3.85
Printing and Stationery	8.03	8.80
Information Technology Services	53.79	42.34
Bad debts & Advance written off	—	0.62
Net loss on property, plant and equipment sold and written off (including Capital Work-in-Progress-Project)	38.55	20.52
Auditors remuneration and expenses*	17.26	17.47
Expenditure on Corporate Social Responsibility (CSR) activities (Refer Note 28)	13.09	8.56
Miscellaneous expenses	18.55	18.00
Total	1,897.45	1,326.33
* Auditors remuneration and expenses (excluding taxes):		
- Audit fees	14.50	14.50
- Tax audit fees	2.00	2.00
- Fees for other services#	—	—
- Reimbursement of expenses	0.76	0.97
	17.26	17.47
# Excludes ₹ NIL (2023 - ₹ 2.20 lakhs) , capitalised under Intangible Assets.		
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
22. Earnings per share		
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in lakhs)	1,000.11	968.46
(b) Weighted average number of Equity shares outstanding for the purpose of basic earnings per share	31,70,00,000	31,70,00,000
Basic/ Diluted Earnings per share on profit for the year(Face Value ₹10 per share) [(a)/(b)](in ₹)	0.32	0.31
	As at 31st March, 2024	(₹ in lakhs) As at 31st March, 2023
23. Contingent liabilities and commitments :		
(a) Claims against the Company not acknowledged as debts:		
Entertainment duty	552.62	552.62
All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of management the legal proceedings, when ultimately concluded, will not have a material effect on results of operations or financial position of the Company.		
	As at 31st March, 2024	(₹ in lakhs) As at 31st March, 2023
(b) Outstanding capital commitments:		
Estimated value of contracts in capital account remaining to be executed on Property, plant and equipment.	237.28	241.69
	As at 31st March, 2024	(₹ in lakhs) As at 31st March, 2023
24. Micro, Small and Medium Enterprises		
Details relating to micro, small and medium enterprises is disclosed below:		
(a) The principal amount and the interest due thereon remaining unpaid to any supplier;*	—	—
(b) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day;	—	—
(c) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	—	—
(d) The amount of interest accrued and remaining unpaid; and	—	—
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	—	—
*The Company does not have any interest due which is remaining unpaid to any supplier at the end of the accounting year. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		

Notes to the Financial statements (Contd.)

Ageing of Trade Payables

(₹ in lakhs)

As at 31st March, 2024	Not Due	Unbilled Payable	Outstanding for following periods from date of transaction				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	37.68	180.82	-	-	-	-	218.50
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	37.68	180.82	-	-	-	-	218.50

As at 31st March, 2023	Not Due	Unbilled Payable	Outstanding for following periods from date of transaction				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	159.23	144.73	-	-	-	-	303.96
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	159.23	144.73	-	-	-	-	303.96

25. Disclosures in respect of leases

Company as Lessee:

The Company's leasing arrangement is in respect of residential accommodation taken on rent for staff and certain equipment obtained on hire for the operations of the Company. These leases have been classified as Short term leases in accordance with "Ind AS 116 Leases" and the exemption available under Para 5 of Ind AS 116 Leases has been availed. Accordingly, the lease payments are recognised as an expense on straight-line basis over the lease term in accordance with respective agreements.

With regard to above leases:

Particulars	As at 31st March, 2024 (₹ in Lakhs)	As at 31st March, 2023 (₹ in lakhs)
Expense relating to short-term leases	7.97	12.40
Expense relating to leases of low-value assets	-	-
Total cash outflow for leases	7.97	12.40
Lease liabilities payable - Not later than a year	2.60	5.01

25.A. Licensing Arrangement:

- Licensing arrangements that existed during the year are in respect of agreement with ITC Limited (w.e.f. March'2011), for hotel property owned by the Company and rental of spaces within the premises given on license to certain third parties to carry out commercial activities.
- Such licensing arrangements are secured by agreements / contracts, which provide for adequate safeguards to mitigate any risk that may arise to the underlying assets given out on lease.
- Since the license payments from the agreement with ITC Limited is contingent on the future Net income likely to accrue to the Hotel, the Company expects to receive a minimum of ₹ 450 lakhs for each of the next 5 financial years and beyond.
- Items of property, plant and equipment disclosed under note 3 which are subject to an operating lease are mentioned below:

(₹ in lakhs)

Asset Class	As at 31st March 2024		As at 31st March 2023	
	Gross Block	Net Block	Gross Block	Net Block
Land	100.00	100.00	100.00	100.00
Building	13,272.06	11,368.91	13,272.06	11,580.37
Plant & Machinery	152.02	63.90	152.02	73.69
Furniture and Fixtures	19.42	1.00	19.42	1.00

26. Disclosure required under Indian Accounting Standard (Ind AS) 19

- Defined Benefit Plans - As per actuarial Valuations as on 31st March 2024 and recognised in the financial statements in respect of Employee Benefit Schemes:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Risk Management

As the plans are unfunded, the defined benefit plans expose the Company to actuarial deficit arising out of interest rate risk and salary cost inflation risk. The Management, considering cost benefit analysis, is of the view that Company need not fund its defined benefit obligation. Further, the Company maintains adequate liquidity to ensure that funds are available for satisfying such obligations. These plans are not exposed to any unusual, entity specific or scheme specific risks but there are general risks.

Notes to the Financial statements (Contd.)

		(₹ in lakhs)
	For the year ended 31st March, 2024 Gratuity Unfunded	For the year ended 31st March, 2023 Gratuity Unfunded
I Components of Employer Expense Recognised in Profit or Loss		
1 Current Service Cost	10.00	9.32
2 Net Interest Cost	7.83	5.71
3 Total expense recognised in the Statement of Profit and Loss	17.83	15.03
Re-measurements recognised in Other Comprehensive Income		
4 Effect of changes in demographic assumptions	–	(0.10)
5 Effect of changes in financial assumptions	3.01	(4.22)
6 Effect of experience adjustments	(3.08)	12.80
7 Total re-measurements included in Other Comprehensive Income	(0.07)	8.48
8 Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (3+7)	17.76	23.51

The current service cost and net interest expense for the year pertaining to Gratuity expenses have been recognised in “Salaries and wages, including bonus” in “Employee benefit expenses” under Note 19. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

	As at 31st March, 2024 Gratuity	As at 31st March, 2023 Gratuity
II Net Asset/(Liability) recognised in Balance Sheet		
1 Present Value of Defined Benefit Obligation (DBO)	121.03	105.59
2 Fair value of plan assets	–	–
3 Net defined benefit liability (asset)	121.03	105.59
- Current	15.55	10.07
- Non current	105.48	95.52

	For the year ended 31st March, 2024 Gratuity	For the year ended 31st March, 2023 Gratuity
III Change in Defined Benefit Obligation (DBO)		
1 Present Value of DBO at the beginning of the year	105.59	87.11
2 Current Service Cost	10.00	9.32
3 Interest Cost	7.83	5.71
Remeasurement gains / (losses):		
4 Effect of changes in demographic assumptions	–	(0.10)
5 Effect of changes in financial assumptions	3.01	(4.22)
6 Effect of experience adjustments	(3.08)	12.80
7 Benefits Paid	(2.32)	(5.03)
8 Present Value of DBO at the end of the year	121.03	105.59

	Gratuity	Gratuity
IV Actuarial Assumptions		
1 Discount Rate (%)	7.50%	6.75%
2 Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
3 Salary increase rate	7.50%	7.50%
4 Attrition Rate	10%	10%
5 Retirement Age	58	58
6 Disability	Nil	Nil

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

	For the year ended 31st March, 2024 Gratuity	For the year ended 31st March, 2023 Gratuity
V Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)		
1 Present Value of Defined Benefit Obligation	(121.03)	(105.59)
2 Status [Surplus/(Deficit)]	–	–
3 Experience Adjustment of obligation [(Gain)/ Loss]	–	–

(b) Amounts towards Defined Contribution Plans have been recognised under “Contribution to Provident and other funds” in Note 19: ₹33.52 lakhs (2023 - ₹ 33.68 lakhs).

VI Sensitivity Analysis

The sensitivity analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities hold all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of sensitivity analysis from previous year.

	Sensitivity analysis - Gratuity	(₹ in lakhs)
	DBO as at 31st March, 2024	DBO as at 31st March, 2023
VII Sensitivity analysis - DBO end of year		
1 Discount Rate + 100 basis points	114.96	100.42
2 Discount Rate - 100 basis points	127.39	111.28
3 Salary Increase Rate + 1%	127.12	110.92
4 Salary Increase Rate - 1%	115.40	100.65
5 Attrition Rate + 1%	120.59	105.38
6 Attrition Rate - 1%	121.48	105.78

Notes to the Financial statements (Contd.)

27. Information in respect of Options granted under ITC Limited's Employee Stock Option Schemes ('Schemes'):

- (i) The eligible employees of ITC Limited (ITC), who are deputed to the Company at its request, are covered under the ITC Employee Stock Option Schemes (ITC ESOS) and the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan) in accordance with the terms and conditions of such schemes, details of which are as under:

ITC ESOS:

Each Option entitles the holder thereof to apply for and be allotted ten ordinary shares of ₹ 1.00 each of ITC upon payment of the exercise price during the exercise period. These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting.

The options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits sweat equity) Regulations 2021.

ITC ESAR:

Under the ITC ESAR Plan, eligible employees would receive cash linked to appreciation in the value of the shares of ITC in accordance with the terms and conditions of this Plan. The stock appreciation units (SARs) vest over a period of five years from the date of grant and entitles each ESAR grantee to the appreciation for the total number of ESAR Units vested.

- (ii) The cost of stock options granted under ITC ESOS / SARs granted under ITC ESAR have been recognized as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of said deputation arrangement, the Company has accounted for the cost of the fair value of options / stock appreciation units granted to the deputed employees on-charge by ITC. The fair value of the options / SARs granted is determined, using the Black Scholes Option Pricing model, by ITC for all the grantees covered under ITC ESOS / ITC ESAR as a whole.
- (iii) In accordance with Ind AS 102, an amount of ₹ 1.30 lakhs (2023 - ₹ 5.14 lakhs) towards ITC ESAR has been recognised as employee benefits expense (Refer Note 19). Such charge has been recognised as employee benefits expense with corresponding credit to current / non – current financial liabilities, as applicable.

Out of the above, ₹ 0.88 lakhs (2023 - ₹ 1.82 lakhs) is attributable to key management personnel for ITC ESAR [S. Maheshwari ₹ 0.46 lakhs (2023 - ₹ 1.82) and R. Mattu ₹ 0.42 (2023 - NIL)].

The summary of movement of such options granted by ITC (ITC ESOS) and status of the outstanding options is as under:

Particulars	As at 31st March, 2024 No. of Options	As at 31st March, 2023 No. of Options
No. of Options Outstanding at the beginning of the year	3,320	7,745
Options Granted during the year	–	–
Effects of Corporate Action (Bonus)	–	–
Options Forfeited / Surrendered during the year	–	–
Options due to transfer in and transfer out	1,289	–
Options Exercised during the year	3,320	4,425
Number of options Outstanding at the end of the year	1,289	3,320
Number of Options exercisable at the end of the year	1,289	3,320
Options Vested and Exercisable during the year	–	–

Note: The weighted average exercise price of the options granted to all Optionees under the ITC ESOS is computed by ITC as a whole.

28. Corporate Social Responsibility (CSR):

Particulars	As at 31st March, 2024	(₹ in lakhs) As at 31st March, 2023
(i) Amount required to be spent by the company during the year	13.06	8.40
(ii) Amount of expenditure incurred	13.09	8.56
(iii) Shortfall at the end of the year	–	–
(iv) Total of previous years shortfall	–	–
(v) Reason for shortfall	Not Applicable	Not Applicable
(vi) Nature of CSR activities	Improve quality of education and government school infrastructure, Ensuring environmental sustainability	Improve quality of education and government school infrastructure
(vii) Details of related party transactions	Not Applicable	Not Applicable
(viii) Movement of provision during the year w.r.t. liability towards contractual obligation.	Not Applicable	Not Applicable

CSR expenditure does not include any spends on construction/ acquisition of assets.

29. Segment Reporting

The operating segment of the Company has been identified in a manner consistent with the internal reporting provided to the Management Committee, who is the Chief Operating Decision Maker, based on which there is only one operating segment in which the Company operates i.e. Leisure and Hospitality within one geographical segment i.e. India. \

The total revenue of the company includes transaction with its Holding company on account of operating license fees and other services which is more than 10% of the total revenue. The Non current assets are located within India.

30. Other Financial non-current Liabilities include ₹ 3014.75 lakhs (2023 - ₹ 2,992.55 lakhs) as deposits received from individuals towards golf memberships and ₹ 167.00 lakhs (2023 - ₹ 179.50 lakhs) received from Corporates towards Golf Memberships. The individual memberships are long term tradable memberships which are to be refunded at the time of termination or surrender of the membership. The tenure of the individual membership plan is a lifetime membership and after the demise of a member, the membership is transferred to the nominee, and the nominee holds it for his/ her lifetime, therefore it has been classified as non-current, given the nature of its business and presenting the true economic position of the Company.

Other Financial current liabilities ₹ 76.27 lakhs (2023 ₹ 58.93 lakhs) represent deposits received from Corporates towards Golf Memberships.

31. Accounting for Taxes on Income:

Components of deferred tax asset / liability are:

Particulars	As at 31st March, 2024	(₹ in lakhs) As at 31st March, 2023
Deferred tax assets		
On Unabsorbed depreciation	2,361.02	2,463.93
Other timing differences	68.91	62.78
Deferred tax liabilities		
Depreciation	(2,135.98)	(2,029.38)
Other timing differences	(1.58)	–
Net Deferred Tax Asset	292.37	497.33

In view of the significant carry forward income tax losses (unabsorbed depreciation) and there being no probability of significant taxable profits in the near future, net deferred tax asset as at 31st March 2024 has not been recognized in the books of accounts.

32. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
33. There are no amounts that are due to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.

Notes to the Financial statements (Contd.)

34. Related Party Transactions

(i) Names of related parties and nature of relationship

Holding Company ITC Limited

(ii) Key Management Personnel (KMP)

Nakul Anand	Chairman & Non-Executive Director (Up to 1st January, 2024)
Ashish Thakar	Chairman & Non-Executive Director
Jagdish Singh	Non-Executive Director (Up to 31st January, 2024)
Rajiv Tandon	Non-Executive Director (up to 21st July, 2022)
Atul Bhalla	Non-Executive Director (From 10th January, 2024)
Ratna Chadha	Non-Executive Director
Rishi Mattu	Manager (From 19th April, 2023)
Rajat Sethi	Manager (up to 31st March, 2023)
Shikhar Maheshwari	Chief Financial Officer
Rucche Siingh	Company Secretary

(iii) Other Related Parties with whom the Company had transactions :

Associate of Holding Company International Travel House Limited

Key Management Personnel of the Holding Company Anil Rajput
Hemant Malik
Sanjiv Rangrass (up to 3rd June, 2022)

Close member of Key Management Personnel of Company Varun Chadha (Son of Ratna Chadha)

(iv) Disclosure of Transactions between the Company and related parties (₹ in lakhs)

RELATED PARTY TRANSACTIONS SUMMARY		Holding Company		Associate of Holding Company		Key Management Personnel of the Company, Holding Company and their close members		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
1	Sale of Services#	141.18	114.92	-	-	2.16	2.66	143.34	117.58
2	Purchase of Goods#	2.86	0.63	-	-	-	-	2.86	0.63
3	Purchase of Services#	55.60	99.46	1.93	3.50	-	-	57.53	102.96
4	Recovery of Contractual Remuneration	-	-	-	-	-	-	-	-
5	Expenses Recovered	95.52	0.84	-	-	-	-	95.52	0.84
6	License Fees Received#	759.03	686.63	-	-	-	-	759.03	686.63
7	Expenses Reimbursed								
	- Remuneration of managers on deputation reimbursed**	251.45	245.82	-	-	-	3.78	251.45	249.60
	- Cash Settled Share Based Payments**	1.30	5.14	-	-	-	-	1.30	5.14
	- Others	49.42	25.62	-	-	0.42	0.20	49.84	25.82
8	Remuneration to KMP - Short term benefits	-	-	-	-	18.68	18.36	18.68	18.36
9	Remuneration to KMP - Post employment benefits*	-	-	-	-	-	-	-	-

* Post employment benefits are actuarially determined on overall basis and hence not separately provided.

** This includes reimbursement towards remuneration (including perquisites) of Key management personnel - ₹ 135.09 lakhs (2023 ₹ 143.43 lakhs), including cash settled share based payments of ₹ 0.88 lakhs (2023 ₹ 1.82 lakhs)

Includes GST

(v) DISCLOSURE OF THE STATUS OF OUTSTANDING BALANCES

(₹ in lakhs)

RELATED PARTY TRANSACTIONS SUMMARY		Holding Company		Associate of Holding Company		Key Management Personnel of the Company, Holding Company and their close members	
		2024	2023	2024	2023	2024	2023
1	Payables	27.13	40.43	-	-	-	-
2	Receivables	161.37	34.76	-	-	0.07	-
3	Advance Given	0.04	-	-	-	-	-

Notes to the Financial statements (Contd.)

35. Ratio Disclosures

Particulars	Numerator	Denominator	As at 31st March, 2024	As at 31st March, 2023	% Variance
Current Ratio (in times)*	Current Assets	Current Liabilities	2.30	3.39	-32.15%
Return on Equity Ratio (in %)	Profit for the year	Average Shareholder's Equity	3.88%	3.90%	-0.02%
Inventory turnover ratio (in times)	Gross Revenue from sale of products and services	Average Inventory	41.51	35.92	15.56%
Trade Receivables turnover ratio (in times)	Gross Revenue from sale of products and services	Average Trade Receivables	39.73	34.84	14.04%
Trade payables turnover ratio (in times)	COGS + Other Expenses – Non-cash Expenditure	Average Trade Payables	5.46	5.59	-2.33%
Net capital turnover ratio (in times)**	Gross Revenue from sale of products and services	Working Capital (Current Assets – Current Liabilities)	2.66	1.80	47.78%
Net profit ratio (in %)	Profit for the year	Gross Revenue from sale of products and services	25.62%	28.07%	-2.45%
Return on Capital employed (in %)	Profit before interest and taxes	Average Capital Employed	3.88%	3.90%	-0.02%
Return on investment (in %)	Income from investment	Time Weighted Average Investments	7.91%	5.76%	2.15%

* Increase in current liability on account of Payable towards State Authorities.

** Increase in Gross Revenue from sale of products and services coupled with reduction in working capital.

Note 1 - Debt-Equity Ratio and Debt Service Coverage Ratio are not applicable to the Company as it has no debt.

36. Other Disclosures in respect of Revenue from sale of services:

a) In respect of advance membership fees collected from members:

- The performance obligation is usage of the services of the club and its facilities. The Company adopts the output method and recognises revenue over a period of time. For the nature of services provided by the club, this method provides the most faithful depiction of the transfer of services to the customer.
- the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period and is expected to be recognised in the statement of profit and loss as mentioned below:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
0 to 1 years	360.56	318.00
1 to 3 years	344.11	321.12
3 to 10 years	199.33	161.07

37. The Company has not advanced or loaned or invested funds either from borrowed funds or share premium or any other sources or kind of funds 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, 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.

The Company has not received any funds 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, 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.

The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after 1 April 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the financial statements.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases. There is no impact on the financial statements.

38. Financial Instruments and Related Disclosures

1. Capital Management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustained stakeholder value. The Company funds its operations through internal accruals. The Company aims at maintaining adequate supply of funds towards future growth of its businesses as a going concern.

Notes to the Financial statements (Contd.)

2. Categories of Financial Instruments

(₹ in lakhs)

Particulars	Note	As at 31st March, 2024		As at 31st March, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets					
a) Measured at amortised cost					
i) Cash and cash equivalents	10	60.47	60.47	26.24	26.24
ii) Other bank balances	11	1,467.74	1,467.74	2,238.65	2,238.65
iii) Investment in Bonds /Debentures	4	2,477.88	2,482.81	–	–
iv) Trade receivables	9	131.45	131.45	65.05	65.05
v) Other financial assets	5	2,691.73	2,691.73	3,021.31	3,021.31
Sub - total		6,829.27	6,834.20	5,351.25	5,351.25
b) Measured at Fair value through Profit & Loss					
- Investments in Mutual Funds	8	303.93	303.93	174.96	174.96
Sub - total		303.93	303.93	174.96	174.96
c) Measured at Fair value through Other Comprehensive Income					
- Equity shares*	4	0	0.00	0.00	0.00
Sub - total		0.00	0.00	0.00	0.00
Total financial assets		7,133.20	7,138.13	5,526.21	5,526.21
B. Financial liabilities					
a) Measured at amortised cost					
(i) Trade Payables		218.50	218.50	303.96	303.96
(ii) Other financial liabilities	13	3,558.18	3,558.18	3,214.15	3,214.15
Sub - total		3,776.68	3,776.68	3,518.11	3,518.11
Total financial liabilities		3,776.68	3,776.68	3,518.11	3,518.11

*Represents ₹ 150.

3. Financial risk management objectives

The Company's activities covers operation of a golf course and licensing arrangement for a hotel property with the holding company. The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

a) Liquidity risk

The Company's Current assets aggregate to ₹ 2,601.97 lakhs (2023 - ₹ 2,718.28 lakhs) including Current investments, Cash and cash equivalents and Other bank balances of ₹ 1,832.14 lakhs (2023 - ₹ 2,439.85 lakhs) against an aggregate Current liability of ₹ 1,131.95 lakhs (2023 - ₹ 801.20 lakhs); Non-current liabilities due between one year to three years amounting to ₹ 63.11 lakhs (2023 - ₹ 69.31 lakhs) and Non-current liability due after three years amounting to ₹ 94.57 lakhs (2023 - ₹ 107.02 lakhs) on the reporting date.

Further, the Company's total equity stands at ₹ 26,305.94 lakhs (2023 - ₹ 25,305.76 lakhs), and it has no borrowings. In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

Security deposits from individual members have not been included above since these are long term tradeable memberships which are to be refunded at the time of termination or surrender of the membership. Since these memberships are long term in nature, their expiry is not ascertainable. Accordingly, their fair value has been considered to be same as carrying value.

b) Credit risk

Company's deployment in debt instruments are primarily in fixed deposits with highly rated banks, bonds issued by government institutions and mutual fund schemes of leading fund houses. Of this, investments that are held at amortised cost stood at ₹ 6,131.27 lakhs (2023 - ₹ 5,175.65 lakhs). Similarly, investment in debt mutual funds are made only with approved mutual funds and credit risk in such funds are limited because the underlying investments are diversified and the Company's investment framework considers the credit quality of the underlying investments made by the fund house. There are limits for any exposure to financial institutions. Thus, counter party risk attached to such assets is considered to be insignificant.

Company's customer base is diverse. The Company's historical experience of collecting receivables, and by the level of default, is that credit risk is low. Company's payment terms generally ranges from advance to a credit period of up to 30 days, depending upon specific circumstances and industry practices. Individual customer credit limits are sanctioned based on relevant factors such as market feedback, business potential and past records on selective basis. There is no significant financing component in respect of its transaction with the customers. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 131.45 lakhs (2023 - ₹ 65.05 lakhs).

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by the responsible management. Accordingly, allowance for doubtful assets has been recognised based on the review of the Management Committee, where applicable.

c) Market risk

Currency Risk

The Company rarely undertakes any transaction denominated in foreign currency which results in exchange rate fluctuations thereby leading to insignificant foreign exchange currency risk.

Interest Rate Risk

The Company's investments are predominantly held in bonds/debentures, fixed deposits, liquid mutual funds and overnight debt fund schemes. Mark to market movements in respect of the Company's investments in bonds / debentures that are held at amortised cost are temporary and get recouped through coupon accruals. Fixed deposits are held with highly rated banks and are not subject to interest rate volatility.

Notes to the Financial statements (Contd.)

Other Price Risk

The Company also invests in mutual fund schemes and overnight debt fund schemes of leading fund houses. Such investments are susceptible to market price risk that arises mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the schemes in which the Company has invested, such price risk is not significant.

4. Fair value measurement

Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable. The fair value of investment in Bonds /Debentures where applicable, is determined using market observable inputs such as quotes from market participants, value published by the issuer etc.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis

(₹ in lakhs)

Particulars	Fair Value		
	Fair Value Hierarchy (Level)	As at 31st March, 2024	As at 31st March, 2023
A. Financial assets			
a) Measured at amortised cost			
- Investment in Bonds /Debentures	2	2,482.81	–
- Others financial assets	3	2,201.72	2,956.36
b) Measured at Fair value through Profit & Loss			
- Investments in Mutual Funds	1	303.93	174.96
c) Measured at Fair value through Other Comprehensive Income			
- Equity shares* (designated upon initial recognition)	3	0.00	0.00
Total financial assets (a+b+c)		4,988.46	3,131.32
B. Financial liabilities			
a) Measured at amortised cost			
- Other financial liabilities	3	3,123.10	3,119.49
Total financial liabilities		3,123.10	3,119.49

*Represents ₹ 150.

39. The financial statements were approved for issue by the Board of Directors on May 01, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

On behalf of the Board

Ashish Thakar
Chairman
DIN : 09383474

Atul Bhalla
Director
DIN : 08222221

Rishi Mattu
Manager

Shikhar Maheshwari
Chief Financial Officer

Rucche Siingh
Company Secretary

Place: Gurugram
Date: May 1, 2024

REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD ENDED 31ST MARCH, 2024

1. Your Directors submit their First Report for the period from 28th July, 2023 to 31st March, 2024.

2. STATE OF AFFAIRS OF THE COMPANY

The Company has been incorporated on 28th July, 2023, as a wholly owned subsidiary of ITC Limited ('ITC') with its main object being hotels and hospitality business.

The Board of Directors of the Company ('Board') at its meeting held on 14th August, 2023 has approved a Scheme of Arrangement amongst ITC and the Company and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 ('the Act') for demerger of the Hotels Business of ITC into the Company. The Scheme is subject to requisite approvals, including the approval of the Hon'ble National Company Law Tribunal, Kolkata Bench.

The issued and paid-up capital of the Company is ₹ 83,00,00,000 comprising 83,00,00,000 Equity Shares of Re. 1/- each, fully paid-up. The temporary surplus funds of your Company are deployed in Fixed Deposits.

The financial results of your Company, summarised, are as under :

(₹ in lakhs, unless specified otherwise)

Particulars	Amount
Revenue from Operations	–
Total Income	416.64
Profit Before Tax	147.69
Profit After Tax	110.52

3. DIRECTORS AND KEY MANAGERIAL PERSONNEL
(a) Directors

In terms of the Articles of Association of the Company, Messrs. Karthik Bhanu (DIN: 10260028), Mayur Dogra (DIN: 09110374), Rajesh Poddar (DIN: 00297605) and Ms. Ushasi Das (DIN: 10260027) were the First Directors of the Company.

The Board, at the meeting held on 23rd April, 2024, recommended for the approval of the Members, appointment of Mr. Sanjiv Puri (DIN: 00280529) as Chairman and Non-Executive Director, not liable to retire by rotation, effective 24th April, 2024 for a period of five years. The Board also recommended for the approval of the Members, appointment of Messrs. Anil Chadha (DIN: 08073567), Supratim Dutta (DIN: 01804345), and Rajendra Kumar Singhi (DIN: 00009931) as Non-Executive Directors, liable to retire by rotation, effective 24th April, 2024 for a period of three years, and the appointment of Mr. Prathivadibhayankara Rajagopalan Ramesh (DIN: 01915274) as Non-Executive Director, liable to retire by rotation, effective 30th April, 2024 for a period of three years.

(b) Key Managerial Personnel

The Board appointed Mr. Diwaker Dinesh as the Manager of the Company with effect from 11th September, 2023 in terms of the provisions of Sections 196, 197 and 203 of the Act, subject to the approval of the Members. Mr. Dinesh has also been appointed as the Company Secretary of the Company in terms of Section 203 of the Act with effect from the said date.

Further, in terms of Section 203 of the Act, the Board also appointed Mr. Chandan Saboo as the Chief Financial Officer of the Company with effect from 11th September, 2023.

4. BOARD MEETINGS

Seven Meetings of the Board were held during the period ended 31st March, 2024.

5. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards, along with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024, and of the profit of the Company for the period ended on that date;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts of the Company on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

7. PARTICULARS OF EMPLOYEES

The details of the employees of the Company as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure** to this Report.

The Company seeks to create equal opportunities for men and women and is committed to a gender-friendly workplace. During the period under review, no complaint of Sexual Harassment was received. However, the Company was not required to constitute Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

8. RISK MANAGEMENT

As a newly incorporated company, the Company appreciates the significance of identifying and managing risks effectively.

Furthermore, the Company emphasizes the importance of fostering a culture of risk awareness and accountability across the organization. Management of risks vests with the executives responsible for the day-to-day conduct of the affairs of the Company. Necessary actions for putting in place risk management policy and framework along with appropriate governance have been initiated.

9. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations.

During the period ended 31st March, 2024, the internal financial controls of the Company with respect to the financial statements were tested and no material weakness in the design or operation of such controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations, and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the period ended 31st March, 2024, the Company has neither given any loan or guarantee, nor has made any investment under Section 186 of the Act.

11. RELATED PARTY TRANSACTIONS

During the period under review, the Company has neither entered into any contract or arrangement with its related parties which is not at arm's length or not in the ordinary course of business, nor has the Company entered into any material contract or arrangement with them in terms of Section 188 of the Act.

Accordingly, the disclosure of Related Party Transactions as required in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable.

12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the period under review, no significant or material order was passed by the Regulators / Courts / Tribunals impacting the going concern status of the Company and its future operations.

13. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

14. STATUTORY AUDITORS

Messrs. S. R. Batliboi & Co. LLP, Chartered Accountants (Registration No. 301003E / E300005), were appointed by the Board as the First Auditors of your Company to hold such office till the conclusion of the 1st Annual General Meeting ('AGM').

The Board has recommended for the approval of the Members, the appointment of Messrs. S. R. Batliboi & Co. LLP as the

Auditors of the Company for a period of four years from the conclusion of the ensuing 1st AGM till the conclusion of the 5th AGM, at such remuneration as may be mutually agreed between the Board and the Statutory Auditors of the Company. Messrs. S. R. Batliboi & Co. LLP have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

15. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering that the Company has not commenced its business operations, no comment is required on conservation of energy and technology absorption.

During the period under review, there has been no foreign exchange earnings or outflow.

On behalf of the Board

B. Karthik

Director

(DIN:10260028)

R. Poddar

Director

(DIN:00297605)

Place: Kolkata

Dated : 23rd April, 2024

Annexure to the Report of the Board of Directors for the period ended 31st March, 2024

[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Name	Age (Years)	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of Deputation	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
D. Dinesh*	38	Manager & Company Secretary	40,76,710	22,40,675	M.Com., A.C.S., LL.B.	16	01.09.2023	ITC Limited - Assistant Company Secretary
C. Saboo*	31	Chief Financial Officer	29,34,123	16,30,354	B.Com. (Hons.), A.C.A.	8	01.09.2023	ITC Limited, Senior Manager - Corporate Accounting

*On deputation from ITC Limited, the Holding Company.

Notes:

- Gross remuneration includes salary, performance bonus / variable pay, contribution to provident fund, allowances and other benefits / applicable perquisites except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less:
 - income tax, surcharge (as applicable) & education cess deducted at source; and
 - employee's own contribution to provident fund.
- The aforesaid employees are neither relative of any Director / Manager of the Company nor hold any equity share in the Company.

On behalf of the Board

B. Karthik

Director

(DIN:10260028)

R. Poddar

Director

(DIN:00297605)

Place: Kolkata

Dated: 23rd April, 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ITC HOTELS LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **ITC Hotels Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period then ended, and notes to the Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of the Act 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 audit opinion on the Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the period ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.a) The management has represented that, to the best of its knowledge and belief, no funds 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;
- b) The management has represented that, to the best of its knowledge and belief, 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
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the period by the Company.
- vi. The Company does not use an accounting software for maintaining its books of account. Accordingly, the requirement to report on Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Vij**

Partner

Place of Signature: Gurugram

Date: April 23, 2024

Membership Number: 095169

UDIN: 24095169BKFNC7629

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: ITC Hotels Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a), (b), (c), (d) - The Company does not have any property, plant and equipment or intangible assets in the books of the Company. Accordingly, the requirement to report on Clause 3(i)(a)(A), 3(i)(a)(B), 3(i)(b), 3(i)(c) and 3(i)(d) of the Order are not applicable to the Company.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company does not have commercial operations and therefore does not have inventories. Accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the period on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) During the period, 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. Accordingly, the requirement to report on clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) Since the Company does not have commercial operations upto March 31, 2024, the requirements relating to report on clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable. The provisions related to provident fund, employees' state insurance, sales tax, service tax, duty of custom, duty of excise, value added taxes and cess are not applicable to the Company.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the period. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the period. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any

bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the period hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the period hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the period on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the period by way of initial public offer / further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the period under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the period.

(b) During the period, no report under Sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the period.

(xii) (a) and (b) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(xii)(a) and 3(xii)(b) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv)(a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) of the Order is not applicable to the Company.

(b) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(b) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current period and the Company has been registered for a period of less than one year.
- (xviii) There has been no resignation of the statutory auditors during the period and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 18 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx) (a) of the Order is not applicable to the Company.
- (b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx) (b) of the Order is not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij

Partner

Place of Signature: Gurugram

Date: April 23, 2024

Membership Number: 095169

UDIN: 24095169BKFNC7629

ANNEXURE 2: TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ITC HOTELS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of ITC Hotels Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the period 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 ("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 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 with reference to these financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij

Partner

Place of Signature: Gurugram

Date: April 23, 2024

Membership Number: 095169

UDIN: 24095169BKFNC7629

BALANCE SHEET AS AT MARCH 31, 2024

(Rupees in Lakhs unless specified otherwise)

	Notes		As at March 31, 2024
ASSETS			
Non-current assets			
(a) Deferred tax assets (net)	4	47.52	
(b) Income tax assets (net)	5	9.08	56.60
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	6	24.32	
(ii) Other Bank Balances	7	8,150.00	
(iii) Others	8	373.03	
(b) Other current assets	9	33.99	8,581.34
TOTAL ASSETS			8,637.94
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	8,300.00	
(b) Other Equity		110.52	8,410.52
Liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	11	221.01	
(b) Other current liabilities	12	6.40	227.42
TOTAL EQUITY AND LIABILITIES			8,637.94

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sanjay Vij

Partner

Membership Number: 095169

On behalf of the Board of Directors

Karthik Bhanu

Director

(DIN:10260028)

Diwaker Dinesh

Manager & Company Secretary

Rajesh Poddar

Director

(DIN:00297605)

Chandan Saboo

Chief Financial Officer

Place : Gurugram

Date : April 23, 2024

Place: Kolkata

Date: April 23, 2024

Statement of Profit and Loss for the period from July 28, 2023 to March 31, 2024
(Rupees in Lakhs unless specified otherwise)

		For the period from July 28, 2023 to March 31, 2024
Particulars	Notes	
I Revenue from operations		—
II Other income	13	416.64
III Total Income (I+II)		416.64
IV EXPENSES		
Employee benefits expense	14	79.06
Other expenses	15	189.88
Total expenses (IV)		268.94
V Profit before exceptional items and tax (III - IV)		147.69
VI Exceptional Items		—
VII Profit before tax (V + VI)		147.69
VIII Tax expense:		
Current tax	16	84.69
Deferred tax	16	(47.52)
IX Profit for the period (VII - VIII)		110.52
X Other Comprehensive Income		—
XI Total Comprehensive Income for the period (IX + X)		110.52
XII Earnings per equity share (Face value of ₹ 1.00 each):		
(1) Basic (in ₹)	17	0.01
(2) Diluted (in ₹)	17	0.01

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sanjay Vij

Partner

Membership Number: 095169

On behalf of the Board of Directors

Karthik Bhanu

Director

(DIN:10260028)

Rajesh Poddar

Director

(DIN:00297605)

Diwaker Dinesh

Manager & Company Secretary

Chandan Saboo

Chief Financial Officer

Place : Gurugram

Date : April 23, 2024

Place: Kolkata

Date: April 23, 2024

Statement of changes in equity for the period from July 28, 2023 to March 31, 2024
(Rupees in Lakhs unless specified otherwise)

A. Equity Share Capital

	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
For the period from July 28, 2023 to March 31, 2024	–	8,300	8,300

B. Other Equity

	Reserves and Surplus Retained Earnings	Total
Balance as at beginning of the period		
Profit for the period	110.52	110.52
Other Comprehensive Income (net of tax)	–	–
Total Comprehensive Income for the period	110.52	110.52
Balance as at March 31, 2024	110.52	110.52

Retained Earnings: This Reserve represents the cumulative profits that the Company has earned till date. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

On behalf of the Board of Directors

Sanjay Vij

Partner

Membership Number: 095169

Karthik Bhanu

Director

(DIN:10260028)

Rajesh Poddar

Director

(DIN:00297605)

Diwaker Dinesh

Manager & Company Secretary

Chandan Saboo

Chief Financial Officer

Place : Gurugram

Date : April 23, 2024

Place: Kolkata

Date: April 23, 2024

Statement of Cash Flows for the period from July 28, 2023 to March 31, 2024
(Rupees in Lakhs unless specified otherwise)

Sl. No.	Particulars	For the period from July 28, 2023 to March 31, 2024	
A.	Cash Flow from Operating Activities		
	Profit Before Tax		147.69
	Adjustments to reconcile profit before tax to net cash flows :		
	Interest Income	(416.64)	(416.64)
	Operating loss before working capital changes		(268.94)
	Working capital adjustments :		
	Other financial liabilities	221.01	
	Other current liabilities	6.40	
	Other current assets	(33.99)	193.43
	Cash generated from / (used in) operations		(75.51)
	Income Tax Paid		(93.77)
	Net cash generated from / (used in) operating activities		(169.29)
B.	Cash Flow from Investing Activities :		
	Investment in bank deposits (original maturity more than 3 months)	(8,250.00)	
	Interest Received	43.61	
	Redemption/maturity of bank deposits	100.00	
	Net cash generated from / (used in) investing activities		(8,106.39)
C.	Cash Flow from Financial Activities :		
	Proceeds from issue of share capital	8,300.00	
	Net Cash generated from/ (used in) Financing Activities		8,300.00
	Net Increase In Cash and cash equivalents		24.32
	Opening Cash and cash equivalents		-
	Closing Cash and cash equivalents		24.32

Note:

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the IndAS - 7 Cash Flow Statements.

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sanjay Vij

Partner

Membership Number: 095169

On behalf of the Board of Directors

Karthik Bhanu

Director

(DIN:10260028)

Rajesh Poddar

Director

(DIN:00297605)

Diwaker Dinesh

Manager & Company Secretary

Chandan Saboo

Chief Financial Officer

Place : Gurugram

Date : April 23, 2024

Place: Kolkata

Date: April 23, 2024

Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

1. Corporate information

ITC Hotels Limited (CIN No. U55101WB2023PLC263914), a 100% subsidiary of ITC Limited, is a public Company domiciled in India and is incorporated under the provision of the Companies Act, 2013. The registered office of the Company is located at Kolkata, West Bengal, India. These are the first financial statements of the company. Accordingly, no comparative information has been provided.

2. Material accounting policies

(i) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

(ii) Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair values. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

(iii) Operating Cycle

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

a) Financial Assets

Recognition: Financial assets include Cash and Cash Equivalents, Other Bank Balances, and other financial assets. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in the fair value, interest income and dividend income, if any are recognised under 'Other Income' in the Statement of Profit and Loss in the period in which they arise. Cash and cash equivalents, Other Bank Balances and Other financial assets etc. are classified for measurement at amortised cost.

De-recognition: Financial assets are de-recognised when the right to receive cash flows from the assets has expired, or has been transferred and the Company has transferred

substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income recognition: Interest income from financial assets is recognised in profit or loss using effective interest rate method.

b) Financial Liabilities

Other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

c) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(v) Employee BenefitsShort-term benefits

Short term employee benefits are expenses in the period in which the employee renders the related service on an undiscounted basis. A liability is recognized for the amount expected to be paid within twelve months, if the company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

(vi) Taxes

Taxes on income comprises of current taxes and deferred taxes.

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates enacted or substantively enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

The 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.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

(vii) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3. Use of Estimates and Judgements

There are no significant accounting judgements, estimates and assumptions made by the Company for the purpose of preparation of these financial statements.

Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

4. Deferred tax assets (Net)			As at March 31, 2024			
Deferred tax assets			47.52			
TOTAL			47.52			
Movement in deferred tax (liabilities) / assets balances						
	As at July 28 2023	Recognized in profit or loss	As at March 31, 2024			
Deferred tax assets / liabilities in relation to:						
Other timing differences	—	47.52	47.52			
Total deferred tax assets		47.52	47.52			
Total deferred tax liabilities	—	—	—			
Deferred tax assets (net)	—	47.52	47.52			
5. Income tax assets (net)			As at March 31, 2024			
Advance income tax (net of provisions)			9.08			
TOTAL			9.08			
6. Cash and cash equivalents @			As at March 31, 2024			
Balances with Banks						
Current account			24.32			
TOTAL			24.32			
@ Cash and cash equivalents include cash at bank. The Company does not have any significant cash and cash equivalents that are not available for use.						
7. Other bank balances			As at March 31, 2024			
In deposit accounts *			8,150.00			
TOTAL			8,150.00			
* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from Balance Sheet Date.						
8. Other financial assets			As at March 31, 2024			
Unsecured						
a) Interest accrued on deposits with bank			373.02			
TOTAL			373.02			
As at March 31, 2024						
9. Other current assets						
Balances with statutory authorities			33.99			
TOTAL			33.99			
10. Equity share capital		As at March 31, 2024 (No. of Shares)	As at March 31, 2024			
a. Authorised share capital						
Equity Shares of ₹ 1.00 each		2,50,00,00,000	25,000.00			
b. Issued, Subscribed and fully paid-up equity shares						
Equity Shares of ₹ 1.00 each issued, subscribed and fully paid		83,00,00,000	8,300.00			
A) Reconciliation of the equity shares outstanding		As at March 31, 2024 (No. of Shares)	As at March 31, 2024			
As at beginning of the period		—	—			
Add: Issued during the period		83,00,00,000	8,300.00			
As at end of the period		83,00,00,000	8,300.00			
B) Shareholders holding more than 5% of the Shares in the Company		As at March 31, 2024 (No. of Shares)	As at March 31, 2024 (% holding)			
ITC Limited, the Holding Company, jointly with its nominees		83,00,00,000	100%			
C) Shares held by holding company and its nominees		As at March 31, 2024 (No. of Shares)	As at March 31, 2024			
ITC Limited, the Holding Company		82,99,99,994	8,300.00			
ITC Limited, the Holding Company jointly with its nominees		6	0.00			
D) Shareholding of promoters						
Particulars	Promoter Name	As at March 31, 2024				
		No. of shares as at beginning of the period	Change during the year	No. of shares as at end of the period	% of Total Shares	% change during the period
Equity Shares of ₹ 1.00 each, fully paid	ITC Limited	—	83,00,00,000	83,00,00,000	100%	100%
Total		—	83,00,00,000	83,00,00,000	100%	100%

E) Equity Shares allotted as fully paid pursuant to contract(s) without payment being received in cash or as fully paid up Bonus Shares during the period of five years immediately preceding 31st March : Nil

F) Rights, preferences and restrictions attached to the Equity Shares

The equity shares of company, having par value of ₹ 1.00 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

11. Other financial liabilities - current	As at March 31, 2024
Others (liability for expenses, payable to holding company)*	221.01
TOTAL	221.01
*Refer Note 15	
12. Other current liabilities	As at March 31, 2024
Statutory liabilities	6.40
TOTAL	6.40
13. Other income	For the period from July 28, 2023 to March 31, 2024
Interest income	416.64
TOTAL	416.64
Interest income comprises interest from:	
Deposits with banks - carried at amortised cost	416.64
TOTAL	416.64
14. Employee benefits expense	For the period from July 28, 2023 to March 31, 2024
Remuneration of managers' salary on deputation	79.06
TOTAL	79.06
15. Other Expenses	For the period from July 28, 2023 to March 31, 2024
Rates and taxes	188.83
Miscellaneous expenses	1.06
TOTAL	189.88
Miscellaneous expenses include	
Payment to statutory auditors	
Audit fees*	1.00
TOTAL	1.00
*excluding taxes	
16. Income tax expenses	For the period from July 28, 2023 to March 31, 2024
A. Amount recognised in profit or loss	
Current tax	
Income tax for the period	84.69
Total current tax	84.69
Deferred tax	
Deferred tax for the period	(47.52)
Total deferred tax	(47.52)
Total tax expenses	37.17
B. Reconciliation of effective tax rate	
The income tax expense for the period can be reconciled to the accounting profit as follows:	
Profit before tax	147.69
Income tax expense calculated at 25.168%	37.17
Income tax recognised in profit or loss	37.17
The tax rate of 25.168% (22% + surcharge @10% and cess @4%) used for the year 2023-24 is the corporate tax rate applicable on taxable profits under the Income-tax Act, 1961.	
17. Earnings per share:	For the period from July 28, 2023 to March 31, 2024
Earnings per share has been computed as under:	
(a) Profit for the period (₹ in Lakhs)	110.52
(b) Weighted average number of Equity shares outstanding for the purpose of basic earnings per share	79,65,32,258
(c) Effect of potential Equity shares on Employee Stock Options outstanding	–
(d) Weighted average number of Equity shares in computing diluted earnings per share [(b) + (c)]	79,65,32,258
(e) Earnings per share on profit for the period (Face Value ₹ 1.00 per share)	
– Basic [(a) / (b)] (in ₹)	0.01
– Diluted [(a) / (d)] (in ₹)	0.01

Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

18. Financial Ratios

Ratio	Numerator	Denominator	March 31, 2024	Remarks
Current Ratio (in times)	Current Assets	Current Liabilities	37.73	Company was incorporated in the current year, hence no comparative period information is provided.
Return on Equity (in %)	Profit for the period	Shareholders' Equity	1.31%	

The following financial ratios are not applicable to the Company

Trade Receivable Turnover Ratio
Trade Payable Turnover Ratio
Net Capital Turnover Ratio
Net Profit Ratio
Return on Capital Employed
Return on investment
Debt Service Coverage Ratio
Debt - Equity Ratio
Inventory Turnover Ratio

19. Related Party Disclosures

A. Names of related parties and description of relationship:

(a) Holding Company	ITC Limited
(b) Key Management Personnel	Mr. Rajesh Poddar - Non-Executive Director (w.e.f. July 28, 2023) Mr. Mayur Dogra - Non-Executive Director (w.e.f. July 28, 2023) Mr. Ushasi Das - Non-Executive Director (w.e.f. July 28, 2023) Mr. Karthik Bhanu - Non-Executive Director (w.e.f. July 28, 2023) Mr. Chandan Saboo - Chief Financial Officer (w.e.f. September 11, 2023) Mr. Diwaker Dinesh - Company Secretary & Manager (w.e.f. September 11, 2023)

**For the period from July 28
2023 to March 31, 2024**

B. Summary of transactions with the above related parties is as follows:

(a) Holding Company	
Issue of equity shares	8,300.00
Remuneration of managers on deputation reimbursed#	63.05
Reimbursement of Expenses incurred on behalf of the company (rates and taxes)	222.81

Out of the above, ₹ 34.44 Lakhs is attributable to the Manager & Company Secretary of the Company and ₹ 25.84 lakhs is attributable to the Chief Financial Officer of the Company.

C. Disclosure of outstanding balances:

As at March 31, 2024

Others financial liabilities - ITC Limited (unsecured)	204.09

20. Financial instruments and related disclosures

a. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return of the stakeholders through optimum fund utilization. The Company does not have any long-term debt obligation and funds its operations mainly through equity share capital as detailed in Statement of Changes in Equity. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value. Further, the Company is not exposed to any externally imposed capital requirements.

b. Categories of Financial Instrument

As at March 31, 2024

	<u>Carrying Value</u>	<u>Fair Value</u>
A. Financial Assets		
Measured at amortised cost		
Cash and cash equivalents	24.32	24.32
Other bank balances	8,150.00	8,150.00
Other financial assets	373.03	373.03
B. Financial Liabilities		
Measured at amortised cost		
Other financial liabilities	221.01	221.01

c. Financial Risk Management Objectives

The Company's exposure to financial risks such as market risk, foreign currency risk, liquidity risk and credit risk is limited. The Company has designed its Risk Management System in line with the nature and scale of its operations to address risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

i) Market risk

The Company is not an active investor in Equity market. The Company's investments are predominantly held in fixed deposits with banks. Fixed deposits are held with highly rated banks and are not subject to interest rate volatility

ii) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As majority of the financial assets and liabilities of the Company are either short term or fixed interest-bearing instruments, the Company's net exposure to interest risk is negligible.

Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

iii) Foreign currency risk

The Company has not undertaken any transactions during the period in any currency other than the company's functional currency.

iv) Liquidity risk

The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date

	As at March 31, 2024 Other Financial after Liabilities
Carrying Value	221.01
Less than 3 months	221.01
More than 3 months up to 6 months	—
More than 6 months up to 1 year	—
More than 1 year	—
Total	221.01

* The table has been drawn up based on the earliest date on which the Company can be required to pay

(v) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company. There is no significant credit risk in the year as the Company has not started sales operations.

21. (i) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the period and also as at March 31, 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

Particulars	As at March 31, 2024
i. the principal amount remaining unpaid to any supplier as at the end of accounting year (Trade payable and payable to creditors for capital expenditure);	—
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	—
iii. the amount of interest paid by the buyer in terms of Section 16 of MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during accounting year;	—
iv. the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	—
v. the amount of interest accrued during the year and remaining unpaid at the end of the accounting year and,	—
vi. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006.	—

(ii) Segment Reporting

The company is yet to start commercial operations as on March 31, 2024, hence, there is no reportable business segment as per Indian Accounting Standard - IndAS 108 "Segment Reporting".

(iii) The Company does not have any contingent liabilities as at March 31, 2024.

(iv) Corporate social responsibility (CSR)

The Company is not required to spend Corporate Social Responsibility (CSR) expenditure under the provision of Section 135 of the Companies Act, 2013 during the year.

(v) The Board of Directors of the Company at its meeting held on August 14, 2023 has, subject to necessary approvals, approved a Scheme of Arrangement amongst ITC Limited ('Demerged Company') and ITC Hotels Limited ('Resulting Company' or 'Company') and their respective shareholders and creditors under Section 230 to 232 read with the other applicable provisions of the Companies Act, 2013 ('Scheme'). The Scheme, inter alia, provides for demerger of the Demerged Undertaking comprising the Hotels Business (as defined in the Scheme) of ITC Limited into ITC Hotels Limited. Upon the Scheme becoming effective, the Demerged Undertaking shall be transferred to the Company on a going concern basis and in consideration thereof, ITC Hotels Limited shall issue and allot 1 Equity Share of face and paid-up value of Re. 1/- each for every 10 Ordinary Shares of face and paid-up value of Re. 1/- each held by the Shareholders in ITC Limited. All the Equity Shares of the Company will be listed and/or admitted to trading on the National Stock Exchange of India Limited and BSE Limited, which have nation-wide trading terminals. The Scheme shall be effective from the Appointed Date and shall be operative from the Effective Date.

The Scheme is subject to requisite approvals, including approval of the National Company Law Tribunal, Kolkata Bench. Accordingly, no accounting effect in respect of the Scheme has been given in these financial statements.

(vi) The financial statements of the company were approved for issue by the Board of Directors on 23rd April, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

As per report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

On behalf of the Board of Directors

Sanjay Vij

Partner

Membership Number: 095169

Karthik Bhanu

Director

(DIN:10260028)

Rajesh Poddar

Director

(DIN:00297605)

Diwaker Dinesh

Manager & Company Secretary

Chandan Saboo

Chief Financial Officer

Place : Gurugram

Date : April 23, 2024

Place: Kolkata

Date: April 23, 2024

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their Report for the financial year ended 31st March, 2024.

2. **COMPANY PERFORMANCE**

The Company's business activities comprise fabrication and assembly of machinery for tube filling, cartoning, wrapping, material handling including conveyor solutions, and engineering services for the FMCG and Pharmaceutical industries.

The Company's order book for machines, during the year, remained muted amidst a challenging operating environment. The Revenue from Operations of your Company for the year stood at ₹ 347.46 lakhs (previous year: ₹ 1,146.39 lakhs) with Net Loss of ₹ 187.91 lakhs (previous year Profit: ₹ 16.49 lakhs).

The Company continues to focus on developing superior solutions towards addressing customer requirements.

3. **DIVIDEND**

In view of the accumulated losses, your Directors are unable to recommend any dividend for the year under review.

4. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- (a) **Changes in Directors and Key Managerial Personnel**

During the year, Mr. Samir Vijay Limaye (DIN: 01757813) was re-appointed, with your consent, as the Wholetime Director of the Company, for a period of two years with effect from 7th June, 2023 or upon completion of his period of deputation from ITC Limited, the Holding Company, whichever is earlier.

The appointment of Mr. Limaye is governed by the resolutions passed by the Board of Directors ('the Board') and the shareholders of the Company. The statutory provisions apply with respect to notice period and severance fee.

There were no other changes in the composition of the Board and Key Managerial Personnel of your Company during the year.

- (b) **Retirement by Rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with the Articles of Association of the Company, Mr. Chitranjan Dua (DIN: 00036080) and Mr. Dipak Kumar Dutta (DIN: 00078772), Directors, will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company, and being eligible, offer themselves for re-election. Your Board has recommended their re-election.

5. **SHIFTING OF REGISTERED OFFICE**

It may be recalled that the Company had filed an application with the Regional Director - Western Region, Ministry of Corporate Affairs, Government of India, for shifting of its Registered Office from the 'State of Maharashtra' to the 'State of West Bengal', in terms of the provisions of the Act read with the Companies (Incorporation) Rules, 2014.

During the year under reference, the Regional Director - Western Region, vide Order dated 19th May, 2023, confirmed alteration of Clause II of the Memorandum of Association of the Company relating to Registered Office, as stated above. Upon completion of necessary formalities, effective 9th June, 2023, the Registered Office of the Company has been shifted to Kolkata, West Bengal.

6. **BOARD MEETINGS**

Four meetings of the Board were held during the year ended 31st March, 2024.

7. **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134 of the Act, your Directors confirm having:

- (i) followed in the preparation of the Annual Accounts for the financial year ended 31st March, 2024, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- (ii) selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) prepared the Annual Accounts on a going concern basis; and
- (v) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

8. **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Company does not have any subsidiary, associate or joint venture.

9. **PARTICULARS OF EMPLOYEES**

The relations between your Company and its employees continued to remain cordial during the year under review. The details of top ten employees of the Company in terms of remuneration drawn, as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the **Annexure** to this Report.

The Company seeks to enhance equal opportunities for men and women and is committed to a gender-friendly workplace. Your Company has constituted an Internal Complaints Committee in compliance with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint for sexual harassment was received.

10. **RISK MANAGEMENT**

The Company's risk management framework addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

Management of risks vests with the executive management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. The Internal Auditors of the Company, appointed by the Board, periodically carry out risk focused audits with the objective of identifying areas where risk management processes could be further strengthened. The Board annually reviews the effectiveness of the Company's risk management systems and policies.

A combination of policies and processes, as outlined above, adequately addresses the various risks associated with the Company's business.

11. **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations. The Internal Auditors of the Company periodically evaluate the adequacy and effectiveness of such internal financial controls. The Board provides guidance on internal controls, and also reviews internal audit findings and implementation of internal audit recommendations.

During the year, the internal financial controls in the Company with respect to the financial statements were tested and no material weakness in the design or operation of such controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes are undertaken to ensure that such systems are reinforced on an ongoing basis.

12. **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the year ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

13. **RELATED PARTY TRANSACTIONS**

During the year under review, all related party transactions (RPTs) entered into by the Company were in the ordinary course of business and at arm's length. Further, the disclosure of RPTs in Form No. AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable for this year.

14. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS**

During the year under review, no significant or material orders were passed by the Regulator / Courts / Tribunals impacting the going concern status of the Company and its future operations.

15. **COST RECORDS**

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

16. **STATUTORY AUDITORS**

The Company's Statutory Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants, will complete their present term on conclusion of the ensuing 101st AGM of the Company.

Pursuant to Section 139 of the Act, your Board has recommended for the approval of the Members, the appointment of Messrs. M. Anandam & Co., Chartered Accountants, as the Statutory Auditors of the Company for a period of five years from the conclusion of the ensuing 101st AGM till the conclusion of the 106th AGM. The Board has also recommended pursuant to Section 142 of the Act, for the approval of the Members, the remuneration of Messrs. M. Anandam & Co. for the financial year 2024-25. Appropriate resolution seeking your approval to the appointment and remuneration of Messrs. M. Anandam & Co. as the Statutory Auditors is appearing in the Notice convening the 101st AGM of the Company.

17. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's operations do not involve substantial consumption of power in comparison to the costs of production. However, the Company takes due care to efficiently utilise and manage energy resources resulting in cost savings. The Company also continuously works on productivity improvements during fabrication and assembly of machinery for various customers.

During the year under review, no new technology was adopted by the Company. There has been no foreign exchange earnings or outflow during the year.

19. ACKNOWLEDGEMENT

The Board acknowledges the support of the Government, shareholders, banks, customers, suppliers and business associates, and the dedication and hard work of its employees.

On behalf of the Board

D. Ashok
Chairman
(DIN: 02009735)

S. V. Limaye
Wholtime Director
(DIN: 01757813)

Dated: 3rd May, 2024

Annexure to the Report of the Board of Directors for the financial year ended 31st March, 2024

[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Names of employees	Age (Years)	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of employment	Previous Employment
1	2	3	4	5	6	7	8	9
Y. V. Potdar	46	Manager - Purchase	8,57,717/-	7,90,436/-	Diploma in Mechanical Engineering	25	13.08.2018	Factory Head - Wraptech Private Limited
V. S. Jadhav	49	Manager - Accounts	6,33,673/-	5,80,872/-	B.Com.	28	05.02.2006	Accounts Assistant - Fudkor India Private Limited
G. S. Patil	37	Manager - Service	5,49,780/-	5,25,780/-	B.E. (Instruments)	15	17.07.2017	Service Engineer - Sipa India Private Limited
K. Sudhansu	37	Sales Manager	4,83,445/-	4,11,444/-	B.Tech., P.G.D.M.	12	14.04.2015	Sales Engineer - Memory Repo System Private Limited
L. G. Patil	45	Assistant Manager - Service	4,11,168/-	4,04,362/-	H.S.C., ITI	24	24.09.2007	Maintenance Foremen - Global Healthcare
J. Y. Fegade	52	Electrician	4,36,438/-	3,92,020/-	SSC, National Council for Vocational Training (NCVT) - ITI	32	15.09.1992	-
S. Shrikant	50	Technician	3,83,455/-	3,44,745/-	SSC, NCVT - ITI	28	01.02.1997	-
P. D. Medidar	57	Technician	3,68,489/-	3,31,079/-	SSC, NCVT - ITI	37	01.12.1986	-
S. T. Yamnolu	53	Clerk	3,64,613/-	3,21,614/-	H.S.C.	27	01.04.1997	-
V. R. Upper	50	Technician	3,53,806/-	3,02,790/-	SSC, NCVT - ITI	28	01.07.1996	-

Notes:

- Gross remuneration includes salary, variable pay / performance bonus, allowances & other benefits / applicable perquisites borne by the Company, except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less tax deducted at source and employee's own contribution to provident fund.
- All appointments are contractual in accordance with terms and conditions as per the Company's rules.
- The aforesaid employees are neither relative of any Director of the Company nor hold any equity share in the Company.

On behalf of the Board

D. Ashok
Chairman
(DIN: 02009735)

S. V. Limaye
Wholtime Director
(DIN: 01757813)

Dated: 3rd May, 2024

INDEPENDENT AUDITOR'S REPORT**To the Members of WIMCO Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of WIMCO Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the 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 conclusion thereon.
- In connection with our audit of the 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 during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 financial statements, management and Board of Directors 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and

according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 25 (v) to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.(a) The Management has represented that, to the best of its knowledge and belief, no funds 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds 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, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
 - vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.3020092E)

Ketan Vora
Partner

(Membership No. 100459)
UDIN : 24100459BKFATG7392

Place: Mumbai
Date : May 3, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of WIMCO Limited (the "Company") as at March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements 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 the 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 with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 3020092E)

Ketan Vora
Partner

Place: Mumbai
Date : May 3, 2024

(Membership No. 100459)
UDIN : 24100459BK FATG7392

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has no intangible assets.
- (b) The Property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, disclosed in the financial statements included in property, plant and equipment, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of Section 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanation given to us, in respect of Statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the Amount Relates	Forum where Dispute is Pending
Goods and Service Tax Act, 2017	GST	19.94	FY 2019-20	GST Appellate Authority

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3 (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x) (b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, 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) The Company is not required by statute to implement vigil mechanism under Companies Act, hence reporting under clause (xi) (c) of the Order is not applicable.
- (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 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) In our opinion the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act, 2013.
- (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,b,c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs. 183.84 Lakhs in the financial year covered by our audit but had not incurred cash losses 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 realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) The Company does not prepare consolidated financial statement and hence clause 3 (xxi) is not applicable.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.3020092E)

Ketan Vora
Partner

Place: Mumbai
Date : May 3, 2024

(Membership No. 100459)
UDIN : 24100459BKFATG7392

CIN -U24291WB1923PLC264251

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2024

	Note	As at 31st March, 2024 (₹ in Lakhs)	As at 31st March, 2023 (₹ in Lakhs)
ASSETS			
Non-current assets			
a) Property, Plant and Equipment	1A	58.37	59.69
b) Deferred Tax Assets (net)	2	–	–
c) Other non-current assets	3	25.45	32.22
Total Non-current assets		83.82	91.91
Current assets			
a) Inventories	4	26.46	200.36
b) Financial Assets			
i) Investments	5	50.07	100.21
ii) Trade receivables	6	18.43	122.61
iii) Cash and cash equivalents	7	44.41	195.27
iv) Other Bank Balance	8	12.84	31.58
c) Other current assets	3	5.31	3.03
Total Current assets		157.52	653.06
Total Assets		241.34	744.97
EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	9	1,850.81	1,850.81
b) Other Equity		(2,356.29)	(2,163.02)
		(505.48)	(312.21)
Liabilities			
Non-current liabilities			
a) Financial Liabilities			
(i) Borrowings	10	–	500.00
(ii) Other Financial Liabilities	11	–	1.36
b) Provisions	12	3.81	2.32
Total Non-current liabilities		3.81	503.68
Current liabilities			
a) Financial Liabilities			
(i) Borrowings	10	500	–
(ii) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises			
Total outstanding other than dues of Micro Enterprises and Small Enterprises (Refer Note 24(vii))		14.53	244.76
(iii) Other financial liabilities	11	216.84	179.12
b) Other current liabilities	13	11.42	129.43
c) Provisions	12	0.22	0.19
Total Current liabilities		743.01	553.50
Total Equity and Liabilities		241.34	744.97

The accompanying notes 1 to 27 are an integral part of the Financial Statements.
In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

KETAN VORA

Partner

(Membership No. 100459)

Place : Mumbai
Date : 03.05.2024

D. ASHOK
Chairman
DIN : 02009735

Place : Kolkata
Date : 03.05.2024

S K SIPANI
Company Secretary

Place : Chennai
Date : 03.05.2024

For and on behalf of the Board

SAMIR V LIMAYE
Wholetime Director
DIN : 01757813

Place : Ambarnath
Date : 03.05.2024

SHARAD MUNDRA
Chief Financial Officer

Place : Chennai
Date : 03.05.2024

CIN - U24291WB1923PLC264251

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Note	For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
I Revenue From Operations	14	347.46	1,146.39
II Other Income	15	10.44	10.03
III Total Income (I+II)		357.90	1,156.42
IV EXPENSES			
Cost of materials consumed		164.21	595.10
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	16	109.69	(25.65)
Employee benefits expense	17	89.43	265.78
Finance costs	18	45.00	45.00
Depreciation and amortization expense	1A & 1B	1.32	2.91
Other expenses	19	136.16	256.79
Total expenses (IV)		545.81	1,139.93
V Profit before tax (III- IV)		(187.91)	16.49
VI Tax expense	20	—	—
VII Profit for the year (V-VI)		(187.91)	16.49
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss:			
— Remeasurements of defined benefit plans		(5.36)	4.19
(ii) Income tax relating to items that will not be reclassified to profit or loss		—	—
IX Other Comprehensive Income		(5.36)	4.19
X Total Comprehensive Income for the year (VII+IX)		(193.27)	20.68
XI Earnings per equity share (Face Value ₹ 1.00 each)	21		
Basic (in ₹)		(0.10)	0.01
Diluted (in ₹)		(0.10)	0.01

The accompanying notes 1 to 27 are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

KETAN VORA

Partner

(Membership No. 100459)

Place : Mumbai
Date : 03.05.2024**D. ASHOK**

Chairman

DIN : 02009735

Place : Kolkata
Date : 03.05.2024**S K SIPANI**

Company Secretary

Place : Chennai
Date : 03.05.2024

For and on behalf of the Board

SAMIR V LIMAYE

Wholetime Director

DIN : 01757813

Place : Ambarnath
Date : 03.05.2024**SHARAD MUNDRA**

Chief Financial Officer

Place : Chennai
Date : 03.05.2024

CIN - U24291WB1923PLC264251

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

	For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
A. Cash flow from operating activities		
Profit / (Loss) before Tax	187.91	16.49
Adjustments for:		
Depreciation and amortisation Expense	1.32	2.91
Finance Cost	45.00	45.00
Interest Income	(1.93)	(1.34)
Doubtful and Bad debts	1.30	0.66
Doubtful and Bad advances	1.52	4.61
Net (gain)/loss arising on investments mandatorily measured at fair value through profit or loss	(8.51)	(7.56)
Operating Profit/(loss) before working capital changes	(149.21)	60.77
Adjustments for:		
Trade receivables	102.88	(34.09)
Other Current and Non Current Assets	2.97	(1.98)
Inventories	173.90	(31.14)
Trade Payables, Other Financial Liabilities & Provisions	(360.72)	59.73
Cash (used in) / generated from operations before taxation	(230.18)	(53.29)
Income tax paid (net of refunds)	—	—
Net cash (used in) / generated from operations	(230.18)	53.29
B. Cash flow from investing activities		
Interest received	2.14	0.69
Purchase of Property Plant and Equipment	—	(0.97)
Redemption/(Investment) in Mutual Fund	58.44	107.43
Maturity /(Investment) in bank deposit (original maturity more than 3 months)	18.74	—
Net cash (used in) / generated from investing activities	79.32	107.15
C. Cash flow from financing activities		
Interest Paid	—	—
Reduction of Share Capital (Refer Note 24(vi))	—	—
Net cash (used in) / generated from financing activities	—	—
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	(150.86)	160.44
E. Reconciliation		
Cash and cash equivalents at the beginning of the period	195.27	34.83
Cash and cash equivalents at the end of the period	44.41	197.27
	(150.86)	160.44
Cash and cash equivalents		
Cash and cash equivalents as above	44.41	195.27
Cash Credit Facility (Note 10)	—	—
Cash and Cash Equivalent (Note 7)	44.41	195.27

Note : The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 - "Statement of Cash Flows"

The accompanying notes 1 to 27 are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

KETAN VORA

Partner

(Membership No. 100459)

Place : Mumbai
Date : 03.05.2024

D. ASHOK

Chairman

DIN : 02009735

Place : Kolkata
Date : 03.05.2024

S K SIPANI

Company Secretary

Place : Chennai
Date : 03.05.2024

For and on behalf of the Board

SAMIR V LIMAYE

Wholtime Director

DIN : 01757813

Place : Ambarnath
Date : 03.05.2024

SHARAD MUNDRA

Chief Financial Officer

Place : Chennai
Date : 03.05.2024

CIN - U24291WB1923PLC264251

STATEMENT OF STANDALONE CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity Share Capital (₹ in Lakhs)

Balance as on 1st April, 2023	Changes in equity share capital during the current year	Balance as on 31st March, 2024
1,850.81	–	1,850.81

Balance as on 1st April, 2022	Changes in equity share capital during the current year	Balance as on 31st March, 2023
1,850.81	–	1,850.81

#Refer note 25(vi) for reduction of Equity Share Capital

B. Other Equity (₹ in Lakhs)

	Reserves and Surplus			Total
	Subsidy Reserve *	Capital Contribution for Share Based Payments	Retained Earnings	
Balance as at 1st April, 2023	14.93	66.52	(2,244.47)	(2,163.02)
Profit for the period	–	–	(187.91)	(187.91)
Other Comprehensive Income (net of Tax)	–	–	(5.36)	(5.36)
Total Comprehensive Income	–	–	(193.27)	(193.27)
Recognition of share based payment	–	–	–	–
Transfer from Capital Contribution for Share Based Payments on lapse	–	–	–	–
Balance as at 31st March, 2024	14.93	66.52	(2,437.74)	(2,356.29)

	Reserves and Surplus			Total
	Subsidy Reserve *	Capital Contribution for Share Based Payments	Retained Earnings	
Balance as at 1st April, 2022	14.93	66.52	(2,265.15)	(2,183.70)
Profit for the period	–	–	16.49	16.49
Other Comprehensive Income (net of Tax)	–	–	4.19	4.19
Total Comprehensive Income	–	–	20.68	20.68
Recognition of share based payment	–	–	–	–
Transfer from Capital Contribution for Share Based Payments on lapse	–	–	–	–
Balance as at 31st March, 2023	14.93	66.52	(2,244.47)	(2,163.02)

* Represents receipt of subsidy from government

The accompanying notes 1 to 27 are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

KETAN VORA

Partner

(Membership No. 100459)

Place : Mumbai

Date : 03.05.2024

D. ASHOK

Chairman

DIN : 02009735

Place : Kolkata

Date : 03.05.2024

S K SIPANI

Company Secretary

Place : Chennai

Date : 03.05.2024

For and on behalf of the Board

SAMIR V LIMAYE

Wholesale Director

DIN : 01757813

Place : Ambarnath

Date : 03.05.2024

SHARAD MUNDRA

Chief Financial Officer

Place : Chennai

Date : 03.05.2024

Notes to standalone financial statement for the year ended 31st March, 2024

Particulars	Gross Block							Depreciation and Amortisation			Net Book Value	
	As at 31st March, 2022	Addition	On withdrawals and adjustments	As at 31st March, 2023	Addition	On withdrawals and adjustments	As at 31st March, 2024	For the period	On withdrawals and adjustments	Upto 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
1A. Property, plant and equipment - owned												
Land Freehold	47.92	-	-	47.92	-	-	47.92	-	-	-	47.92	47.92
Buildings	10.63	-	-	10.63	-	-	10.63	0.25	-	3.21	7.62	7.67
Plant and Equipment	4.72	-	-	4.72	-	-	4.72	0.72	-	3.49	1.23	1.54
Computers	19.78	0.97	-	20.75	-	-	20.75	0.31	-	19.53	1.22	1.53
Office Equipment	5.00	-	-	5.00	-	-	5.00	-	-	4.89	0.11	0.11
Furniture and Fixtures	2.93	-	-	2.93	-	-	2.93	0.05	-	2.81	0.12	0.16
Vehicles	4.51	-	-	4.51	-	-	4.51	-	-	4.15	0.36	0.36
Total	95.49	0.97	-	96.46	-	-	96.46	1.32	-	38.08	58.37	59.69
1B. Intangible Assets												
Computer Software	18.12	-	-	18.12	-	-	18.12	-	-	18.12	-	-
Total	18.12	-	-	18.12	-	-	18.12	-	-	18.12	-	-
Grand Total	113.61	0.97	-	114.58	-	-	114.58	1.32	-	56.20	58.37	59.69

	As at 31st March, 2024 (₹ in Lakhs)	As at 31st March, 2023 (₹ in Lakhs)
2. Deferred tax Assets (Net)		
Deferred tax liabilities		
On difference between book balance and tax balance of Property Plant and Equipment	-	-
On other timing differences	0.02	0.05
Sub-Total	0.02	0.05
Deferred tax assets		
On difference between book balance and tax balance of Property Plant and Equipment	1.81	2.28
Unabsorbed depreciation carried forward	28.04	30.25
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	0.63	0.63
Provision for doubtful debts, advances and diminution in value of Investments.	10.37	7.22
Brought forward business losses	115.89	114.30
Sub-Total	156.74	154.69
Total	-	-

Deferred tax asset has been recognized only to the extent of the deferred tax liabilities as this amount is considered to be reasonably certain of realization.

The Company has tax losses of ₹ 460.44 Lakhs (2023 - ₹ 447.63 lakhs) for which no deferred tax assets have been recognised. These losses will expire between financial year 2023-24 to 2028-29.

	As at 31st March, 2024 (₹ in Lakhs)		As at 31st March, 2023 (₹ in Lakhs)	
	Current	Non-Current	Current	Non-Current
3. Other Assets				
Advances other than capital advances				
(i) Advance Tax (net of provisions)	-	25.45	-	32.22
(ii) Other Advances (including advances with statutory authorities, prepaid expenses, suppliers, employees etc.)	5.31	-	3.03	-
TOTAL	5.31	25.45	3.03	32.22

	As at 31st March, 2024 (₹ in Lakhs)	As at 31st March, 2023 (₹ in Lakhs)
4. Inventories		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	26.46	90.67
Work-in-progress	-	109.69
TOTAL	26.46	200.36

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

	Fair Value ₹ (Fully paid unless stated otherwise)	Number	As at 31st March, 2024 (₹ in Lakhs)	Number	As at 31st March, 2023 (₹ in Lakhs)
5. Investments - Current (at fair value through profit or loss, unless stated otherwise)					
INVESTMENT IN MUTUAL FUNDS					
Axis Liquid Fund	1000	1865.58	50.07	Nil	–
1865.58 (2023 - Nil) units of ₹ 1000 each					
Nippon India Liquid Fund	1000	Nil	–	1819.64	100.21
Nil (2023 - 1819.64) Units of ₹1000 each					
TOTAL			<u>50.07</u>		<u>100.21</u>
			As at 31st March, 2024 (₹ in Lakhs)		As at 31st March, 2023 (₹ in Lakhs)
6. Trade Receivables (Current)					
Secured, considered good			–		–
Unsecured, considered good			18.43		122.61
Which have significant increase in credit risk			–		–
Credit Impaired			29.99		28.69
Less: Allowance for credit impairment			29.99		28.69
TOTAL			<u>18.43</u>		<u>122.61</u>

The ageing of Trade Receivables is as under:

As at 31st March, 2024	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
- considered good	17.09	1.34	–	–	–	–	18.43
- which have significant increase in credit risk	–	–	–	–	–	–	–
- credit impaired	–	–	0.85	2.29	1.88	24.97	29.99
Disputed Trade Receivables							
- considered good	–	–	–	–	–	–	–
- which have significant increase in credit risk	–	–	–	–	–	–	–
- credit impaired	–	–	–	–	–	–	–
Sub-Total	17.09	1.34	0.85	2.29	1.88	24.97	48.42
Less : Allowances of Credit Impairment	–	–	–	–	–	–	29.99
Total							<u>18.43</u>

As at 31st March, 2023	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
- considered good	109.32	13.29	–	–	–	–	122.61
- which have significant increase in credit risk	–	–	–	–	–	–	–
- credit impaired	–	–	0.08	3.64	9.88	15.09	28.69
Disputed Trade Receivables							
- considered good	–	–	–	–	–	–	–
- which have significant increase in credit risk	–	–	–	–	–	–	–
- credit impaired	–	–	–	–	–	–	–
Sub-Total	109.32	13.29	0.08	3.64	9.88	15.09	151.30
Less : Allowances of Credit Impairment	–	–	–	–	–	–	28.69
Total							<u>122.61</u>

	As at 31st March, 2024 (₹ in Lakhs)	As at 31st March, 2023 (₹ in Lakhs)
7. Cash and cash equivalents@		
Balances with Banks		
Current Accounts	9.40	45.27
In deposit Accounts	35.01	150.00
Cash on hand	–	–
TOTAL	<u>44.41</u>	<u>195.27</u>

@ Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

The Company does not have any significant cash and cash equivalents that are not available for use.

	As at 31st March, 2024 (₹ in Lakhs)	As at 31st March, 2023 (₹ in Lakhs)
8. Other Bank Balances		
In deposit Accounts*	–	18.74
Earmarked Balances #	12.84	12.84
TOTAL	<u>12.84</u>	<u>31.58</u>

* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

Represents unclaimed amount payable to erstwhile shareholders pursuant to reduction of Equity Share Capital of the Company [refer Note 25(vi)].

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

9. Equity Share capital

	As at 31st Mar 2024 (No. of Shares)	As at 31st Mar 2024 (₹ in Lakhs)	As at 31st Mar 2023 (No. of Shares)	As at 31st Mar 2023 (₹ in Lakhs)
Authorised				
35,00,00,000 (2023: 35,00,00,000) Equity shares of ₹ 1 (2023: ₹ 1) each [see note (D) below]	35,00,00,000	3,500.00	35,00,00,000	3,500.00
1,13,00,000 (2023: 1,13,00,000) Redeemable Preference Shares of ₹ 100 (2023: ₹ 100) each	1,13,00,000	11,300.00	1,13,00,000	11,300.00
Total	36,13,00,000	14,800.00	36,13,00,000	14,800.00
Issued, Subscribed & Paid up*				
18,50,81,193 (2023: 18,50,81,193) Equity shares of ₹ 1 (2023: ₹ 1) each	18,50,81,193	1,850.81	18,50,81,193	1,850.81
5,00,000 (2023: 5,00,000) Redeemable Preference Shares of ₹ 100 (2023: ₹ 100) each (Refer note -10)*	5,00,000	500.00	5,00,000	500.00

*See Note 10 for Redeemable preference shares issued and Note 25 (vi) for reduction in Issued, Subscribed & Paid up Equity Capital of the Company.

	As at 31st Mar 2024 (No. of Shares)	As at 31st Mar 2024 (₹ in Lakhs)	As at 31st Mar 2023 (No. of Shares)	As at 31st Mar 2023 (₹ in Lakhs)
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the period	18,50,81,193	1,850.81	18,50,81,193	1,850.81
Add: Issue of Shares	—	—	—	—
Less: Reduction of Equity Share Capital*	—	—	—	—
As at end of the period	18,50,81,193	1,850.81	18,50,81,193	1,850.81

*Refer note 25(vi) for reduction of Equity Share Capital

	As at 31st Mar 2024 (No. of Shares)	As at 31st Mar 2024 (%)	As at 31st Mar 2023 (No. of Shares)	As at 31st Mar 2023 (%)
B) Shares held by Holding Company				
Equity Shares				
18,50,81,193 (2023: 18,50,81,193) Equity shares of ₹ 1 each, fully paid up are held by ITC Limited (Holding Company)	18,50,81,193	100.00	18,50,81,193	100.00

	As at 31st Mar 2024 (No. of Shares)	As at 31st Mar 2024 (%)	As at 31st Mar 2023 (No. of Shares)	As at 31st Mar 2023 (%)
C) Name of share holders holding more than 5% of the shares of the Company				
Equity Shares				
ITC Limited (Holding Company)	18,50,81,193	100.00	18,50,81,193	100.00

D) Rights, preferences and restrictions attached to the Shares

The Ordinary Shares of the Company, having par value of ₹ 1/- per share, rank pari passu in all respects including entitlement to dividend. Repayment of capital in the event of winding up of the Company will inter alia be subject to the provisions of the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.

	As at 31st Mar 2024 (No. of Shares)	As at 31st Mar 2024 (%)	As at 31st Mar 2023 (No. of Shares)	As at 31st Mar 2023 (%)
E) Shares held by Promoters				
Equity Shares				
ITC Limited (Holding Company)	18,50,81,193	100.00	18,50,81,193	100.00
% Change during the year	—	—	—	—

	As at 31st March, 2024 (₹ in Lakhs)		As at 31st March, 2023 (₹ in Lakhs)	
	Current	Non-Current	Current	Non-Current
10. Borrowings				
Unsecured				
9% Redeemable Preference share capital of ₹ 100 each#	500.00	—	—	500.00
TOTAL	500.00	—	—	500.00

Redeemable non-convertible preference shares have been issued during the FY 2019-20 with a tenure of 5 years and are cumulative in nature. These redeemable preference shares have been considered as borrowing in view of the presentation requirement under Ind AS 32 on Financial Instruments - Presentation.

	As at 31st March, 2024 (₹ in Lakhs)		As at 31st March, 2023 (₹ in Lakhs)	
	Current	Non-Current	Current	Non-Current
11. Other Financial liabilities				
Employee Benefits Payable	7.27	—	11.14	—
Payable to the Holding Company	1.36	—	4.77	1.36
Provision for Preference Share dividend	195.37	—	150.37	—
Others#	12.84	—	12.84	—
TOTAL	216.84	—	179.12	1.36

Represents unclaimed amount payable to erstwhile shareholders pursuant to reduction of Equity Share Capital of the Company [refer Note 25(vi)].

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

	As at 31st March, 2024 (₹ in Lakhs)		As at 31st March, 2023 (₹ in Lakhs)	
	Current	Non-Current	Current	Non-Current
12. Provisions				
Provision for employee benefits (Refer Note 24(iii))				
Retirement benefits	0.22	3.81	1.19	2.32
TOTAL	<u>0.22</u>	<u>3.81</u>	<u>1.19</u>	<u>2.32</u>
13. Other Current Liabilities				
Statutory Liabilities		3.12		30.17
Advances received from customers		3.20		87.39
Others		5.10		11.87
TOTAL		<u>11.42</u>		<u>129.43</u>
		For the year ended 31st March, 2024 (₹ in Lakhs)		For the year ended 31st March, 2023 (₹ in Lakhs)
14. Revenue from operations				
Sale of Products		340.44		730.72
Sale of Services		6.37		415.29
Gross Revenue from sale of products and services		<u>346.81</u>		<u>1,146.01</u>
Other Operating Revenues		0.65		0.38
TOTAL		<u>347.46</u>		<u>1,146.39</u>
		For the year ended 31st March, 2024 (₹ in Lakhs)		For the year ended 31st March, 2023 (₹ in Lakhs)
15. Other income				
Interest Income		1.34		1.34
Other non-operating Income		8.51		7.56
TOTAL		<u>10.44</u>		<u>10.03</u>
		For the year ended 31st March, 2024 (₹ in Lakhs)		For the year ended 31st March, 2023 (₹ in Lakhs)
Other gains and losses:				
Net gain arising on financial assets (Current investments) mandatorily measured at FVTPL*		8.51		7.56
Net Foreign Exchange Gain / (Loss)		—		1.13
TOTAL		<u>8.51</u>		<u>8.69</u>
* Includes ₹ 8.44 Lakhs (2023 - ₹ 7.36 Lakhs) being net gain on sale of investments.				
		For the year ended 31st March, 2024 (₹ in Lakhs)		For the year ended 31st March, 2023 (₹ in Lakhs)
16. Changes in Inventory				
Opening Work-in-progress (A)		109.69		84.04
Closing Work-in-progress (B)		—		109.69
Change in inventories of work-in-progress (A) - (B)		<u>109.69</u>		<u>(25.65)</u>
		For the year ended 31st March, 2024 (₹ in Lakhs)		For the year ended 31st March, 2023 (₹ in Lakhs)
17. Employee benefits expense				
Salaries and wages		73.11		236.92
Contribution to Provident and other funds		5.40		7.79
Share based payment		—		7.77
Staff welfare expenses		10.92		14.00
TOTAL		<u>89.43</u>		<u>265.78</u>
		For the year ended 31st March, 2024 (₹ in Lakhs)		For the year ended 31st March, 2023 (₹ in Lakhs)
18. Finance costs				
Preference Dividend		45.00		45.00
TOTAL		<u>45.00</u>		<u>45.00</u>

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

	For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
19. Other Expenses		
Consumption of stores and spare parts	0.34	0.40
Sub-Contracting Expenses	40.94	75.78
Power and fuel	8.13	10.20
Repairs and Maintenance		
- Buildings	—	2.31
- Machinery	—	0.02
- Others	1.33	2.70
Rates and taxes	1.96	9.45
Insurance	1.07	1.68
Maintenance and upkeep	16.83	15.16
Travelling and conveyance	21.53	47.26
Printing and stationery	1.21	1.14
Freight and forwarding	5.93	19.03
Advertising and sales promotion charges	—	15.72
Bank charges	2.05	1.87
Training and Development	—	0.93
Professional fees	13.08	24.23
Postage and telephone charges	2.52	2.87
Directors' sitting fees	1.20	1.20
Doubtful and Bad debts	1.30	0.66
Doubtful and bad Advances	1.52	4.61
Miscellaneous expenses	15.23	19.56
TOTAL	136.17	256.78

Miscellaneous expenses include :

1) Auditors' remuneration and expenses

Audit fees	1.75	1.75
Tax audit fees	1.00	1.00
Others	—	—

	For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
20. Tax Expenses		
Current Tax	—	—
TOTAL	—	—
	For the year ended 31st March, 2024 (₹ in Lakhs)	For the year ended 31st March, 2023 (₹ in Lakhs)
21. Earnings per share		
Profit/ (Loss) after tax, attributable to equity shareholders (A)	(187.91)	16.49
Weighted average number of Equity Shares (B)	18,50,81,193	18,50,81,193
Earnings per share - Basic & Diluted (in ₹) (A / B)	(0.10)	0.01
Nominal value of an equity share (in ₹)	1.00	1.00

22 Segment Reporting**A. Information about primary business segments :**

The company's operations comprise of only one segment i.e. Fabrication/Assembly of Machines and allied services and is consistent with the internal reporting provided to the Executive Management Committee, which is the Chief Operating Decision Maker. Hence, separate segmental information is not required to be given as per the requirements of Indian Accounting Standard 108.

B. Information about secondary business segments

	2024	(₹ in Lakhs) 2023
1. Segment Revenue		
- Within India	346.81	1,087.93
- Outside India	—	58.08
Total	346.81	1,146.01
2. Non Current Assets		
- Within India	83.82	91.91
- Outside India	—	—
TOTAL	83.82	91.91

Note : Revenue of ₹ 237 lakhs (2023 - ₹ 704 Lakhs) arose from two (2023 - two) external customers which is more than 10% of the Company's total revenue during the reported period.

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

23. Related Party Disclosures

1. PARTIES EXERCISING CONTROL OVER THE COMPANY

i) Holding Company:

a) ITC Limited

2. RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS

a) ITC Limited

ii) Key Management Personnel:

D. Ashok	Chairman & Non-Executive Director (w.e.f 22-07-2022)
D. Dutta	Non-Executive Director
C.R. Dua	Non-Executive Director
N. Bajaj	Non-Executive Director
R. Tandon	Chairman & Non-Executive Director upto (upto 21-07-2022)
S. V. Limaye#	Wholetime Director
S.K. Sipani *	Company Secretary
S. Mundra#	Chief Financial Officer

* No remuneration is paid by the Company to the Company Secretary in accordance with the terms of his appointment.

No remuneration is paid by the Company to the Chief Financial Officer and Wholetime Director from Financial year 2023-2024 onwards in accordance with the terms of their appointment.

DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2024

(₹ in Lakhs)

RELATED PARTY TRANSACTIONS SUMMARY		Holding Company		Key Management Personnel		Total	
		ITC Limited					
		2024	2023	2024	2023	2024	2023
1	Sale of Goods/ Services	4.17	479.21	-	-	4.17	479.21
2	Expenses Recovered	323.49	182.96	-	-	323.49	182.96
3	Expenses Reimbursed	2.32	-	-	-	2.32	-
4	Preference dividend	45.00	45.00	-	-	45.00	45.00
5	Share Based Payments* Cash Settled Share Based Payments - Other Payables	-	7.77	-	-	-	7.77
6	Remuneration of Key Management Personnel on Deputation reimbursed * Other Remuneration#	-	129.64	-	-	-	129.64
7	Director's Sitting Fees	-	-	1.20	1.20	1.20	1.20
8	Outstanding receivable	-	-	-	-	-	-
9	Outstanding payables	1.36	6.13	-	-	1.36	6.13
10	Redeemable Preference Share Outstanding	500.00	500.00	-	-	500.00	500.00
11	Interest accrued but not due - Preference Share	195.37	150.37	-	-	195.37	150.37

* Post employment benefits are actuarially determined on overall basis and hence not separately provided. Further, for share based payments, Refer Note 17

Out of the above, NIL (2023 - ₹ 87.58 Lakhs) is attributable to the Chief Financial Officer of the Company and NIL (2023 - ₹ 42.06) is attributable to the Wholetime Director of the Company

24. Financial Instruments and Related Disclosures

1. Capital Management

The Company funds its operations through mix of equity and borrowings. The primary objective of the company's capital management strategy is to provide adequate capital for sustaining operational activities, meeting its growth plans and maximizing shareholder value.

The capital structure of the Company consists of equity Rs. 1850.81 Lakhs and preference shares issued to the holding company of ₹ 500 Lakhs. The Company is not subject to any externally imposed capital requirement.

During the financial year 20-21, the Company completed the reduction of Issued, Subscribed and Paid up Equity Share Capital [Refer note 25(vi)].

2. Categories of Financial Instruments

(₹ in Lakhs)							
Particulars			Note	As at 31st March, 2024		As at 31st March, 2023	
				Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets							
a)	Measured at amortised cost						
	i)	Cash and Cash Equivalents	7	44.41	44.41	195.27	195.27
	ii)	Other Bank Balances	8	12.84	12.84	31.58	31.58
	iii)	Trade Receivables	6	18.43	18.43	122.61	122.61
b)	Measured at Fair Value Through Profit or loss						
	i)	Investment in Mutual Funds	5	50.07	50.07	100.21	100.21
		Total financial assets		125.75	125.75	449.67	449.67
B. Financial liabilities							
c)	Measured at amortised cost						
	i)	Non – Current Borrowings	10	–	–	500.00	500.00
	ii)	Current Borrowings	10	500.00	500.00		
	iii)	Trade Payables		14.53	14.53	244.76	244.76
	iv)	Other financial liabilities	11	216.84	216.84	180.48	180.22
		Total financial liabilities		731.37	731.37	925.24	924.98

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

3. Financial risk management objectives

The Company's exposure to financial risks such as market risk, foreign currency risk, liquidity risk and credit risk is limited. The Company has designed its Risk Management System in line with the nature and scale of its operations to address risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

a) Market risk

The Company is not an active investor in Equity market. The Company's investments are predominantly held in fixed deposit and debt mutual funds.

Fixed deposit is held with highly rated bank and have a short tenure and are not subjected to interest rate volatility. The Company also invest in mutual fund schemes of leading fund houses. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested such price risk are not significant.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As majority of the financial assets and liabilities of the Company are either short term or fixed interest-bearing instruments, the Company's net exposure to interest risk is negligible.

b) Foreign currency risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets & liabilities. Such transactions are primarily undertaken in US Dollar and Euro. Considering the insignificant value, foreign currency risks is assessed to be immaterial. As the transactions undertaken by the company are in smaller denominations taking forward cover for each transaction is not economically feasible.

The carrying amount of foreign currency denominated financial asset is as follows :

(₹ in Lakhs)

Financial Asset	As at 31st March 2024	As at 31st March 2023
USD	9.87	9.87
EURO	–	–
Total	9.87	9.87

As there are no large exposures, sensitivity analysis has not been provided.

c) Liquidity risk

The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. The company maintains adequate committed credit lines with the banks.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

(₹ in Lakhs)

Particulars	As at 31st March, 2024						
	Contractual Cashflows*						
	Carrying value	Less than 3 months	More than 3 months upto 6 months	More than 6 months upto 1 year	More than 1 year upto 3 years	Beyond 3 year	Total
Trade Payables	14.53	14.53	–	–	–	–	14.53
Other Financial Liabilities	216.84	216.84	–	1.36	–	–	216.84
Current Borrowings	500.00	–	500.00	–	–	–	500.00
	731.37	230.01	500.00	1.36	–	–	731.37

Particulars	As at 31st March, 2023						
	Contractual Cashflows*						
	Carrying value	Less than 3 months	More than 3 months upto 6 months	More than 6 months upto 1 year	More than 1 year upto 3 years	Beyond 3 year	Total
Trade Payables	244.76	59.62	185.14	–	–	–	244.76
Other Financial Liabilities	180.48	158.98	–	20.15	1.36	–	180.48
	425.24	218.60	185.14	20.15	1.36	–	425.24

* The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The Cash credit facility is not included in the above as the same is revolving in nature. Preference share has also not been included being part of the capital structure management of the Company.

d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations.

Trade receivables are initially recognized at fair value plus any directly attributable transaction costs. The net carrying value of trade receivables is not significantly different from their carrying values due to the short - term duration of trade receivables.

Generally, terms of trade are 75% to 90% advance and balance 10% to 25% is paid by customers post installation of machine. Wherever required credit terms for customers are determined based on the terms of the trade, market scenario, general economic scenario and industry practice, which can be for a specific credit requirement. There is no significant financing component in respect of its transaction with the customers. Concentrations of credit risk with respect to trade receivables are limited to period end sales against post-dated cheques, where extended. Credit limits extension are monitored by the Executive Committee and necessary steps are taken for monitoring, as required.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets.

All Customer balances which are overdue for more than 180 days are evaluated for provision and considered for impairment on an individual basis. The Company has used practical expedient in computing allowance for doubtful receivables based on the ageing of the customer's balances, specific credit circumstances and Company's historical bad receivable experience and forward looking information. Write offs are made with the approval of the Board of Directors.

The movement of expected loss provision (allowance for bad and doubtful receivable) made by the company are as under:

(₹ in Lakhs)

Particulars	Expected Loss Provision	
	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	28.69	28.03
Add: Provision made	1.30	0.66
Less: Utilisation for impairment/de-recognition	–	–
Closing Balance	29.99	28.69

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

4. Fair value measurement

Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables and payables and other current financial liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature.

There has been no change in the fair valuation methodology as compared to previous year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis.

(₹ in Lakhs)

Particulars	Fair Value Hierarchy (Level)	As at 31st March, 2024	As at 31st March, 2023
A. Financial assets			
Measured at Fair Value Through Profit or loss			
Investment in Mutual Funds	1	50.07	100.21
Total financial assets		50.07	100.21
B. Financial liabilities			
Measured at amortised cost			
Borrowings	2	–	500.00
Other Financial liabilities*	3	–	1.10
Total financial liabilities		–	501.10

* Represents Fair value of Non-Current Financial Instruments

25. Additional Notes to the Financial Statements

(i) Micro, Small and Medium scale business entities:

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and as at March 31, 2024 and March 31, 2023. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

(ii) The eligible employee(s) of the Company, including employee(s) deputed from ITC Limited, the Holding Company (ITC), have been granted:

- stock options by ITC under the ITC Employee Stock Option Schemes (ITC ESOS) in earlier years and
- stock appreciation units (SARs) under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR)

in earlier years in accordance with the terms and conditions of such schemes, details of which are as under:

ITC ESOS: Each Option entitles the holder thereof to apply for and be allotted ten ordinary shares of Rs. 1.00 each of ITC upon payment of the exercise price during the exercise period. These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting.

ITC ESAR: Under the ITC ESAR Plan, eligible employees would receive cash linked to appreciation in the value of the shares of ITC in accordance with the terms and conditions of this Plan. The SARs vest over a period of five years from the date of grant and entitles each ESAR grantee to the appreciation for the total number of ESAR Units vested.

The cost of stock options granted under ITC ESOS / SARs granted under ITC ESAR have been recognized as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of said deputation arrangement, the Company has accounted for the cost of the fair value of options / stock appreciation units granted to the deputed employees on-charge by ITC. The fair value of the options / SARs granted is determined, using the Black Scholes Option Pricing model, by ITC for all the grantees covered under ITC ESOS / ITC ESAR as a whole.

The summary of movement of such options granted by ITC and status of the outstanding options is as under:

Particulars	As at 31st March, 2024	As at 31st March, 2023
	No. of Options	No. of Options
Outstanding at the beginning of the year	2724	9488
Add: Corporate Action: Bonus Issue by ITC	-	-
Add: Granted during the year	-	-
Less: Lapsed during the year	-	-
Add / (Less): Movement due to transfer of employees within group	-	-
Less: Exercised during the year	2724	6764
Outstanding at the end of the year	-	2724
Options exercisable at the end of the year	-	2724

Note :

The weighted average exercise price of the options granted to all Optionees under the ITC ESOS is computed by ITC as a whole.

In accordance with Ind AS 102, an NIL amount (2023:NIL) towards ITC ESOS and NIL amount (2023 : ₹ 7.70 lakhs) towards ITC ESAR has been recognized as employee benefits expense (Refer Note 17). Such charge has been recognised as employee benefits expense and has been considered as capital contribution by ITC Limited, net of reimbursements, if any. Liability recognised for payments towards ITC ESAR is presented under note 11 of the financial statements. Out of the above, NIL (2023 - ₹ 7.70 Lakhs) is attributable to the Chief Financial Officer of the Company.

(iii) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2024 and recognized in the financial statements in respect of Employee Benefit Schemes:

Description of Plans :

In respect of Gratuity, the Company makes contributions to defined benefit scheme for qualifying employees, in a group-cum-life assurance cash accumulation policy offered by LIC. The liabilities arising in the defined benefit scheme are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. Additional funding requirements are based on actuarial measurement.

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

The employees of the Company are also entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under projected unit credit method. These benefits are unfunded.

Risk Management :

The defined benefit plans expose the Company to actuarial deficit arising out of investment risk, interest rate risk, salary cost inflation risk. These plans are not exposed to any unusual, entity specific or scheme specific risks but there are general risks. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the Government security yields. A decrease in yields will increase the fund liabilities, leading to accounting deficit in the funds. However, this may be partially offset by an increase in capital value of the Scheme assets that have similar characteristics. Increase in salary due to adverse inflationary pressures might lead to higher liabilities. To manage the risk, gratuity scheme has been funded by a policy offered by Life Insurance Corporation of India.

We understand that LICs overall portfolio of assets is well diversified and as such the long term return on the policy is expected to be higher than the rate of return on Central Government Bonds.

(₹ in Lakhs)

			For the year ended 31st March, 2024		For the year ended 31st March, 2023	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	–	Recognised in Profit or Loss				
	1	Current Service Cost	1.01	0.27	0.67	0.23
	2	Past Service Cost	–	–	–	–
	3	Net Interest Cost	0.16	0.03	(2.99)	0.47
	4	Total expense recognised in the Statement of Profit and Loss	1.17	0.30	(2.32)	0.70
	–	Re-measurements recognised in Other Comprehensive Income				
	5	(Return) on plan assets (excluding amounts included in Net interest cost)	14.51	–	9.19	–
	6	Effect of changes in demographic assumptions	–	–	–	–
	7	Effect of changes in financial assumptions	0.62	0.13	(0.58)	(0.16)
	8	Changes in asset ceiling (excluding interest income)	–	–	–	–
	9	Effect of experience adjustments	23.59	5.23	(15.92)	(4.03)
	10	Total re-measurements included in OCI	38.72	5.36	(7.31)	(4.19)
	11	Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (4+10)*	39.89	5.66	(9.63)	(3.49)

II			For the year ended 31st March, 2024		For the year ended 31st March, 2023	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
	1	Present Value of Defined Benefit Obligation	21.51	4.03	8.25	2.51
	2	Fair Value of Plan Assets	32.06	–	55.24	–
	3	Status [Surplus/(Deficit)] *	10.55	(4.03)	46.99	(2.51)
	4	Net Asset/(Liability) recognised in Balance Sheet	As at 31st March, 2024		As at 31st March, 2023	
			Current	Non Current	Current	Non Current
		- Gratuity	–	–	–	–
		- Leave Encashment	(0.22)	(3.82)	(0.19)	(2.32)
	* The excess of plan assets over present value of defined benefit obligation for Gratuity has not been recognized since the Company does not have an unconditional right of refund over the excess plan assets. Consequently no defined benefit cost recognised in Profit and Loss and Other Comprehensive Income for Gratuity.					

			For the year ended 31st March, 2024		For the year ended 31st March, 2023	
			Gratuity	Leave Encashment	Gratuity	Leave Encashment
III	Change in Defined Benefit Obligations (DBO)					
	1	Present Value of DBO at the beginning of the year	8.25	2.51	42.47	7.67
	2	Current Service Cost	1.01	0.27	0.67	0.23
	3	Interest Cost	0.16	0.03	2.17	0.47
	4	Others	(0.23)	-	(0.33)	-
	5	Remeasurement gains / (losses):				
		Effect of changes in demographic assumptions	-	-	-	-
		Effect of changes in financial assumptions	0.62	0.13	(0.58)	(0.16)
		Changes in asset ceiling (excluding interest income)	-	-	-	-
		Effect of experience adjustments	23.59	5.23	(15.92)	(4.03)
	6	Curtailment Cost / (Credit)	-	-	-	-
	7	Settlement Cost / (Credits)	-	-	-	-
	8	Liabilities assumed in business combination	-	-	-	-
	9	Exchange difference on foreign plans	-	-	-	-
	10	Benefits Paid	(11.89)	(4.14)	(20.24)	(1.66)
	11	Present Value of DBO at the end of the year	21.51	4.03	8.25	2.51

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

IV	Best Estimate of Employer's Expected Contribution for the next year	As at 31st March, 2024	As at 31st March, 2023
	- Gratuity	Nil	Nil
	- Leave Encashment	NA	NA

		For the year ended 31st March, 2024		For the year ended 31st March, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
V	Change in Fair Value of Assets				
1	Plan Assets at the beginning of the year	55.24	–	79.83	–
2	Asset acquired in Business Combination	–	–	–	–
3	Expected Return on Plan Assets	3.45	–	5.16	–
4	Remeasurement Gains/(Losses) on plan assets	(14.51)	–	(9.19)	–
5	Actual Company Contributions	–	–	–	–
6	Benefits Paid	(11.89)	–	(20.24)	–
	Others	(0.23)	–	(0.33)	–
7	Plan Assets at the end of the year	32.06	–	55.24	–

VI	Actuarial Assumptions	As at 31st March, 2024	As at 31st March, 2023
		Discount Rate (%)	Discount Rate (%)
1	Gratuity	7.00%	7.50%
2	Leave Encashment	7.00%	7.50%
	The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		

VII	In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

VIII	Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)	As at 31st March, 2024		As at 31st March, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Present Value of Defined Benefit Obligation	21.51	4.03	8.25	2.51
2	Fair Value of Plan Assets	32.06	–	55.24	–
3	Status [Surplus/(Deficit)]	10.55	(4.03)	46.99	(2.51)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	–	–	–	–
5	Experience Adjustment of obligation [(Gain)/Loss]	23.59	5.03	(15.92)	(4.03)

* The excess of plan assets over present value of defined benefit obligation for Gratuity has not been recognized since the Company does not have an unconditional right of refund over the excess plan assets.

IX	Sensitivity Analysis			
	The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above.			
	(₹ in Lakhs)			
			DBO as at 31 March 2024	DBO as at 31 March 2023
	1	Discount Rate + 100 basis points	23.78	9.79
	2	Discount Rate - 100 basis points	27.49	11.88
	3	Salary Increase Rate + 1%	27.62	12.01
	4	Salary Increase Rate – 1%	23.64	9.71

(iv) Other Disclosures in respect of Gross Revenue from sale of products and services:

- In terms of the nature of goods and services offered by the Company, the duration between rendering performance obligation and receipt of consideration is, generally, short term in nature.
- Advances received from customers which are outstanding on the reporting date are expected to be recognized as revenue within a period of one year.

(v) Contingent liabilities:

- Claims against the Company not acknowledged as debts is ₹ 20.92 Lakhs (2023 - NIL) including interest and penalty estimated to be ₹ 11.13 Lakhs (2023 - NIL) for GST disputed by the Company.

(vi) The Shareholders of the Company on 21st March, 2020 had approved reduction of Issued, Subscribed and Paid-up Equity Share Capital of the Company from ₹ 18,84,60,000/- comprising 18,84,60,000 Equity Shares of ₹ 1/- each to ₹ 18,50,81,193/- comprising 18,50,81,193 Equity Shares of ₹ 1/- each, by way of cancelling and extinguishing, in aggregate, 33,78,807 Equity Shares of ₹ 1/- each held by Shareholders other than the Promoter (i.e. Public Shareholders), in lieu of payment not exceeding ₹ 1/- per share to such Shareholders. The said reduction of Equity Share Capital of the Company was confirmed by the National Company Law Tribunal, Mumbai Bench, vide Order dated 9th April, 2021.

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

Consequently, the company become a wholly owned subsidiary of ITC Limited with effect from 29th July, 2021, upon completion of necessary formalities under section 66 of Companies Act, 2013.

(vii) The ageing of Trade Payable is as under:

(₹ in Lakhs)

	Outstanding for following periods from due date of payment as at 31st March, 2024						Total
	Not Due	Unbilled Payable	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	6.77	1.11	-	-	-	-	7.88
Disputed Dues – MSME	-	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-	-
Sub Total	6.77	1.11	-	-	-	-	7.88
Accrued Payables (not dues)	-	-	-	-	-	-	-
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	6.65
Total							14.53

(₹ in Lakhs)

	Outstanding for following periods from due date of payment as at 31st March, 2023						Total
	Not Due	Unbilled Payable	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	151.44	59.62	-	-	-	-	211.06
Disputed Dues – MSME	-	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-	-
Sub Total	151.44	59.62	-	-	-	-	211.06
Accrued Payables (not dues)	-	-	-	-	-	-	-
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	33.70
Total							244.76

(viii) Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Ratio	Numerator	Denominator	31st March 2024	31st March 2023
Current Ratio	Current Assets	Current Liabilities	0.2	1.2
Debt Service Coverage Ratio#	Earnings for Debt Service	Debt Service	-	1.4
Inventory Turnover Ratio	Gross revenue from sales of products and services	Average Inventory	3.1	6.2
Trade Receivables Turnover ratio	Gross revenue from sales of products and services	Average Trade Receivables	4.9	10.8
Trade Payables Turnover ratio	Cost of goods sold + other expense + Non -Cash Expenditure	Average Trade Payables	2.7	5.8
Net Capital Turnover Ratio#	Gross revenue from sales of products and services	Working Capital	-	11.1
Return on Capital employed#	PBIT	Average Closing Capital Employed	-	34.7%
Net Profit Ratio#	Net Profit	Sales	-	1.4%
Return on Investment	Income from investment	Time weighted average Investment	7.1%	5.3%

#Not disclosed since negative

Debt-Equity Ratio and Return on Equity have not been disclosed as the same is negative in both the years.

Negative variance in Current Ratio, Inventory, Trade Receivables, and Trade Payables Turnover ratio is on account of lower sales.

Positive variance in Return-on-Investment Ratio is on account of better utilization of funds.

The financial statements were approved for issue by the Board of Directors on 3rd May, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013

(ix) Effect of amendments to Ind AS

The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after 1 April 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the standalone financial statements.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases. There is no impact on the standalone financial statements.

26. Use of Estimates and Judgements

The key estimates and assumptions used in the preparation of financial statements are set out below:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the income statement and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

27. MATERIAL ACCOUNTING POLICIES**a) Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2016.

b) Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair value, as explained in the accounting policies below. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. The financial statements are presented in Rupees Lakhs.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

c) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d) Going Concern Assumption

As at 31 March 2024, the net worth of the Company has been eroded due to accumulated losses / restructuring. The financial statements have been prepared on a going concern basis taking into consideration the business plan and liquid assets which are considered adequate to meet its external obligations for the next 12 months from the Balance Sheet date.

e) Property, Plant & Equipment

Property, plant & equipment (PP&E) are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PP&E recognised as at 1st April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP).

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will be realized. The carrying amount of a replaced part is derecognized. All other repairs and maintenance are charged to the statement of Profit & Loss.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation/ system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of PP&E are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of PP&E of the Company are as follows:

Buildings	30 Years
Plant and Equipment	5-15 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office Equipment	5 Years

PP&E's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

f) Impairment of Assets

Impairment loss is provided, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amount of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

g) Inventories

Inventories including work-in-progress are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

h) Revenue from sale of products and services

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods excludes Goods and Services Tax which are payable in respect of sale of goods and services.

Revenue from the sale of goods and services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered.

i) Trade Receivables

Trade receivables are initially measured at transaction value, which is the fair value and subsequently retained at cost less appropriate allowance for credit losses as all receivables of the Company are current in nature. Where significant, non – current receivables are accounted for at amortised cost using effective interest rate method less appropriate allowance for credit losses. Interest is accounted for on the basis of contractual terms, where applicable and is included in interest income. Impairment losses are recognized in the profit or loss where there is an objective evidence that the Company will not be able to collect all the due amounts.

j) Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

The contributions in respect of defined benefit gratuity fund are made to Life Insurance Corporation (LIC) under its Group Gratuity Scheme. The accounting charge for benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the statement of profit and loss. Gain or Loss on account of re measurements are recognized immediately through Other Comprehensive Income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under projected unit credit method. These benefits are unfunded. Service costs and net interest expense or income is reflected in the statement of profit and loss. Gain or Loss on account of re measurements are recognized immediately through Other Comprehensive Income in the period in which they occur.

k) Employee Share Based Compensation

The cost of stock options and stock appreciation units granted by ITC Limited, the Holding Company, to its eligible employees including employees deputed by holding company is recognized at fair value. These Schemes are in the nature of equity settled / cash settled share based compensation and are assessed, managed / administered by the Holding Company.

In case of stock options, the fair value of stock options at the grant date is amortised on a straight line basis over the vesting period and cost recognized as an employee benefit expenses in the Statement of Profit and Loss with corresponding credit in equity.

In case of stock appreciation units, the fair value of stock appreciation units at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognized as an employee benefits expenses in the Statement of Profit and Loss with a corresponding increase in other financial liabilities

l) Foreign Currency Transactions

The presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

m) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Recognition: Financial assets include investments, Trade receivable, Advances, Security Deposits, Cash & Cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the assets is being fair valued through the statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose of which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets :

Recognition: Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial Liabilities :

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Notes to standalone financial statement for the year ended 31st March, 2024 (Contd.)

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

n) Claims

Claims against the Group not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

o) Earnings per Share (EPS)

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity and equivalent dilutive equity shares outstanding during the period, except where the results would be anti-dilutive.

p) Taxes on Income

To provide current tax in the statement of profit and loss as the amount of tax payable in respect of taxable income for the period using tax rates enacted or substantively enacted during the period, together with any adjustment to tax payable in respect of previous years. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income are disclosed separately under Other Comprehensive Income.

Deferred tax is provided using the balance sheet approach, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognizes, unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

For and on behalf of the Board

D. ASHOK
Chairman
DIN : 02009735
Place : Kolkata
Date : 03.05.2024

S K SIPANI
Company Secretary
Place : Chennai
Date : 03.05.2024

SAMIR V LIMAYE
Wholetime Director
DIN : 01757813
Place : Ambarnath
Date : 03.05.2024

SHARAD MUNDRA
Chief Financial Officer
Place : Chennai
Date : 03.05.2024

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their Report for the financial year ended 31st March, 2024.

2. COMPANY PERFORMANCE

The operations of the Company during the year continued to be adversely impacted pursuant to the Order of the Hon'ble High Court of Uttarakhand at Nainital in February, 2014 dismissing the writ petition filed by the Company against the Order of the District Magistrate authorising State authorities to take possession of the land leased to the Company. The appeal filed by the Company against the aforesaid Order was admitted in April, 2014 and the matter is pending before the Hon'ble High Court of Uttarakhand at Nainital.

During the year under review, the Company recorded Total Income of ₹ 9.84 lakhs (previous year: ₹ 10.64 lakhs) and the Net Loss of the Company was ₹ 1.93 lakhs (previous year: ₹ 5.24 lakhs).

3. DIVIDEND

In view of the losses incurred, your Directors are unable to recommend any dividend for the year under review.

4. DIRECTORS

(a) Changes in Directors during the year

During the year under review, there was no change in the composition of the Board of Directors of your Company ('Board').

(b) Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with Articles 100, 101 and 102 of the Articles of Association of the Company, Mr. Surendra Kumar Sipani (DIN: 02513625), Director, will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company, and being eligible, offers himself for re-election. Your Board has recommended his re-election.

5. BOARD MEETINGS

Four meetings of the Board were held during the year ended 31st March, 2024.

6. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

8. PARTICULARS OF EMPLOYEES

The requirements of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

The requirement relating to constitution of Internal Complaints Committee in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is also not applicable to the Company.

9. RISK MANAGEMENT

The Company's risk management framework, designed to bring robustness to the risk management processes, addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

Annual update is provided to the Board on the effectiveness of the Company's risk management systems and policies.

10. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations.

During the year under review, the internal financial controls in the Company with respect to the financial statements were tested and no material weakness in the design or operation of such controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2024, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

12. RELATED PARTY TRANSACTIONS

During the year under review, the Related Party Transactions (RPTs) entered into by your Company were in the ordinary course of business and on arm's length basis.

The details of material RPTs of the Company in the prescribed Form No. AOC-2 are enclosed under Annexure 1 to this Report.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year under review, no significant or material orders were passed by the Regulators / Courts / Tribunals impacting the going concern status of the Company and its future operations.

14. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

15. STATUTORY AUDITORS

The Company's Statutory Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants ('DHS'), who were appointed with your approval at the 22nd Annual General Meeting (AGM) for a period of five years, will complete their present term on conclusion of the 27th AGM of the Company.

The Board has recommended for the approval of the Members, appointment of Messrs. M. Anandam & Co., Chartered Accountants, as the Statutory Auditors of the Company for a period of five years from the conclusion of the 27th AGM till the conclusion of the 32nd AGM. Messrs. M. Anandam & Co., Chartered Accountants, have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act. The Board has also recommended for the approval of the Members, the remuneration of Messrs. M. Anandam & Co. to conduct audit for the financial year 2024-25. Appropriate resolution in respect of the appointment and remuneration of Messrs. M. Anandam & Co., Chartered Accountants, as the Statutory Auditors is being placed for your approval at the ensuing AGM of the Company.

There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report on the financial statements of the Company.

16. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption.

There has been no foreign exchange earnings or outgo during the year under review.

On behalf of the Board

S. S. Bandyopadhyay Director
DIN : 08016972

S. K. Pandey Director

DIN : 08017025

Dated: 2nd May, 2024

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2024**FORM NO. AOC-2***[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]*

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	ITC Limited, the Holding Company (ITC)
b)	Nature of contracts / arrangements / transactions	Purchase of goods
c)	Duration of the contracts / arrangements / transactions	N.A.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of Saplings from ITC Value of the transaction during the year - ₹ 3.10 lakhs
e)	Date(s) of approval by the Board, if any	14th July, 2023
f)	Amount paid as advances, if any	Nil

Dated : 2nd May, 2024

On behalf of the Board
S. S. Bandyopadhyay Director
DIN : 08016972
S. K. Pandey Director
DIN : 08017025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRAG AGRO FARM LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Prag Agro Farm Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 financial statements, management and Board of Directors 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements on the adequacy and operating effectiveness of the Company's internal financial controls.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 19 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds 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, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations

under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 3020092E)

Ketan Vora
Partner

Place : Mumbai
Date: May 2, 2024

(Membership No. 100459)
UDIN: 24100459BKFATD3221

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Prag Agro Farm Limited (the "Company") as at March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements 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 the 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 with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 3020092E)

Ketan Vora
Partner

Place : Mumbai
Date: May 2, 2024

(Membership No. 100459)
UDIN: 24100459BKFATD3221

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any Intangible Assets.
- (b) The Property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, in respect of the immovable property of land that has been taken on sub-lease, the physical possession of such land has been taken over by the State Authorities during the year 2013-14, pursuant to an Order by Hon'ble High Court of Uttarakhand (also refer Note 19 of the Ind AS financial statements). As a matter of prudence, the cost of the land has been fully provided for in the Ind AS financial statements.
- (d) The Company has not revalued any of its property, plant and equipment during the year. The Company does not have any intangible assets.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Hence, reporting on the quarterly returns or statements filed by the Company with such banks or financial institution is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of Section 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanation given to us, in respect of Statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Employees' State Insurance, Income-tax, and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year.
There were no undisputed amounts payable in respect of Goods and Service tax, Employees' State Insurance, Income-tax, duty of Custom, duty of Excise, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
 - (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)(a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3 (ix)(c) of the Order is not applicable.
- (d) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning

of the year of the funds raised through issue of shares or borrowings in the previous year and hence, reporting under clause (ix)(d) of the Order is not applicable.

- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x)(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.
- (xi)(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, 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) The Company is not required by statute to implement vigil mechanism under Companies Act, hence reporting under clause (xi) (c) of the Order is not applicable.
- (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 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) In our opinion the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act, 2013.
- (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,b,c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs. 141.68 thousands during the financial year covered by our audit and Rs. 456.22 thousands 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 realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) The Company does not prepare consolidated financial statement and hence clause 3 (xxi) is not applicable.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 3020092E)

Ketan Vora
Partner

(Membership No. 100459)
UDIN: 24100459BKFTD3221

Place : Mumbai
Date: May 2, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024
(All amounts are in thousands Indian Rupees unless otherwise stated)

	Note	As at March 31st, 2024 (₹)	As at March 31st, 2023 (₹)
ASSETS			
Non-current Assets			
Property, Plant and Equipment	19	–	–
Advance Tax and TDS Receivables [Net of Provisions of ₹ 182.97 thousands (March 31, 2023 - ₹ 131.53 thousands)]		67.71	27.73
Total Non-current Assets		67.71	27.73
Current Assets			
Biological assets other than bearer plants	3	–	–
Financial Assets			
Cash and Cash Equivalents	4	9,185.79	8,345.37
Other Financial Assets	5	203.57	1,470.98
Total Current Assets		9,389.36	9,816.35
Total Assets		9,457.07	9,844.08
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	6	12,800.02	12,800.02
Other Equity	7	(3,673.89)	(3,480.77)
Total Equity		9,126.13	9,319.25
Liabilities			
Current Liabilities			
Financial Liabilities			
Trade Payables	18	–	–
– total outstanding dues of micro enterprises and small enterprises		325.36	511.47
– total outstanding dues of creditors other than micro enterprises and small enterprises		–	–
Other Current Liabilities	8	5.58	13.36
Total Current Liabilities		330.94	524.83
Total Liabilities		330.94	524.83
Total Equity and Liabilities		9,457.07	9,844.08

See accompanying notes forming part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Ketan Vora
Partner
Membership No. - 100459
Place: Mumbai
Date: 2nd May, 2024

For and on behalf of the Board of Directors

Suneel Pandey
Director
DIN - 8017025

Sib Sankar Bandyopadhyay
Director
DIN - 8016972

Place: Secunderabad
Date: 2nd May, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2024

(All amounts are in thousands Indian Rupees unless otherwise stated)

	Note	For the year ended March 31, 2024 (₹)	For the year ended March 31, 2023 (₹)
I Revenue from Operations	9	410.00	380.00
II Other Income	10	574.77	684.83
III Total Income (I+II)		984.77	1,064.83
IV EXPENSES:			
Purchases of Stock-in-Trade		310.00	300.00
Other Expenses	11	816.45	1,221.05
Total Expenses (IV)		1,126.45	1,521.05
V Loss Before Tax (III-IV)		(141.68)	(456.22)
VI Tax Expense:			
Current Tax	12(b)	51.44	68.03
		51.44	68.03
VII Loss for the Year (V-VI)		(193.12)	(524.25)
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Loss for the Year (VII+VIII)		(193.12)	(524.25)
Earnings per equity share (INR): Basic and Diluted (face value of ₹ 1 each)	15	(0.02)	(0.04)

See accompanying notes forming part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Ketan Vora
Partner
Membership No. - 100459
Place: Mumbai
Date: 2nd May, 2024

For and on behalf of the Board of Directors

Suneel Pandey
Director
DIN - 8017025

Place: Secunderabad
Date: 2nd May, 2024

Sib Sankar Bandyopadhyay
Director
DIN - 8016972

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in thousands Indian Rupees unless otherwise stated)

	Amount (₹)
A. Equity Share Capital	
Balance at April 1, 2022	12,800.02
Changes in Equity Share Capital during the year	-
Balance at March 31, 2023	12,800.02
Changes in Equity Share Capital during the year	-
Balance at March 31, 2024	12,800.02
B. Other Equity - Reserves & Surplus	
Balance at April 1, 2022	(2,956.52)
Loss for the Year	(524.25)
Balance at March 31, 2023	(3,480.77)
Loss for the year	(193.12)
Balance at March 31, 2024	(3,673.89)

See accompanying notes forming part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Ketan Vora
Partner
Membership No. - 100459
Place: Mumbai
Date: 2nd May, 2024

For and on behalf of the Board of Directors

Suneel Pandey
Director
DIN - 8017025

Place: Secunderabad
Date: 2nd May, 2024

Sib Sankar Bandyopadhyay
Director
DIN - 8016972

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024
(All amounts are in thousands Indian Rupees unless otherwise stated)

	For the year ended March 31, 2024 (₹)	For the year ended March 31, 2023 (₹)
Cash Flow from Operating Activities		
Loss Before Tax	(141.68)	(456.22)
Adjustments for:		
Interest Income	(574.77)	(684.83)
Operating Loss Before Working Capital Changes	(716.45)	(1,141.05)
Adjustments for:		
Decrease in Other Assets	(39.98)	–
Increase/(Decrease) in Trade Payables	(186.11)	160.90
Decrease in Other Current Liabilities	(7.78)	(49.18)
Cash used in from Operations	(950.32)	(1,029.33)
Income Taxes Paid (Net of Refunds)	(51.44)	766.23
Net Cash used in Operating Activities	(1,001.76)	(263.10)
Cash Flows from Investing Activities		
Interest Received	1,842.18	344.72
Net Cash generated from Investing Activities	1,842.18	344.72
Cash Flow from Financing Activities	–	–
Net Cash generated from Financing Activities	–	–
Net Increase in Cash and Cash Equivalents	840.42	81.62
Cash and Cash Equivalents at the beginning of the year	8,345.37	8,263.76
Cash and Cash Equivalents at the end of the year (Refer Note 4)	9,185.79	8,345.37

See accompanying notes forming part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Ketan Vora
Partner
Membership No. - 100459
Place: Mumbai
Date: 2nd May, 2024

For and on behalf of the Board of Directors

Suneel Pandey
Director
DIN - 8017025

Place: Secunderabad
Date: 2nd May, 2024

Sib Sankar Bandyopadhyay
Director
DIN - 8016972

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Company Information

The Company is in the business of trading of poplar woods, saplings and agro forestry and other related activities, which consists of harvesting and selling of poplar wood, and is based in the states of Uttarakhand and Uttar Pradesh.

2. Material Accounting Policies**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The company adopted Ind AS from 1st April, 2016

2.2 Basis of Preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention, except for certain items that are measured at amortized cost or fair values, as explained in the accounting policies below, and on accrual basis. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that a price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period; they are recognized in the period of the revision and future periods if the revision affects both current and future periods

2.3 Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent liabilities and the reported amounts of income and expenses during the year. Actual results could differ from those estimates and the difference between the actual results and the estimates are recognised in the periods in which the results are known / materialise. The estimates and underlying assumptions are reviewed on an ongoing basis.

2.4 Biological Assets other than Bearer Plants

Biological assets other than bearer plants comprises of matured as well as growing poplar trees. These trees are felled for wood and are then sold to farmers, the usual production cycle ranging from 5 – 6 years. At any reporting period, these trees would be at various stages of growth. Since the trees have a growing period of 5-6 years, and there is no market for such trees in the initial 4-5 years of their growth, the fair value of the same cannot be established. Hence, such assets are measured at cost less any accumulated depreciation and any accumulated impairment losses on initial recognition and at the end of each reporting period. In determination of cost, no adjustment is made to the total cost of trees on account of undeveloped / diseased trees, being normal loss during the period of maturity of plantation (based on a technical estimate) except that realization / insurance claim for such trees is reduced from total cost. Cost includes all direct and indirect expenses in respect of the poplar plantation. Further, 75% of net standard realizable value of inter cropping, waste, etc. is reduced from the above cost because entire farm cost is first added to the cost of plantation.

Fair valuation is done for those trees which have attained a growth of 5 years and is ready for sale in the next one year, provided it is reasonably certain that the existing market prices are unlikely to show wide variability in the next one year. To determine the fair value, reference is made to the current market price of similar grade of wood less estimated costs to be incurred for making the sale.

Unharvested agricultural produce of intercropping traditional crops are valued at fair value less costs to sell.

2.5 Inventories

Agricultural produce after harvest i.e., felled wood from poplar trees and inter-cropping of traditional crops (viz., wheat and sugarcane) are measured at 75% of their net realizable value in accordance with well-established practice in the industry.

In respect of traded items, inventories are valued at weighted average cost basis.

2.6 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

2.7 Property, Plant and Equipment – Recognition and Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. The cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses related to acquisition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

2.8 Revenue Recognition

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for goods supplied and services rendered, net of returns and estimates of variable consideration such as discounts to customers.

Revenue from the sale of goods and services is recognized when the company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered

2.9 Earnings Per Share ('EPS')

Basic earnings per share ('EPS') is computed by dividing the net profit/ (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit/ (loss) attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the period, except where the results would be anti-dilutive.

2.10 Taxation

Income-tax expense comprises current tax and deferred tax charge or credit. Current tax is determined in accordance with the Income-tax Act, 1961. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income or Equity, are disclosed separately under Other Comprehensive Income or Equity, as applicable.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. As the Company is currently engaged in trading of agricultural produce, such income is exempt from income tax. Accordingly, there are no deferred tax assets/liabilities arising therefrom.

2.11 Impairment of Assets

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

2.12 Contingencies and Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settlement to settle the

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.13 Operating Cycle

Based on the nature of products / activities of the Company which consists of harvesting and selling of poplar wood on an annual basis from the existing trees which have attained maturity and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current. In the process of trading of agri produce also, the operating cycle has been determined as 12 months.

2.14 Financial Instrument, Financial Assets, Financial Liabilities and Equity Instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price.

Financial Assets

Recognition: Financial assets include, Advances, Security deposits, Cash and cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Trade receivables, Advances, Security deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

Notes forming part of Financial Statements

(All amounts are in thousands Indian Rupees unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
3. Biological Assets other than Bearer Plants		
Unharvested Agri-Produce (Inter-Cropping of Traditional Crops)	4,128.27	4,128.27
Unharvested Poplar Trees (Standing Crops)	15,818.63	15,818.63
	<u>19,946.90</u>	<u>19,946.90</u>
Less: Provision for Write Down (Refer Note 19)	<u>(19,946.90)</u>	<u>(19,946.90)</u>
	<u>-</u>	<u>-</u>

Note: Additional disclosure in terms of Schedule III and Ind AS 41 have not been given in view of the ongoing litigation (Refer Note 19).

4. Cash and Cash Equivalents

Balances with Banks:

Current Account	225.13	19.89
Deposit Accounts (Refer Note below)	8,960.31	8,322.09
Cash on Hand	0.35	3.39
	<u>9,185.79</u>	<u>8,345.37</u>

Note: Deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

5. Other Financial Assets

Current:

Interest Accrued on Bank Deposits	201.57	1,468.98
Others	2.00	2.00
	<u>203.57</u>	<u>1,470.98</u>

As at
31 March 2024

As at
31 March 2023

6. Equity Share Capital

Authorised Share Capital:

13,00,00,000 Equity Shares of ₹ 1 each fully paid-up 1,30,000.00 1,30,000.00

Issued, Subscribed and Paid-up Capital:

1,28,00,020 Equity Shares of ₹ 1 each fully paid-up 12,800.02 12,800.02

A) Reconciliation of number of Equity Shares outstanding:

	Face Value	No. of Shares	Amount
Balance at April 1, 2022	1	1,28,00,020	12,800.02
Add: issued during the year	-	-	-
Balance as at March 31, 2023	1	1,28,00,020	12,800.02
Add: issued during the year	-	-	-
Balance at March 31, 2024	1	1,28,00,020	12,800.02

B) Shareholders holding more than 5% of the Equity Shares in the Company:

As at March 31, 2024

As at March 31, 2023

	No. of Shares	%	No. of Shares	%
ITC Limited and its Nominees	1,28,00,020	100	1,28,00,020	100

* 12,800,014 shares are held by ITC Limited, the Holding Company and the balance 6 shares are held by nominees of the Holding Company jointly with the Holding Company.

C) Rights, preferences and restrictions attached to the Equity Shares:

The equity shares of the Company, having par value of ₹ 1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

D) During 2016-17, pursuant to the Reduction of Share Capital approved by the Hon'ble High Court of Bombay, Authorised Share Capital has been changed to ₹ 1,30,000.00 thousands comprising of 13,00,00,000 equity shares of ₹ 1 each (Refer Note 13).

E) Shares held by Promoters

Sl. No	Promoters	As at 31st March 2024			As at 31st March 2023		
	Name	No of shares as at end of the year	% of Total Shares	% change during the year	No of shares as at end of the year	% of Total Shares	% change during the year
1	ITC Limited	1,28,00,020	100	-	1,28,00,020	100	-

As at
March 31, 2024

As at
March 31, 2023

7. Other Equity

Reserves and Surplus

Retained Earnings

Retained earnings comprise of the Company's undistributed earnings after taxes.

(3,673.89)

(3,480.77)

(3,673.89)

(3,480.77)

8. Other Liabilities

Current:

Statutory Liabilities

5.58

13.36

5.58

13.36

For the year ended
March 31, 2024

For the year ended
March 31, 2023

9. Revenue from Operations

Sale of Products (Saplings)

410.00

380.00

410.00

380.00

10. Other Income

Miscellaneous Income

-

0.02

Interest Income on:

Bank Deposits

574.77

590.48

Income tax refund

-

94.31

574.77

684.83

11. Other Expenses

Rent

8.20

8.20

Rates and Taxes

2.88

2.05

Insurance

2.44

2.44

Security Charges

343.09

329.28

Legal Expenses

386.52

805.20

Power & Fuel

3.04

3.46

Miscellaneous Expenses

70.28

70.42

816.45

1,221.05

Miscellaneous expenses include :

Payment to Auditors (excluding applicable taxes)

- Statutory Audit

50.00

50.00

- Tax Audit

15.00

15.00

65.00

65.00

12. Tax Expenses

(a) The Company is in the business of Agro Forestry and related income and expenses are agricultural income, which are exempt u/s 10 of the Income Tax Act, 1961. (Also Refer Note 19).

(b) Reconciliation of the income tax provision to the amount computed by applying the Indian statutory income tax rate to the profit before tax is summarised below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss before Income Tax	(141.68)	(456.22)
Enacted tax rates	25.17%	25.17%
Computed Expected Tax Expense	(35.66)	(114.83)
Tax on Income after excluding expenses for income exempt u/s 10	87.10	182.86
Income tax expense	<u>51.44</u>	<u>68.03</u>

13. Reduction of Issued, Subscribed and Paid-Up Equity Share Capital:

The Shareholders, in the Extra-Ordinary General Meeting held on June 15, 2016, approved reduction of Issued, Subscribed and Paid-up Equity Share Capital of the Company from ₹ 128,000.20 thousands comprising 1,28,00,020 equity shares of ₹ 10 each to ₹ 12,800.02 thousands comprising 1,28,00,020 equity shares of ₹ 1 each, and such reduction be effected by cancelling the Issued, Subscribed and Paid-up Equity Share Capital of the Company to the extent of ₹ 9 per share. Such cancellation of Share Capital was to be adjusted against the debit balance in Statement of Profit and Loss as at April 1, 2016. The aforesaid reduction of Share Capital was confirmed by the Hon'ble High Court at Bombay vide Order dated September 29, 2016 and became effective from November 22, 2016 consequent to the registration of the said order by the Registrar of Companies, Mumbai.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS(Contd.)

Consequently, the Authorised Share Capital of the Company was amended to ₹ 130,000.00 thousands comprising 13,00,00,000 Equity Shares of ₹ 1 each in the year 2016-17.

14. Contingent Liabilities*

	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts:		
Revision of Land Lease Rent	6,700.00	6,700.00
	<u>6,700.00</u>	<u>6,700.00</u>

* It is not practicable for the Company to estimate the closure of the issue and the consequential timings of cash flows, if any, in respect of the above.

15. Earnings Per Share

	For the year ended March 31, 2024	For the year ended March 31, 2023
Computation of earnings per share is set out below:		
Net Loss attributable to Equity Shareholders (A)	(193.12)	(524.25)
Weighted Average Number of Equity Shares outstanding during the year (B) (Nos.)	128,00,020	1,28,00,020
Face value of Equity Share (₹)	1.00	1.00
Earnings Per Share (Basic and Diluted) (A/B) (₹)	(0.02)	(0.04)

16. Segment Information

The Board of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by IND AS 108 operating segments. The Company's activities involve predominantly business of growing and selling agricultural produce in India, which is considered to be a single business segment since these are subject to similar risks and returns. Further, the business is carried out in India and product sold primarily in India and hence there are no reportable geographical segments.

The Company receives more than 10% of its total revenue from operations from a single customer as under:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Shakeel Ahmed	23%	—
Takan Dar Singh	21%	—
Jasvinder Singh	—	27%

17. Related Party Disclosures

a) Details of Related Parties

Name	Relationship
ITC Limited	Holding Company
Key Management Personnel	Relationship
S. K. Sipani	Non-Executive Director
Suneel Pandey	Non-Executive Director
Sib Sankar Bandyopadhyay	Non-Executive Director

(b) Details of Related Party Transactions:

	For the year ended March 31, 2024	For the year ended March 31, 2023
ITC Limited:		
Purchases	310.00	300.00

(c) Details of Related Party Balances:

	As at March 31, 2024	As at March 31, 2023
ITC Limited:	—	—

18. Trade Payables

	For the year ended March 31, 2024	For the year ended March 31, 2023
Total Outstanding dues of creditors of micro and small enterprises**	—	—
Total Outstanding dues of creditors other than micro and small enterprises	325.36	511.47
	<u>325.36</u>	<u>511.47</u>

**The Company, based on the information available on the status of the suppliers, does not have any dues to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing of Trade Payables

As at 31st March, 2024	Particulars Outstanding for following periods						
	Not Due	Unbilled Payable*	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	-	325.36	-	-	-	-	325.36
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	-	325.36	-	-	-	-	325.36

As at 31st March, 2023	Particulars Outstanding for following periods						
	Not Due	Unbilled Payable*	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	-	511.47	-	-	-	-	511.47
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	-	511.47	-	-	-	-	511.47

* Unbilled Payable denotes Provision for Expenses which are yet to be billed.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

19. During the year 2013-14, the Hon'ble High Court of Uttarakhand at Nainital, passed an Order directing the State Authorities to take possession of the land leased to the Company. The Company filed an appeal against the said order, which had been admitted and the matter is pending in the Hon'ble High Court.

Consequent to the aforesaid Order, as a matter of prudence, cost of the land amounting to Rs. 71,009.68 thousands (being the difference between the premium of Rs. 101,690.20 thousands paid on acquisition of such leasehold land and amortised to the extent of Rs. 30,680.52 thousands) was fully impaired in 2013-14. On transition to Ind AS, deemed cost of such leasehold land as on April 1, 2015 is Nil. Further, as the Company does not have access to such land, biological assets (including agri-produce) thereon were fully provided for in 2013-14 and consequently, cost of such assets is Nil.

In the interim, the Company has been examining alternate business opportunities and basis its long experience of trading in poplar wood/saplings, the company continues to engage in trading of poplar wood / saplings in proximate markets.

In view of the above and taking into account that the Company's assets primarily include current assets, the Board has determined that it would be appropriate to prepare its financial statements on a going concern basis.

20. Financial Instruments and Related Disclosures

A. Capital Management

The Company's financial strategy aims to strengthen its financial position through optimum deployment of capital in the business of agro forestry and other related activities, which consists of harvesting and selling of poplar wood, and in trading of agri produce and nurture opportunities available in the markets. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth of its businesses as a going concern.

B. Categories of Financial Instruments

	Note	As at March 31, 2024		As at March 31, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets (Measured at amortised cost)					
i) Cash and Cash Equivalents	4	9,185.79	9,185.79	8,345.37	8,345.37
ii) Other Financial Assets	5	203.57	203.57	1,470.98	1,470.98
Total Financial Assets		9,389.36	9,389.36	9,816.35	9,816.35
Financial Liabilities (Measured at amortised cost)					
(i) Trade Payables	18	325.36	325.36	511.47	511.47
Total Financial Liabilities		325.36	325.36	511.47	511.47

21. Ratio

Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	28.37	18.70	52%	Due to increase in current assets
Return on Equity Ratio	PAT	Average Shareholder's Equity	*	*		
Trade Payable turnover Ratio	Sales	Average Trade Payable	0.98	1.22	-20%	
Net Capital turnover Ratio	Sales	Working Capital	0.04	0.04	10%	
Net Profit Ratio	PAT	Sales	*	*		
Return on Capital Employed	PBIT	Average Capital Employed	*	*		

* Ratio not disclosed as the same is negative

Note: Debt Service Coverage Ratio, Inventory turnover Ratio, Debt Equity Ratio, Return on Investment and Trade Receivable Ratio are not applicable to the Company.

22. Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the standalone financial statements.

23. The financial statements were approved for issue by the Board of Directors on May 2nd, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Ketan Vora
Partner
Membership No. - 100459
Place: Mumbai
Date: 2nd May, 2024

C. Financial Risk Management Objectives

The Company's activities expose it primarily to interest rate risk arising out of bank deposits made. Exposure to credit risk is limited to the outstanding trade receivables at hand and resulting from default by the counterparty.

i) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Though the majority of the financial assets of the Company are fixed interest bearing instruments, the Company's net exposure to interest risk is negligible as such instruments are invested in fixed interest bearing instruments which are not subject to substantial movements in rates. The maximum exposure to interest rate risk is ₹ 8,960.31 thousands (As at March 31, 2023 - ₹ 8,322.09 thousands) and is represented by carrying amount of Balance with Banks - Deposit Accounts (Refer Note 4).

ii) Price Risk

The Company invests its surplus funds in bank deposits measured at amortized cost. Accordingly, these do not pose any significant price risk.

iii) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due. The Company has cash and cash equivalents of ₹ 9185.79 thousands while the trade payables is ₹ 325.36 thousands as at March 31, 2024. Trade payables is about 4% of the total cash and cash equivalents, hence the company does not foresee any liquidity risk.

iv) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company. The company does not deal in credit unless specifically approved by the Chief Operating Decision Maker (CODM) and such credit extension is short term in nature ranging from 0 - 15 days. There are no outstanding debtors for which ECL provision is required to be assessed.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Top Customer	23%	27%
Revenue from Top 5 Customers	68%	71%

The Company's credit period generally ranges from 0-15 days.

D. Fair value measurement

As at March 31, 2024, the Company does not have any Non-current Financial Assets and Non-current Financial Liabilities. Fair value of Current Financial Assets and Current Financial Liabilities is equivalent to their carrying values.

For and on behalf of the Board of Directors

Suneel Pandey
Director
DIN - 8017025

Sib Sankar Bandyopadhyay
Director
DIN - 8016972

Place: Secunderabad
Date: 2nd May, 2024

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Your Directors submit their Report for the financial year ended 31st March, 2024.

2. COMPANY PERFORMANCE

The operations of the Company during the year continued to be adversely impacted pursuant to the Order of the Hon'ble High Court of Uttarakhand at Nainital in February, 2014 dismissing the writ petition filed by the Company against the Order of the District Magistrate authorizing State authorities to take possession of the land leased to the Company. The appeal filed by the Company against the aforesaid Order was admitted in April, 2014 and the matter is pending before the Hon'ble High Court of Uttarakhand at Nainital.

During the year, the Company recorded Total Income of ₹ 13.65 lakhs (previous year: ₹ 12.38 lakhs) and the Net Loss of the Company was ₹ 3.17 lakhs (previous year: ₹ 2.72 lakhs).

3. DIVIDEND

In view of the losses incurred, your Directors are unable to recommend any dividend for the year under review.

4. DIRECTORS

(a) Changes in Directors during the year

During the year under review, there was no change in the composition of the Board of Directors ('Board') of your Company.

(b) Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with Articles 100, 101 and 102 of the Articles of Association of the Company, Mr. Surendra Kumar Sipani (DIN: 02513625), Director, will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company, and being eligible, offers himself for re-election. Your Board has recommended his re-election.

5. BOARD MEETINGS

Four meetings of the Board were held during the year ended 31st March, 2024.

6. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- i) followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- ii) selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv) prepared the Annual Accounts on a going concern basis; and
- v) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

8. PARTICULARS OF EMPLOYEES

The details of employees of the Company as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure 1** to this Report.

The requirement relating to constitution of Internal Complaints

Committee in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company.

9. RISK MANAGEMENT

The Company's risk management framework, designed to bring robustness to the risk management processes, addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

Management of risks vest with the executives responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. Annual update is provided to the Board on the effectiveness of the Company's risk management systems and policies.

10. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations.

During the year under review, the internal financial controls in the Company with respect to the financial statements were tested and no material weakness in the design or operation of such controls was observed. Nonetheless, your Company recognizes that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes are undertaken to ensure that such systems are reinforced on an ongoing basis.

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

12. RELATED PARTY TRANSACTIONS

During the year under review, the Related Party Transactions (RPTs) entered into by your Company were in the ordinary course of business and on arm's length basis.

The details of material RPTs of the Company in the prescribed Form AOC-2 are enclosed in Annexure 2 to this Report.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year under review, no significant or material orders were passed by the Regulators / Courts / Tribunals impacting the going concern status of the Company and its future operations.

14. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

15. STATUTORY AUDITORS

The Company's Statutory Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants ('DHS'), who were appointed with your approval at the 24th Annual General Meeting (AGM) for a period of five years, will complete their present term on conclusion of the 29th AGM of the Company.

The Board has recommended for the approval of the Members, appointment of Messrs. M. Anandam & Co., Chartered Accountants, as the Statutory Auditors of the Company for a period of five years from the conclusion of the 29th AGM till the conclusion of the 34th AGM. Messrs. M. Anandam & Co., Chartered Accountants, have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act. The Board has also recommended for the approval of the Members, the remuneration of Messrs. M. Anandam & Co., Chartered Accountants, to conduct audit for the financial year

2024-25. Appropriate resolution in respect of the appointment and remuneration of Messrs. M. Anandam & Co., Chartered Accountants, as the Statutory Auditors is being placed for your approval at the ensuing AGM of the Company

There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report on the financial statements of the Company.

16. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption.

There has been no foreign exchange earnings or outgo during the year under review.

On behalf of the Board

S. S. Bandyopadhyay Director
DIN : 08016972

S. K. Pandey Director
DIN : 08017025

Dated: 2nd May, 2024

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2024

[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Names of employees	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of Employment	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
K. C. Pandey	55	Assistant Manager	3,47,203/-	3,25,603/-	B.A. and M.A. (Political Science)	28	1.1.1996	N.A.

Notes:

- Gross remuneration includes salary, variable pay / performance bonus, allowances & other benefits / applicable perquisites borne by the Company, except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less income tax, education cess deducted at source and employee's own contribution to provident fund.
- All appointments are contractual in accordance with terms and conditions as per Company's rules.
- Mr. K. C. Pandey is neither relative of any Director of the Company nor holds any equity share in the Company.

On behalf of the Board

S. S. Bandyopadhyay Director
DIN : 08016972

S. K. Pandey Director
DIN : 08017025

Dated: 2nd May, 2024

Annexure 2 to the Report of the Board of Directors for the financial year ended 31st March, 2024

FORM NO. AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	ITC Limited, the Holding Company (ITC)
b)	Nature of contracts / arrangements / transactions	Purchase of goods
c)	Duration of the contracts / arrangements / transactions	N.A.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of saplings from ITC Value of the transaction during the year - ₹ 9.30 lakhs
e)	Date(s) of approval by the Board, if any	14th July, 2023
f)	Amount paid as advances, if any	Nil

On behalf of the Board

S. S. Bandyopadhyay Director
DIN : 08016972

S. K. Pandey Director
DIN : 08017025

Dated: 2nd May, 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAVAN POPLAR LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pavan Poplar Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under

section 133 of the Act. 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 financial statements, management and Board of Directors 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements on the adequacy and operating effectiveness of the Company's internal financial controls.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 22 to the financial statements.
 - ii. The Company did not have any long-term contracts

including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds 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, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 3020092E)

Ketan Vora
Partner

Place : Mumbai
Date: May 2, 2024

(Membership No. 100459)
UDIN: 24100459BKFATE2973

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Pavan Poplar Limited (the "Company") as at March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements 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 the 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 with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm's Registration No. 3020092E)

Ketan Vora

Partner

Place : Mumbai
Date: May 2, 2024

(Membership No. 100459)
UDIN: 24100459BKFATE2973

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company does not have any Intangible Assets.
- (b) The Property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, in respect of the immovable property of land that has been taken on sub-lease, the physical

possession of such land has been taken over by the State Authorities during the year 2013-14, pursuant to an Order by Hon'ble High Court of Uttarakhand (also refer Note 22 of the Ind AS financial statements). As a matter of prudence, the cost of the land has been fully provided for in the Ind AS financial statements.

- (d) The Company has not revalued any of its property, plant and equipment during the year. The Company does not have any intangible assets.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Hence, reporting on the quarterly

- returns or statements filed by the Company with such banks or financial institution is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of Section 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanation given to us, in respect of Statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3 (ix)(c) of the Order is not applicable.
- (d) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year of the funds raised through issue of shares or borrowings in the previous year and hence, reporting under clause (ix)(d) of the Order is not applicable.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix) (e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, 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) The Company is not required by statute to implement vigil mechanism under Companies Act, hence reporting under clause (xi) (c) of the Order is not applicable.
- (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 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) In our opinion the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act, 2013.
- (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,b,c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs. 317.80 thousands during the financial year covered by our audit and Rs. 265.55 thousands 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 realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) The Company does not prepare consolidated financial statement and hence clause 3 (xxi) is not applicable.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 3020092E)

Ketan Vora
Partner

Place : Mumbai
Date: May 2, 2024

(Membership No. 100459)
UDIN: 24100459BKFATE2973

BALANCE SHEET AS AT 31ST MARCH, 2024

(All amounts are in Indian Rupees thousands unless otherwise stated)

	Note	As at 31st March, 2024 (₹)	As at 31st March, 2023 (₹)
ASSETS			
Non-current assets			
Property, Plant and Equipment	22	–	–
Advance Tax and TDS Receivables [Net of provisions of ₹ 50.39 thousand (March 23 - ₹ 70.59 thousand)]		<u>19.39</u>	<u>8.14</u>
Total Non-current Assets		19.39	8.14
Current Assets			
Biological assets other than bearer plants	3	–	–
Financial Assets			
Cash and Cash Equivalents	4	<u>2,957.21</u>	<u>3,198.56</u>
Other Financial Assets	5	<u>37.69</u>	<u>77.74</u>
Other Current Assets	6	<u>42.34</u>	<u>42.34</u>
Total Current Assets		3,037.24	3,318.64
Total Assets		3,056.63	3,326.78
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	7	<u>55,100.04</u>	<u>55,100.04</u>
Other Equity	8	<u>(52,378.32)</u>	<u>(52,060.64)</u>
Total Equity		2,721.72	3,039.40
Liabilities			
Non-current Liabilities			
Provisions	9	<u>152.68</u>	<u>136.86</u>
Total Non-current Liabilities		152.68	136.86
Current Liabilities			
Financial Liabilities			
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	21	–	–
- total outstanding dues of creditors other than micro enterprises and small enterprises		<u>172.57</u>	<u>137.25</u>
Other Financial Liabilities	10	<u>3.60</u>	<u>3.60</u>
Other Current Liabilities	11	<u>1.49</u>	<u>5.58</u>
Provisions	9	<u>4.57</u>	<u>4.09</u>
Total Current Liabilities		182.23	150.52
Total Liabilities		334.91	287.38
Total Equity and Liabilities		3,056.63	3,326.78

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Ketan Vora
Partner
Membership No. - 100459

Place: Mumbai
Date: 2nd May, 2024

For and On behalf of the Board of Directors

Suneel Pandey Sib Sankar Bandyopadhyay
Director Director
DIN - 8017025 DIN - 8016972

Place: Secunderabad
Date: 2nd May, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in Indian Rupees thousands unless otherwise stated)

	Note	For the year ended March 31, 2024 (₹)	For the year ended March 31, 2023 (₹)
I Revenue from Operations	12	1,230.00	1,140.00
II Other Income	13	135.04	98.48
III Total Income (I+II)		1,365.04	1,238.48
IV EXPENSES:			
Purchases of Stock-in-Trade		930.00	900.00
Employee Benefits Expense	14	375.59	345.75
Other Expenses	15	377.25	258.28
Total Expenses (IV)		1,682.84	1,504.03
V Loss Before Tax (III-IV)		(317.80)	(265.55)
VI Tax Expense:			
Current Tax	16 (c)	–	6.54
Total Tax Expense (VI)		–	6.54
VII Loss for the Year (V-VI)		(317.80)	(272.09)
A Other Comprehensive Income:			
(i) Items that will not be reclassified to profit and loss			
- Remeasurement of the defined benefit liability	23	0.12	5.30
VIII Total Other Comprehensive Profit/(Loss) [(A(i-ii))]		0.12	5.30
IX Total Comprehensive Loss for the Year (VII+VIII)		(317.68)	(266.79)
Earnings per Equity Share (in INR): Basic and Diluted (face value of ₹ 10 each)	18	(0.06)	(0.05)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Ketan Vora
Partner
Membership No. - 100459

Place: Mumbai
Date: 2nd May, 2024

For and On behalf of the Board of Directors

Suneel Pandey Sib Sankar Bandyopadhyay
Director Director
DIN - 8017025 DIN - 8016972

Place: Secunderabad
Date: 2nd May, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in Indian Rupees thousands unless otherwise stated)

	Amount			
A. Equity Share Capital:				
Balance at April 1, 2022				55,100.04
Changes in Equity Share Capital during the year				—
Balance at March 31, 2023				55,100.04
Changes in Equity Share Capital during the year				—
Balance at March 31, 2024				55,100.04
B. Other Equity :	Reserves and Surplus	General Reserve	Retained Earnings	Other items of Other Comprehensive Income
Balance as at April 1, 2022	500.00	(51,458.64)	(835.21)	(51,793.85)
Loss for the year	—	(272.09)	—	(272.09)
Remeasurement of the Defined Benefit Liability [Refer Note 16(b)]	—	—	5.30	5.30
Balance at March 31, 2023	500.00	(51,730.73)	(829.91)	(52,060.64)
Loss for the year	—	(317.80)	—	(317.80)
Remeasurement of the Defined Benefit Liability [Refer Note 16(b)]	—	—	0.12	0.12
Balance at March 31, 2024	500.00	(52,048.53)	(829.79)	(52,378.32)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Ketan Vora
Partner
Membership No. - 100459

Place: Mumbai
Date: 2nd May, 2024

For and On behalf of the Board of Directors

Suneel Pandey Sib Sankar Bandyopadhyay
Director Director
DIN - 8017025 DIN - 8016972

Place: Secunderabad
Date: 2nd May, 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in Indian Rupees thousands unless otherwise stated)

	For the year ended March 31, 2024 (₹)	For the year ended March 31, 2023 (₹)
Cash Flow from Operating Activities		
(Loss) / Profit Before Tax	(317.80)	(265.55)
Adjustments for:		
Interest Income	(135.04)	(98.48)
Operating Loss Before Working Capital Changes	(452.84)	(364.03)
Adjustments for:		
Decrease / (Increase) in Other Current Assets	(11.25)	–
Increase/(Decrease) in Trade Payable	35.32	(13.95)
Increase in Other Current Liabilities, Other Financial Liabilities and Provisions	12.33	18.93
Cash used in Operations	(416.44)	(359.05)
Income Taxes (Paid (Net of Refunds)) / refund received	–	25.27
Net Cash used in Operating Activities	(416.44)	(333.78)
Cash Flow from Investing Activities		
Interest Received	175.09	86.40
Net Cash generated from Investing Activities	175.09	86.40
Cash Flow from Financing Activities	–	–
Net decrease in Cash and Cash Equivalents	(241.35)	(247.37)
Cash and Cash Equivalents at the beginning of the year	3,198.56	3,445.93
Cash and Cash Equivalents at the end of the year (Refer Note 4)	2,957.21	3,198.56

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Ketan Vora
Partner
Membership No. - 100459

Place: Mumbai
Date: 2nd May, 2024

For and On behalf of the Board of Directors

Suneel Pandey Sib Sankar Bandyopadhyay
Director Director
DIN - 8017025 DIN - 8016972

Place: Secunderabad
Date: 2nd May, 2024

Notes forming part of the Financial Statements

1. Company Information

The Company is in the business of trading of poplar woods, saplings and agro forestry and other related activities, which consists of harvesting and selling of poplar wood, and is based in the states of Uttarakhand and Uttar Pradesh. The Company is presently exploring business opportunities in trading of agri produce and has undertaken trading of poplar saplings.

2. Material Accounting Policies**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The company adopted Ind AS from 1st April, 2016.

2.2 Basis of Preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention, except for certain items that are measured at amortized cost fair values, as explained in the accounting policies below, and on accrual basis. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that a price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period; they are recognized in the period of the revision and future periods if the revision affects both current and future periods.

2.3 Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent liabilities and the reported amounts of income and expenses during the year. Actual results could differ from those estimates and the difference between the actual results and the estimates are recognised in the periods in which the results are known / materialise. The estimates and underlying assumptions are reviewed on an ongoing basis.

2.4 Biological Assets other than Bearer Plants

Biological assets other than bearer plants comprises of matured as well as growing poplar trees. These trees are felled for wood and are then sold to farmers, the usual production cycle ranging from 5 – 6 years. At any reporting period, these trees would be at various stages of growth. Since the trees have a growing period of 5-6 years, and there is no market for such trees in the initial 4-5 years of their growth, the fair value of the same cannot be established. Hence, such assets are measured at cost less any accumulated depreciation and any accumulated impairment losses on initial recognition and at the end of each reporting period. In determination of cost, no adjustment is made to the total cost of trees on account of undeveloped / diseased trees, being normal loss during the period of maturity of plantation (based on a technical estimate) except that realization / insurance claim for such trees is reduced from total cost. Cost includes all direct and indirect expenses in respect of the poplar plantation. Further, 75% of net standard realizable value of inter cropping, waste, etc. is reduced from the above cost because entire farm cost is first added to the cost of plantation.

Fair valuation is done for those trees which have attained a growth of 5 years and is ready for sale in the next one year, provided it is reasonably certain that the existing market prices are unlikely to show wide variability in the next one year. To determine the fair value, reference is made to the current market price of similar grade of wood less estimated costs to be incurred for making the sale.

Unharvested agricultural produce of intercropping traditional crops are valued at fair value less costs to sell.

2.5 Inventories

Agricultural produce after harvest i.e., felled wood from poplar trees and inter-cropping of traditional crops (viz., wheat and sugarcane) are measured at 75% of their net realizable value in accordance with well-established practice in the industry.

In respect of traded items, inventories are valued at weighted average cost basis.

2.6 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

2.7 Property, Plant and Equipment – Recognition and Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. The cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses related to acquisition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

2.8 Revenue Recognition

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for goods supplied and services rendered, net of returns and estimates of variable consideration such as discounts to customers.

Revenue from the sale of goods and services is recognized when the company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered.

2.9 Retirement Benefits**Defined Contribution Plans**

The Company's contribution to provident fund and employees' state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

The Company's gratuity benefit scheme is a defined benefit plan which is not funded. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Gain or Loss on account of remeasurements are recognized immediately through Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds.

Other Long-Term Employment Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

2.10 Earnings Per Share ('EPS')

Basic earnings per share ('EPS') is computed by dividing the net profit/(loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit/(loss) attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the period, except where the results would be anti-dilutive.

2.11 Taxation

Income-tax expense comprises current tax and deferred tax charge or credit. Current tax is determined in accordance with the Income-tax Act, 1961. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income or Equity, are disclosed separately under Other Comprehensive Income or Equity, as applicable.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Notes forming part of the Financial Statements (Contd.)

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. As the Company is currently engaged in trading of agricultural produce, such income is exempt from income tax. Accordingly, there are no deferred tax assets/liabilities arising therefrom.

2.12 Impairment of Assets

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

2.13 Contingencies and Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the

present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settlement to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.14 Operating Cycle

Based on the nature of products / activities of the Company which consists of harvesting and selling of poplar wood on an annual basis from the existing trees which have attained maturity and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current. In the process of trading of agri produce also, the operating cycle has been determined as 12 months.

2.15 Financial Instrument, Financial Assets, Financial Liabilities and Equity Instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price.

Financial Assets

Recognition: Financial assets include, Advances, Security deposits, Cash and cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Trade receivables, Advances, Security deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

Notes forming part of Financial Statements

(All amounts are in Indian Rupees thousands unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
3. Biological Assets other than Bearer Plants		
Unharvested Agri-Produce (Inter cropping of traditional crops)	4,327.03	4,327.03
Unharvested Poplar Trees (Standing crops)	20,986.18	20,986.18
	<u>25,313.21</u>	<u>25,313.21</u>
Less: Provision for Write Down (Refer Note 22)	<u>(25,313.21)</u>	<u>(25,313.21)</u>
Note: Additional disclosure in terms of Schedule III and Ind AS 41 have not been given in view of the ongoing litigation (Refer Note 22).		
4. Cash and Cash Equivalents		
Balances with Banks		
Current Account	556.19	92.98
Deposit Accounts (Refer Note below)	2,397.21	3,100.00
Cash on Hand	3.81	5.58
	<u>2,957.21</u>	<u>3,198.56</u>
Note: Deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal. The company does not have any significant cash and cash equivalents that are not available for use.		
5. Other Financial Assets		
Current		
Interest Accrued on the Bank Deposits	37.69	77.74
	<u>37.69</u>	<u>77.74</u>
6. Other Current Assets		
Deposits with Statutory Authorities	42.34	42.34
	<u>42.34</u>	<u>42.34</u>
7. Equity Share Capital		
Authorised Share Capital:		
1,00,00,000 Equity Shares of ₹ 10 each fully paid-up	1,00,000.00	100,000.00
Issued, Subscribed and Paid-Up Capital:		
55,10,004 Equity Shares of ₹ 10 each fully paid-up	<u>55,100.04</u>	<u>55,100.04</u>
A) Reconciliation of number of Equity Shares outstanding:		
	No. of Shares	Amount
Balance at April 1, 2022	55,10,004	55,100.04
Add: Issued during the year	-	-
Balance at March 31, 2023	55,10,004	55,100.04
Add: Issued during the year	-	-
Balance at March 31, 2024	<u>55,10,004</u>	<u>55,100.04</u>
B) Shareholders holding more than 5% of the Equity Shares in the Company:		
	As at March 31, 2024	As at March 31, 2023
	(No. of Shares) %	(No. of Shares) %
ITC Limited and its nominees	<u>55,10,004</u> <u>100</u>	<u>55,10,004</u> <u>100</u>
* 55,09,998 shares are held by ITC Limited, the Holding Company and the balance 6 shares are held by nominees of the Holding Company jointly with the Holding Company.		

C) Rights, preferences and restrictions attached to the Equity Shares:

The equity shares of the Company, having par value of ₹ 10 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

D) Shares held by Promoters:

Sl. No	Promoters Name	As at 31st March 2024			As at 31st March 2023		
		No of shares as at end of the year	% of Total Shares	% change during the year	No of shares as at end of the year	% of Total Shares	% change during the year
1	ITC Limited	55,10,004	100	-	55,10,004	100	-

	As at 31 March 2024	As at 31 March 2023
8. Other Equity Reserves and Surplus:		
General Reserve		
This represents appropriation of profit by the Company.	500.00	500.00
Retained Earnings		
Retained earnings comprise of the Company's undistributed earnings after taxes.	(52,048.53)	(51,730.73)
Other items of other comprehensive income		
Other items of other comprehensive income consist of remeasurement of net defined benefit liability/asset.	(829.79)	(829.91)
	<u>(52,378.32)</u>	<u>(52,060.64)</u>
9. Provisions		
Employee Benefits:		
Gratuity (Refer Note 23)	130.93	125.63
Compensated Absences	17.32	15.32
	<u>157.25</u>	<u>140.95</u>
Non-current		
Gratuity (Refer Note 23)	135.84	121.98
Compensated Absences	16.84	14.88
	<u>152.68</u>	<u>136.86</u>
Current		
Gratuity (Refer Note 23)	4.09	3.65
Compensated Absences	0.48	0.44
	<u>4.57</u>	<u>4.09</u>
	<u>157.25</u>	<u>140.95</u>
10. Other Financial Liabilities		
Current:		
Employee Dues Payable	3.60	3.60
	<u>3.60</u>	<u>3.60</u>
11. Other Liabilities		
Current:		
Statutory Liabilities	1.49	5.58
	<u>1.49</u>	<u>5.58</u>
	For the year ended 31 March 2024	For the year ended 31 March 2023
12. Revenue from Operations		
Sale of Products (Saplings)	1,230.00	1,140.00
	<u>1,230.00</u>	<u>1,140.00</u>

Notes forming part of the Financial Statements (Contd.)

	For the year ended 31 March 2024	For the year ended 31 March 2023
13. Other Income		
Interest Income on:		
Bank Deposits	134.90	93.00
Other interest	–	3.22
Income tax refund	0.14	2.26
	<u>135.04</u>	<u>98.48</u>
14. Employee Benefits Expense		
Salaries and Wages (Refer Note 23)	317.40	300.28
Contribution to Provident and Other Funds	28.50	32.65
Gratuity Expense (Refer Note 23)	14.42	12.82
Staff Welfare Expenses	15.27	–
	<u>375.59</u>	<u>345.75</u>
15. Other Expenses		
Rent	7.76	7.76
Rates and Taxes	3.39	2.08
Insurance	2.80	2.80
Repairs and Maintenance - Others	–	0.80
Security Charges	171.60	164.07
Legal and Consultancy Expenses	122.80	9.97
Miscellaneous Expenses	68.90	70.80
	<u>377.25</u>	<u>258.28</u>
Miscellaneous Expenses include:		
Payment to Auditors (excluding applicable taxes)		
- Statutory Audit	50.00	50.00
- Tax Audit	15.00	15.00
	<u>65.00</u>	<u>65.00</u>
16. Tax Expense		
(a) The Company is in the business of Agro Forestry and related income and expenses are agricultural income, which are exempt u/s 10 of the Income-Tax Act, 1961. (Also refer note 19)		
(b) Remeasurement of actuarial losses relating to gratuity are related agricultural activities of the Company. Hence, there is no tax impact on such remeasurement of actuarial losses.		
(c) A reconciliation of the income tax provision to the amount computed by applying the Indian statutory income tax rate to the loss before tax is summarised below:		
	For the year ended 31 March 2024	For the year ended 31 March 2023
Loss before Income Tax	(317.80)	(265.55)
Enacted Tax Rates	25.17%	25.17%
Computed Expected Tax Expense	(80.00)	(67.00)
Tax on Income after excluding expenses for income exempt u/s 10	80.00	73.54
Income Tax Expense	<u>–</u>	<u>6.54</u>
17. Contingent Liabilities *		
Claims against the Company not acknowledged as Debts		
Revision of Land Lease Rent	10,700.00	10,700.00
Other Matters	42.34	42.34
	<u>10,742.34</u>	<u>10,742.34</u>

* It is not practicable for the Company to estimate the closure of the issue and the consequential timings of cash flows, if any, in respect of the above.

Ageing of Trade Payables

As at 31st March, 2024	Particulars Outstanding for following periods						Total
	Not Due	Unbilled Payable*	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	–	–	–	–	–	–	–
Others	–	172.57	–	–	–	–	172.57
Disputed Dues - MSME	–	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–	–	–
Total	–	172.57	–	–	–	–	172.57

Ageing of Trade Payables

As at 31st March, 2023	Particulars Outstanding for following periods						Total
	Not Due	Unbilled Payable*	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	–	–	–	–	–	–	–
Others	–	137.25	–	–	–	–	137.25
Disputed Dues - MSME	–	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–	–	–
Total	–	137.25	–	–	–	–	137.25

* Unbilled Payable denotes Provision for Expenses which are yet to be billed.

18. Earnings Per Share

Computation of earnings per share is set out below:

Net (Loss) / Profit attributable to Equity Shareholders (A)	(317.80)	(272.09)
Weighted Average Number of Equity Shares outstanding during the year (B) (Nos.)	55,10,004	55,10,004
Face value of Equity Share (INR)	10.00	10.00
Earnings Per Share (Basic and Diluted) (A/B) (in INR)	(0.06)	(0.08)

19. Segment Information

The Board of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by IND AS 108 Operating Segments. The Company's activities involve predominantly business of growing and selling agricultural produce in India, which is considered to be a single business segment since these are subject to similar risks and returns. Further, the business is carried out in India and product sold primarily in India and hence there are no reportable geographical segments.

The Company receives more than 10% of its total revenue from operations from a single customer as under

	For the year ended 31 March 2024	For the year ended 31 March 2023
Mr. Karamjeet Singh	–	13.33%

20. Related Party Disclosures

a) Details of Related Parties :

Name	Relationship
ITC Limited	Holding Company
Key Management Personnel	Relationship
S. K. Sipani	Non-Executive Director
Suneel Pandey	Non-Executive Director
Sib Sankar Bandyopadhyay	Non-Executive Director

(b) Details of Related Party Transactions:

Description	For the year ended 31 March 2024	For the year ended 31 March 2023
ITC Limited:		
Purchases	930.00	900.00

(c) Details of Related Party Balances:

Description	As at 31 March 2024	As at 31 March 2023
ITC Limited	–	–

21. Trade Payable

Total Outstanding dues of creditors of micro and small enterprises**	–	–
Total Outstanding dues of creditors other than micro and small enterprises	172.57	137.25
	<u>172.57</u>	<u>137.25</u>

**The Company, based on the information available on the status of the suppliers, does not have any dues to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

Notes forming part of the Financial Statements (Contd.)

22. During the year 2013-14, the Hon'ble High Court of Uttarakhand at Nainital, passed an order directing the State Authorities to take possession of the land leased to the Company. The Company had filed an appeal against the said Order, which had been admitted and the matter is pending in the Hon'ble High Court.

Consequent to the aforesaid Order, as a matter of prudence, cost of the land amounting to ₹ 23,410.91 thousands (being the difference between the premium paid on acquisition of such leasehold land amounting to ₹ 44,933.86 thousands and amortised to the extent of ₹ 21,522.95 thousands) was fully impaired in 2013-14. On transition to Ind AS, deemed cost of such leasehold land as on April 1, 2015 is Nil. Further, as the Company does not have access to such land, biological assets (including agri-produce) thereon were fully provided for and consequently, cost of such assets is Nil.

In the interim, the Company has been examining alternate business opportunities and basis its long experience of trading in poplar wood/saplings, the Company continues to engage in trading of poplar wood / saplings in the proximate markets.

In view of the above and taking into account that the Company's assets primarily include current assets (Cash and Cash Equivalents), the Board has determined that it would be appropriate to prepare its financial statements on a going concern basis.

23. Employee Benefits**Description of Plans**

The Company makes contribution to defined contribution scheme (Provident Fund) for qualifying employees. The Company makes a monthly contribution as a percentage of eligible salary to Provident Fund.

The liabilities arising in the defined benefit schemes are determined in accordance with the actuarial valuation. Gratuity and Compensated Absences benefits are unfunded.

Risk Management

The defined benefit plans expose the Company to actuarial deficit arising out of interest rate risk, longevity risk and salary cost inflation risk. These plans are not exposed to any unusual, entity specific or scheme specific risks but there are general risks. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the Government security yields. A decrease in yields will increase the fund liabilities, leading to accounting deficit in the funds. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

Gratuity:

The following tables set out the amount recognised in the Financial Statements as of March 31, 2024 and March 31, 2023:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Change in Benefit Obligation		
Benefit Obligation at the beginning	125.63	118.11
Current Service Cost	5.00	4.85
Interest Expense	9.42	7.97
Remeasurements - Actuarial Losses	(0.12)	(5.30)
Benefits Paid	—	—
Benefit Obligations at the end	139.93	125.63

Amount for the year ended March 31, 2024 and March 31, 2023 recognised in the Statement of Profit and Loss under employee benefit expense:

Current Service Cost	5.00	4.85
Interest Expense	9.42	7.97
Gratuity Expense	14.42	12.82

Amount for the year ended March 31, 2024 and March 31, 2023 recognised in the Statement of Other Comprehensive Income:

Remeasurements of the Defined Benefit Liabilities

Effect of Experience Adjustments	(1.86)	(3.37)
Effect of Experience Adjustment	(1.98)	(1.93)
Cost recognised in the Statement of Other Comprehensive Income	(0.12)	(5.30)

Liability recognised in the Balance Sheet	As at March 31, 2024	As at March 31, 2023

Remeasurements of the**Defined Benefit Liabilities**

Present Value of Defined Benefit Obligation	139.93	125.63
Liability recognised in Balance Sheet		
- Current	4.09	3.65
- Non-Current	135.84	121.98
Liability recognised in Balance Sheet	139.93	125.63

The principal assumptions used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2024	As at March 31, 2023
Discount Rates	7.00%	7.50%
Expected rates of salary increase	7.00%	7.00%
Mortality Table	Indian Assured Lives Mortality (2006-2008) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Retirement Age	58 Years	58 Years

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

As at March 31, 2024, every percentage point increase / decrease in discount rate will affect the Company's gratuity benefit obligation by approximately ₹ 3.69 thousands / ₹ 3.83 thousands/- (PY ₹ 4.32 thousands) / ₹ 4.52 thousands)

As at March 31, 2024, every percentage point increase / decrease in compensation levels will affect the Company's gratuity benefit obligation by approximately ₹ 3.80 thousands / (₹ 3.72 thousands/-) PY ₹ 4.50 thousands) / (₹ 4.38 thousands).

24. Financial Instruments and Related Disclosures**A. Capital Management**

The Company's financial strategy aims to strengthen its financial position through optimum deployment of capital in the business of agro forestry and other related activities, which consists of harvesting and selling of poplar wood, and in trading of agri produce and nurture opportunities available in the markets. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth of its businesses as a going concern.

B. Categories of Financial Instruments

	Note	As at March 31, 2024		As at March 31, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets (Measured at amortised cost)					
i) Trade Receivables	4	—	—	—	—
ii) Cash and Cash Equivalents	4	2,957.21	2,957.21	3,198.56	3,198.56
iii) Other Financial Assets	5	37.69	37.69	77.74	77.74
Total Financial Assets		2,994.90	2,994.90	3,276.30	3,276.30
Financial Liabilities (Measured at amortised cost)					
(i) Trade Payables	22	172.57	172.57	137.25	137.25
(ii) Other Financial Liabilities	10	3.60	3.60	3.60	3.60
Total Financial Liabilities		176.17	176.17	140.85	140.85

C. Financial Risk Management Objectives

The Company's activities expose it to primarily to interest rate risk arising out of bank deposits made. Exposure to credit risk is limited to the outstanding trade receivables at hand and resulting from default by the counterparty.

i) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Though the majority of the financial assets of the Company are fixed interest bearing instruments, the Company's net exposure to interest risk is negligible as such instruments are invested in fixed interest bearing instruments which are not subject to substantial movements in rates. The maximum exposure to interest rate risk is ₹ 2,397.21 thousands (As at March 31, 2023 - ₹ 3,100 thousands) and is represented by carrying amount of Balance with Banks - Deposit Accounts (Refer Note 4).

ii) Price Risk

The Company invests its surplus funds in bank deposits measured at amortized cost. Accordingly, these do not pose any significant price risk.

iii) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due. The company has Cash and Cash equivalents of ₹ 2957.21 thousands

Notes forming part of the Financial Statements (Contd.)

while the aggregate of trade payables and other financial liabilities is ₹ 176.17 thousands. Aggregate of trade payables and other financial liabilities is about 6% of the total cash and cash equivalents, hence the company does not foresee any liquidity risk.

iv) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company. The company does not deal in credit unless specifically approved by the Chief Operating Decision Maker and such credit extension is short term in nature ranging from 0 - 15 days. There are no outstanding debtors for which ECL provision is required to be assessed.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers

	For the year ended 31, March 2024	For the year ended 31, March 2023
Revenue from top customer	5%	13%
Revenue from top 5 customers	22%	47%

The Company's credit period generally ranges from 0-15 days

D. Fair value measurement

The Company does not have any Non-current Financial Assets and Non-current Financial Liabilities. Fair value of Current Financial Assets and Current Financial Liabilities is equivalent to their carrying values.

25. Ratios

Ratio	Numerator	Denominator	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	Variance
Current Ratio	Current Assets	Current Liabilities	16.67	22.05	-24%
Return on Equity Ratio	PAT	Average Shareholder's Equity	*	*	
Trade Payable turnover Ratio	Sales	Average Trade Payable	7.94	8.07	-2%
Net Capital turnover Ratio	Sales	Working Capital	0.43	0.36	20%
Net Profit Ratio	PAT	Sales	*	*	
Return on Capital Employed	PBIT	Average Capital Employed	*	*	

* Ratio not disclosed as the same is negative

Note:Debt Service Coverage Ratio, Inventory turnover Ratio, Debt Equity Ratio, Return on Investment and Trade Receivable Ratio are not applicable to the Company.

26. Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the standalone financial statements.

27. The financial statements were approved for issue by the Board of Directors on May 2nd, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Ketan Vora
Partner
Membership No. - 100459

Place: Mumbai
Date: 2nd May, 2024

For and On behalf of the Board of Directors

Suneel Pandey Sib Sankar Bandyopadhyay
Director Director
DIN - 8017025 DIN - 8016972

Place: Secunderabad
Date: 2nd May, 2024

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First



Farmer Empowerment

- Increasing productivity & farmer income, promoting climate smart agriculture, creating market linkages
- ITCMAARS bringing digital technology to farmers, supporting over 1650 FPOs; covering more than 15 lakh farmers



Climate Smart Agriculture

- Over 10 lakh farmers benefitted
- Around 28 lakh acres covered



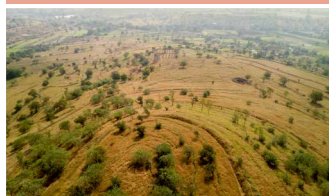
Water Stewardship

- Over 16 lakh acres covered
- Over 32,400 water harvesting structures built
- Around 15 lakh acres covered under demand side management



Afforestation

- Over 11.6 lakh acres greened
- About 21.2 crore person-days of employment supported



Biodiversity

- Over 4.7 lakh acres restored



Climate Smart Agriculture

- Over 10 lakh farmers benefitted
- Around 28 lakh acres covered



Women Economic Empowerment

- Over 1.9 lakh women benefitted
- Financial Literacy programme has covered over 28.5 lakh women



Support to Education

- Over 15 lakh children covered



Skillling

- Over 1 lakh youth trained



Health & Sanitation

- Nearly 44,000 Individual Household Toilets constructed
- ### Maternal & Child Healthcare and Nutrition
- Over 14.6 lakh women covered



Livestock Development

- Over 22 lakh milch animals covered
- Over 7 lakh animal owners benefitted



Solid Waste Management

- Over 2.5 crore citizens covered under Well-being Out of Waste



Renewable Energy

- 50% of Energy consumed from Renewable Sources



Plastic Neutral

- Plastic Neutral since 2021-22



Pioneer of Green Building Movement in India

- 40 Green Buildings
- World's first 12 LEED® Zero Carbon certified hotels
- World's first LEED® Zero Carbon data centre
- World's first 4 LEED® Zero Water certified hotels



Alliance for Water Stewardship

- All 7 AWS (Platinum certified) Sites in India are ITC Sites

ITC is the only enterprise in the world to be water positive for 22 years, carbon positive for 19 years and solid waste recycling positive for 17 years