



Ref: K/953/NSE&BSE/BM/2024

Date: 12.08.2024

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

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

Dear Sir/Madam,

Sub: Unaudited Financial Results (Standalone and Consolidated) for the Quarter Ended 30th June 2024

Ref: Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the captioned subject, this is to inform that with the recommendation of the Audit Committee, the Board of Directors in its Meeting held on 12th August 2024 approved the Unaudited Financial Results for the Quarter Ended 30th June 2024.

Please find herewith the following documents:

1. Unaudited Financial Results (Standalone and Consolidated) for the Quarter Ended 30th June 2024; and
2. Limited Review Report of Statutory Auditors on Financial Results (Standalone and Consolidated) for the Quarter Ended 30th June 2024.

The Board Meeting commenced at 12.00 noon and concluded at 3.40 pm. This is for your kind information and records please.

Thanking you

Yours faithfully
For ITI Limited

Rajeev Srivastava
Director Finance & CFO
Encl: as above



ITI LIMITED
CIN No: L32202KA1950GOI000640
Registered & Corporate Office: ITI Bhavan, Doorvaninagar, Bengaluru-560016
Website: www.itiltd.in; Email: cosecy_crp@itiltd.co.in
Tel: +91 (80) 2561 7486; Fax: +91 (80) 2561 7525

Statement of standalone Unaudited Financial Results for the Quarter Ended 30th June 2024

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Year Ended	
		30-06-2024	31-03-2024	30-06-2023	31-03-2024	31-03-2023
		Unaudited	Audited	Unaudited	Audited	Audited
1	Income					
	Revenue from Operations	51,998	60,128	15,704	1,26,363	1,39,545
	Other Income	1,504	927	1,299	4,450	5,255
	Total Revenue	53,502	61,055	17,004	1,30,813	1,44,799
2	Expenses					
	(a) Cost of Materials Consumed & Services	18,418	36,124	8,019	80,212	94,106
	(b) Purchase of stock-in-trade	28,545	28,295	3,689	35,637	27,337
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(604)	295	1,340	2,526	(3,323)
	(d) Employee benefits expense	4,587	6,291	4,838	23,180	22,887
	(e) Finance costs	5,315	6,022	5,462	24,139	20,958
	(f) Depreciation and amortisation expense	1,388	1,418	1,203	5,312	4,950
	(g) Other expenses	2,314	6,504	2,713	16,713	13,893
	Total Expenses	59,963	84,949	27,264	1,87,719	1,80,809
3	Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)	(6,461)	(23,894)	(10,260)	(56,906)	(36,010)
4	Prior period Items	-	-	-	-	-
5	Profit / (Loss) before exceptional/extraordinary items and tax (3 + 4)	(6,461)	(23,894)	(10,260)	(56,906)	(36,010)
6	Exceptional Items (Refer Note 8)	(2,647)	-	-	-	-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)	(9,108)	(23,894)	(10,260)	(56,906)	(36,010)
8	Extraordinary items	-	-	-	-	-
9	Profit / (Loss) before tax (7 + 8)	(9,108)	(23,894)	(10,260)	(56,906)	(36,010)
10	Tax Expense:					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
11	Profit / (Loss) for the period (9 - 10)	(9,108)	(23,894)	(10,260)	(56,906)	(36,010)
12	Other comprehensive Income/(Loss)					
	Items not to be reclassified to Profit or Loss in subsequent period	(530)	2,439	(1,520)	(2,121)	(6,079)
	Other comprehensive Income/(Loss) for the period	(530)	2,439	(1,520)	(2,121)	(6,079)
13	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (11+12)	(9,638)	(21,455)	(11,780)	(59,027)	(42,089)
14	Paid up equity share capital (Face value of ₹10/- each)	96,089	96,089	96,089	96,089	94,958
15	i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(0.95)	(2.49)	(1.08)	(5.93)	(3.81)
	(b) Diluted	(0.95)	(2.49)	(1.08)	(5.93)	(3.81)
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(0.95)	(2.49)	(1.08)	(5.93)	(3.81)
	(b) Diluted**	(0.95)	(2.49)	(1.08)	(5.93)	(3.81)
	See accompanying note to the Financial Results					

**Diluted EPS is equal to Basic EPS since company is in loss and diluted EPS is anti-dilutive.





NOTES:

1	The above financial results for the period ended 30.06.2024 were reviewed by the Audit Committee on 12.08.2024 and upon its recommendations, were approved by the Board of Directors at their meeting held on 12.08.2024																								
2	These financial results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.																								
3	A Limited Review of the above Unaudited Financial Results has been carried out by the Statutory Auditors of the Company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.																								
4	By virtue of being engaged in Defence Production, the company is exempt from the necessity of segment reporting, according to the MCA's Notification dated February 23, 2018.																								
5	The Company is currently under a revival plan after it was referred to the BIFR and declared a sick company. The Cabinet Committee on Economic Affairs (CCEA) approved the revival plan based on the recommendations of the Board for Reconstruction of Public Sector Enterprise (BRPSE) which involves financial assistance of Rs. 4,15,679 lakhs, of which the Company as of date has received Rs.3,02,535 lakhs.																								
6	The Company is primarily engaged in business of manufacturing, trading and servicing of telecommunication equipments and rendering other associated / ancillary services and there are no other reportable segments. The Company is primarily operating in India, which is considered as a single geographical segment. The company is also engaged in Defence projects.																								
7	Balances in the accounts of creditors, advances from customers, debtors, claims recoverable, loans & advances, materials with fabricators, subcontractors/others, material in transit, deposits, loans, and other payables/receivables such as Sales Tax, VAT, Excise Duty, Cenvat, Service Tax, GST, TDS etc., are under confirmation/reconciliation. Adjustments, if any will be made on completion of such review / reconciliation / receipt of confirmation. However, in the opinion of the management, the Trade receivables, Current assets and Loans & advances are realisable in the ordinary course of business. MSME vendors are identified to major extent and the process of further identification is in progress.																								
8	The due amount of property tax pertaining to K.R. Puram Land & Building Properties [from FY 2008-09 to FY 2023-24] has been settled by the Company in full with the payment of Rs. 26,47,21,940/- to BBMP during July, 2024, under One Time Settlement (OTS) scheme.																								
9	Finance Cost includes interest on outstanding statutory dues of provident fund.																								
10	ITI Limited, being a Public Sector Undertaking, the Directors on the Board of the company are appointed by the order of Government of India. The composition of Board of Directors is not as per provisions of SEBI Listing Regulations due to insufficient number of Independent Directors. However, the proposal for the appointment of requisite number of Independent Directors on the Board of the company is under process with the Administrative Ministry.																								
11	Corresponding Quarter figures have been regrouped/restated wherever necessary to conform with the current period's classification																								
12	The Company has signed a contract dated 01.10.2020 with the Ministry of Defence for the execution of Army Static Switched Communication Network (ASCON) Phase IV project worth Rs. 8,280.36 Crore. It includes Installation, commissioning, and maintenance of telecom equipment, NMS, mobile nodes, and civil works for providing the complete infrastructure at various sites and roll-out of the optical fiber network. The implementation of the project is to be completed in three years and thereafter it must be maintained for ten years including a two-year warranty. For Proof of Concept [PoC] activities, test bed has been setup for at Army Headquarter 5 signal premises of Indian Army. ITI and OEM teams are assisting Army team in PoC process. The PoC is in process and mainly delayed because of the Country-of-Origin Issue which has been resolved now and PoC is expected to be completed by 30.09.2024. The project timeline has been revised upto Dec 2025.																								
13	The management is of the opinion that going concern basis of accounting is appropriate in view of the high value of exiting Order Book of Rs. 11,252 Crores under execution with adequate margin, expected conversion of unbilled revenue of Rs. 1814.86 Crores into billed revenue / realization by completing the contact milestones within next 12 months, step-up the recovery processes to collect the billed dues, adequate sanction of working capital borrowing from consortium banks along with continued support of the Government of India.																								
14	<table border="1"> <thead> <tr> <th>EPS calculation:</th> <th>Quarter ended</th> </tr> <tr> <th></th> <th>30-06-2024</th> </tr> </thead> <tbody> <tr> <td>Profit After Tax</td> <td>(9,108)</td> </tr> <tr> <td>Less:</td> <td></td> </tr> <tr> <td> Preference Dividend</td> <td>-</td> </tr> <tr> <td> Dividend tax</td> <td>-</td> </tr> <tr> <td>Profit available to equity shareholders</td> <td>(9,108)</td> </tr> <tr> <td>No. of Shares at beginning of the period</td> <td>960886938</td> </tr> <tr> <td>No. of Shares issued during the period.</td> <td>-</td> </tr> <tr> <td>No. of Shares at the end of the period.</td> <td>960886938</td> </tr> <tr> <td>Weighted average no of shares during the period</td> <td>960886938</td> </tr> <tr> <td>Earning per equity share (for continuing operation): Basic & Diluted(in ₹)</td> <td>(0.95)</td> </tr> </tbody> </table>	EPS calculation:	Quarter ended		30-06-2024	Profit After Tax	(9,108)	Less:		Preference Dividend	-	Dividend tax	-	Profit available to equity shareholders	(9,108)	No. of Shares at beginning of the period	960886938	No. of Shares issued during the period.	-	No. of Shares at the end of the period.	960886938	Weighted average no of shares during the period	960886938	Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	(0.95)
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Particulars	For the Quarter ended 30.06.2024	
INVESTOR COMPLAINTS: Pending at the beginning of the quarter Received during the quarter Disposed of during the quarter Remaining unresolved at the end of the quarter	Nil 1 1 Nil	

As per our report of even date
 For: **B.K.Ramadhyan & Co. LLP**
 Chartered Accountants
 Firm Reg No.: 002878S/S200021

Vasuki H S

Vasuki H S
 Partner

M. No.212013
 Place: Bengaluru
 Date : 12-08-2024



RAJEEV
 SRIVASTAV
 A
 Rajeev Srivastava
 Director Finance & CFO

Digitally signed by
 RAJEEV SRIVASTAVA
 Date: 2024.08.12
 15:46:53 +05'30'

By Order of Board
 For ITI LIMITED
 Rajesh
 Rai
 RAJESH RAI
 Chairman & Managing Director

Digitally signed
 by Rajesh Rai
 Date: 2024.08.12
 15:45:42 +05'30'



ITI LIMITED

CIN No: L32202KA1950GOI000640

Registered & Corporate Office: ITI Bhavan, Doorvaninagar, Bengaluru-560016

Website: www.itiltld.in; Email: cosecy_crp@itiltld.co.in

Tel: +91 (80) 2561 7486; Fax: +91 (80) 2561 7525

Statement of Consolidated Unaudited Financial Results for the Quarter Ended 30th June 2024

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Year Ended	
		30-06-2024	31-03-2024	30-06-2023	31-03-2024	31-03-2023
		Unaudited	Audited	Unaudited	Audited	Audited
1	Income					
	Revenue from Operations	51,998	60,128	15,704	1,26,363	1,39,545
	Other Income	1,504	927	1,299	4,450	5,255
	Total Revenue	53,502	61,055	17,004	1,30,813	1,44,799
2	Expenses					
	(a) Cost of Materials Consumed & Services	18,418	36,124	8,019	80,212	94,108
	(b) Purchase of stock-in-trade	28,545	28,295	3,689	35,637	27,337
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(604)	295	1,340	2,526	(3,323)
	(d) Employee benefits expense	4,587	6,291	4,838	23,180	22,887
	(e) Finance costs	5,315	6,022	5,462	24,139	20,958
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	(g) Other expenses	2,314	6,504	2,713	16,713	13,893
	Total Expenses	59,963	84,949	27,264	1,87,719	1,80,809
3	Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)	(6,461)	(23,894)	(10,260)	(56,906)	(36,010)
4	Prior period Items	-	-	-	-	-
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6	Exceptional Items (Refer Note 8)	(2,647)	-	-	-	-
7	Share of Profit of Associate under Equity Method	(23)	12	(21)	14	24
8	Profit / (Loss) before extraordinary items and tax (5+6+7)	(9,131)	(23,882)	(10,281)	(56,892)	(35,985)
9	Extraordinary items	-	-	-	-	-
10	Profit / (Loss) before tax (8+9)	(9,131)	(23,882)	(10,281)	(56,892)	(35,985)
11	Tax Expense:					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
12	Profit / (Loss) for the period (10-11)	(9,131)	(23,882)	(10,281)	(56,892)	(35,985)
13	Other comprehensive Income/(Loss)					
	Items not to be reclassified to Profit or Loss in subsequent period	(530)	2,439	(1,520)	(2,121)	(6,079)
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14	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (12+13)	(9,661)	(21,443)	(11,801)	(59,013)	(42,064)
15	Paid up equity share capital (Face value of ₹10/- each)	96,089	96,089	96,089	96,089	94,958
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	See accompanying note to the Financial Results					

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NOTES:

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14	ITI has invested 49.06 % of Equity share capital of its Joint Venture ISL and hence ITI's share of Net Loss is shown in Statement of Profit and Loss as Share of net profit/Loss of associates and Joint Venture.																										
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Particulars	For the Quarter ended 30.06.2024	
INVESTOR COMPLAINTS: Pending at the beginning of the quarter Received during the quarter Disposed of during the quarter Remaining unresolved at the end of the quarter	Nil 1 1 Nil	

As per our report of even date
 For: **B.K.Ramadhyan & Co. LLP**
 Chartered Accountants
 Firm Reg No.: 002878S/S200021

Vasuki H S

Vasuki H S
 Partner

M. No.212013
 Place: Bengaluru
 Date : 12-08-2024



RAJEEV
 SRIVASTAV
 A
 Rajeev Srivastava
 Director Finance & CFO

Digitally signed by
 RAJEEV SRIVASTAVA
 Date: 2024.08.12
 15:46:53 +05'30'

By Order of Board
 For ITI LIMITED

Rajesh
 Rai

Digitally signed
 by Rajesh Rai
 Date: 2024.08.12
 15:45:42 +05'30'

RAJESH RAI
 Chairman & Managing Director

B K Ramadhyani & Co LLP

Chartered Accountants
4B, Chitrapur Bhavan ,
No.68, 8th Main,
15th Cross, Malleshwaram ,
Bangalore - 560 055

Independent Auditor's Review Report on Review of Standalone Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
ITI Limited
Bengaluru

1. Introduction:

We were engaged to review the accompanying statement of unaudited standalone financial results ("the Statement") of **ITI Limited** ("the Company") for the quarter ended June 30, 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. Management Responsibility

This Statement, which is the responsibility of the Company's management and approved by Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India.

3. Auditors Responsibility

Our responsibility is to express a conclusion on the Statement based on our review. However, because of the matters described in "Basis for Disclaimer of conclusion", we were not able to obtain sufficient appropriate evidence to provide a basis of our conclusion on the Statement.

We are independent of the Company in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Company.



B K Ramadhyani & Co LLP

Chartered Accountants
4B, Chitrapur Bhavan ,
No.68, 8th Main,
15th Cross, Malleshwaram ,
Bangalore - 560 055

4. Scope of Review

We conducted our review of Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance With Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit and accordingly, we do not express audit opinion.

5. Basis of Disclaimer of Conclusion

- a. Reference is drawn to the standalone independent audit report dated July 31, 2024 issued by us, matters described therein in the paragraph 'Basis for Disclaimer of Opinion' section and its effect on the results for the quarter ended June 30, 2024 are not quantified and effect on the said financial information as furnished by the management not ascertained.
- b. Reference is drawn to the branch auditors review report issued for the Raebareli Plant unit and Palakkad unit dated July 30, 2024 and August 10, 2024 respectively issued by M/s Mehrotra Kapoor & Tandon, Chartered Accountants and M/s. Balaram and Nandakumar, Chartered Accountants, whose matters described as below and its effect on the results for the quarter ended June 30, 2024 are not quantified and effect on the said financial information as furnished by the management not ascertained.
 - i. Palakkad unit has accounts receivable comprising of amounts receivable from various customers, including the Government of India/ Public Sector Undertakings amounting to Rs. 27,823.60 lakhs which is overdue for more than 3 years as of the reporting date. As against these overdue debts, the management has provided for only Rs. 573.07 lakhs as provision for expected credit losses. The Management of the Unit has explained to us that they are in the process of putting up a collection plan for speedy collection of these overdue debts. We are however not in a position to comment as of June 30, 2024, if any further adjustments may be required to the carrying value of these amounts totalling to Rs 27250.50 lakhs which predominantly represents overdue debts from Government of India/Public Sector Undertakings. (As per the review report issued by M/s Balaram & Nandakumar, Chartered Accountants dated August 10, 2024)
 - ii. As per the review report issued by M/s Mehrotra Kapoor & Tandon, Chartered Accountants dated July 30, 2024, in respect of Raebareli unit -



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Bangalore - 560 055

- Goods under inspection amount of Rs 269 lakhs as on June 30, 2024 is still pending for inspection.
- According to ITI Limited UPPCL has shown excess reading of electricity bill which has been decided by consumer Forum in favor of ITI Limited (order copy required), but still Rs 460.73 lakhs is being shown as arrear of UPPCL in their bill, there is an immediate need for proper action regarding this issue.
- Lease agreement with NIFT has expired in the month of Nov 2018, and renewal lease agreement has not been entered due to non-realization of rent from NIFT huge burden of GST bear by ITI –Rae Bareli unit on accrual rent. The Company has intimated that the matter has been referred to the administrative mechanism for resolving the same on priority
- Inventory is not maintaining on Tally ERP and it is maintaining on Oracle software. Hence, process of valuation may not be verified. We cannot comment whether inventories have been valued as per principles laid down in Ind AS 2 on Valuation of inventories and whether provisions thereon are made in accordance with principles laid in Ind AS 37 on Provisions, contingent liabilities and contingent assets.

6. Disclaimer of Conclusion:

Based on the review conducted and procedures performed and because of the substantive nature and significance of the matters described in "Basis for Disclaimer of conclusion" and based on the consideration of the review reports of other auditors referred to in "Other matters", we have not been able to obtain sufficient appropriate evidence to provide our basis of our conclusion, as to whether the accompanying Statement of unaudited standalone financial results prepared in accordance with applicable Accounting Standards i.e., Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Emphasis of Matter:

- a. Material Uncertainty on Going Concern - The Company incurred a net loss of Rs. 56,906 lakhs during the year ended March 31, 2024 and Rs. 9,108 lakhs during the period under review. In spite of events or conditions which may cast a doubt on the ability of the Company to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate in view of the



B K Ramadhyani & Co LLP

Chartered Accountants
4B, Chitrapur Bhavan ,
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- continued support of the Government of India, high value of order book under execution with adequate margins, adequate working capital borrowing from banks already sanctioned, conversion of unbilled revenue into billed revenue by completing the contract milestones within next 12 months, step-up the recovery processes to collect the billed dues as mentioned in the note 13 of the Statement. Our conclusion is not modified in respect of this matter. Also, reference is drawn to comments under para 19 of Annexure – A of standalone Independent Audit report issued vide dated July 31, 2024.
 - b. Reference is drawn to the standalone independent audit report dated July 31, 2024 issued by us, in matters described in the “Emphasis of Matter” paragraph, audit conclusion is not modified in the said matters.
8. Other Matters:
- a. We did not review the interim financial results of the Palakkad, Raebareli, Naini, Mankapur and Srinagar branches included in the Statement, whose results reflect the total net loss (after tax) of Rs. 4,909.32 lakhs and total comprehensive loss of Rs. 4,909.32 lakhs for the quarter ended June 30, 2024 (excluding inter-unit transactions) respectively, as considered in the standalone unaudited interim financial information of the company. The interim financial information of these branches has been reviewed by the branch auditors whose reports have been furnished to us and our conclusion in so far it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and the procedures performed by us as stated in Paragraph 4 above. Our conclusion on the Statement is not modified in respect of the above matters.
 - b. The review of unaudited financial results for the quarter ended June 30, 2023 and audited annual financial statements for the year ended March 31, 2023 were conducted by M/s GRSM & Associates, Chartered Accountants, then statutory auditors of the Company, who expressed qualified conclusion on such financial results and issued a qualified opinion on such audited financial statements as at March 31, 2023. We do not express any conclusion/ opinion as the case may be, on the figures so reported in the financial results for the quarter ended June 30, 2023 and the said financial year ended March 31, 2023.
 - c. The standalone financial results include the results for the quarter ended March 31, 2024, being the derived figures between the audited figures in respect of the entire financial year 2023-24 and the published unaudited year-to-date figures up to the third quarter of the financial year 2023-24, which were reviewed by us.



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Chartered Accountants
4B, Chitrapur Bhavan ,
No.68, 8th Main,
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9. A copy of the unaudited quarter ended financial results of the Company for the period under review, which formed the basis of our limited review, duly initialled by us for the purpose of identification is enclosed to this report.

For B K Ramadhyani & Co., LLP
Chartered Accountants
FRN: 002878S/ S200021



Vasuki H S

Vasuki H S
Partner

Membership No: 212013
UDIN: 24212013BKCLTT7973

Place: Bengaluru
Date: August 12, 2024

B K Ramadhyani & Co LLP

Chartered Accountants
4B, Chitrapur Bhavan ,
No.68, 8th Main,
15th Cross, Malleshwaram ,
Bangalore - 560 055

Independent Auditor's Review Report on Review of Consolidated Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
ITI Limited
Bengaluru

1. Introduction:

We were engaged to review the accompanying statement of unaudited consolidated financial results ("the Statement") of **ITI Limited** ("the Company") for the quarter ended June 30, 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. Management Responsibility

This Statement, which is the responsibility of the Company's management and approved by Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India.

3. Auditors Responsibility

Our responsibility is to express a conclusion on the Statement based on our review. However, because of the matters described in "Basis for Disclaimer of conclusion", we were not able to obtain sufficient appropriate evidence to provide a basis of our conclusion on the Statement.

We are independent of the Company in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Company.



B K Ramadhyani & Co LLP

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4B, Chitrapur Bhavan ,
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4. Scope of Review

We conducted our review of Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance With Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit and accordingly, we do not express audit opinion.

5. Basis of Disclaimer of Conclusion

- a. Reference is drawn to the consolidated independent audit report dated July 31, 2024, issued by us, matters described therein in the paragraph 'Basis for Disclaimer of Opinion' section and its effect on the results for the quarter ended June 30, 2024, are not quantified and effect on the said financial information as furnished by the management not ascertained.
- b. Reference is drawn to the branch auditors review report issued for the Raebareli Plant unit and Palakkad unit dated July 30, 2024 and August 10, 2024 respectively issued by M/s Mehrotra Kapoor & Tandon, Chartered Accountants and M/s. Balaram and Nandakumar, Chartered Accountants, whose matters described as below and its effect on the results for the quarter ended June 30, 2024 are not quantified and effect on the said financial information as furnished by the management not ascertained.
 - i. Palakkad unit has accounts receivable comprising of amounts receivable from various customers, including the Government of India/ Public Sector Undertakings amounting to Rs. 27,823.60 lakhs which is overdue for more than 3 years as of the reporting date. As against these overdue debts, the management has provided for only Rs. 573.07 lakhs as provision for expected credit losses. The Management of the Unit has explained to us that they are in the process of putting up a collection plan for speedy collection of these overdue debts. We are however not in a position to comment as of June 30, 2024, if any further adjustments may be required to the carrying value of these amounts totalling to Rs 27,250.50 lakhs which predominantly represents overdue debts from Government of India/Public Sector Undertakings. (As per the review report issued by M/s Balaram & Nandakumar, Chartered Accountants dated August 10, 2024)
 - ii. As per the review report issued by M/s Mehrotra Kapoor & Tandon, Chartered Accountants dated July 30, 2024, in respect of Raebareli unit -



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- Goods under inspection amount of Rs 269 lakhs as on June 30, 2024 is still pending for inspection.
- According to ITI Limited UPPCL has shown excess reading of electricity bill which has been decided by consumer Forum in favor of ITI Limited (order copy required), but still Rs 460.73 lakhs is being shown as arrear of UPPCL in their bill, there is an immediate need for proper action regarding this issue.
- Lease agreement with NIFT has expired in the month of Nov 2018, and renewal lease agreement has not been entered due to non-realization of rent from NIFT huge burden of GST bear by ITI –Rae Bareli unit on accrual rent. The Company has intimated that the matter has been referred to the administrative mechanism for resolving the same on priority
- Inventory is not maintaining on Tally ERP and it is maintaining on Oracle software. Hence, process of valuation may not be verified. We cannot comment whether inventories have been valued as per principles laid down in Ind AS 2 on Valuation of inventories and whether provisions thereon are made in accordance with principles laid in Ind AS 37 on Provisions, contingent liabilities and contingent assets.

6. Disclaimer of Conclusion:

Based on the review conducted and procedures performed and because of the substantive nature and significance of the matters described in "Basis for Disclaimer of Conclusion" and based on the consideration of the review reports of other auditors referred to in "Other matters", we have not been able to obtain sufficient appropriate evidence to provide our basis of our conclusion, as to whether the accompanying Statement of unaudited consolidated financial results prepared in accordance with applicable Accounting Standards i.e., Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Emphasis of Matter:

- a. Material Uncertainty on Going Concern - The Company incurred a net loss of Rs. 56,906 lakhs during the year ended March 31, 2024, and Rs. 9,131 lakhs during the period under review. In spite of events or conditions which may cast a doubt on the ability of the Company to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate in view of the continued support of the Government of India, high value of order book under



B K Ramadhyani & Co LLP

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- execution with adequate margins, adequate working capital borrowing from banks already sanctioned, conversion of unbilled revenue into billed revenue by completing the contract milestones within next 12 months, step-up the recovery processes to collect the billed dues as detailed in the note 13 of the Statement. Our conclusion is not modified in respect of this matter. Also, reference is drawn to comments under para 19 of Annexure – A of consolidated Independent Audit report issued vide dated July 31, 2024.
 - b. Reference is drawn to the consolidated independent audit report dated July 31, 2024 issued by us, in matters described in the “Emphasis of Matter” paragraph, audit conclusion is not modified in the said matters.
8. Other Matters:
- a. We did not review the interim financial results of the Palakkad, Raebareli, Naini, Mankapur and Srinagar branches and associate company – Indian Satcom Limited included in the Statement, whose results reflect the total net loss (after tax) of Rs. 4,956.27 lakhs and total comprehensive loss of Rs. 4,956.27 lakhs for the quarter ended June 30, 2024 (excluding inter-unit transactions) respectively, as considered in the consolidated unaudited interim financial information of the company. The interim financial information of these branches has been reviewed by the branch auditors whose reports have been furnished to us and our conclusion in so far it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and the procedures performed by us as stated in Paragraph 4 above. Our conclusion on the Statement is not modified in respect of the above matters.
 - b. The review of unaudited financial results for the quarter ended June 30, 2023 and audited annual financial statements for the year ended March 31, 2023 were conducted by M/s GRSM & Associates, Chartered Accountants, then statutory auditors of the Company, who expressed qualified conclusion on such financial results and issued a qualified opinion on such audited financial statements as at March 31, 2023. We do not express any conclusion/ opinion as the case may be, on the figures so reported in the financial results for the quarter ended June 30, 2023 and the said financial year ended March 31, 2023.
 - c. The consolidated financial results include the results for the quarter ended March 31, 2024, being the derived figures between the audited figures in respect of the entire financial year 2023-24 and the published unaudited year-to-date figures up to the third quarter of the financial year 2023-24, which were reviewed by us.



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9. A copy of the unaudited quarter ended financial results of the Company for the period under review, which formed the basis of our limited review, duly initialled by us for the purpose of identification is enclosed to this report.

For B K Ramadhyani & Co., LLP
Chartered Accountants
FRN: 002878S/ S200021



Vasuki H S

Vasuki H S
Partner

Membership No: 212013
UDIN: 24212013BKCLTU2504

Place: Bengaluru
Date: August 12, 2024