

Ref: K/NSE&BSE/BM/2020

Date: 06.01.2020

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: Un-audited Financial Results (Standalone and Consolidated) for the Quarter and Nine Months Ended 31st December 2019.

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

With reference to the captioned subject, we wish to inform that the Board of Directors in its meeting held on 06th January 2020 approved the Un-audited Financial Results (Standalone and Consolidated) for the Quarter and Nine Months Ended 31st December 2019.

The following is enclosed for your records:

1. Un-audited Financial Results (Standalone and Consolidated) for the Quarter and Nine Months Ended 31st December 2019
2. Limited Review Report of Statutory Auditors

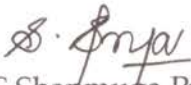
The Board Meeting commenced at 12.10 pm and concluded at 3:20 pm.

This is for your kind information and records please.

Thanking you

Yours faithfully

For ITI Limited


S Shanmuga Priya
Company Secretary

Encl: as above



ITI LIMITED
 Reg. & Corporate Office,
 ITI Bhavan, Doorvaninagar, Bangalore-560016
 Website: www.itild-india.com
 Email Address: "cosecy_crp@itild.co.in"
 CIN No: L32202KA1950GOI000640

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended 31st December 2019

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Nine Months ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from Operations	82,795	41,950	56,323	1,40,839	1,03,546	1,66,837
	Other Income	15,087	1,077	7,257	17,128	32,262	33,647
	Total Revenue	97,882	43,026	63,580	1,57,967	1,35,808	2,00,484
2	Expenses						
	(a) Cost of Materials Consumed & Services	68,115	22,206	28,978	1,00,844	58,508	1,06,765
	(b) Purchase of stock-in-trade	2,603	5,341	22,377	10,305	29,182	32,164
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(1,388)	1,727	141	(430)	360	(1,129)
	(d) Employee benefits expense	5,586	6,127	5,416	16,826	15,836	20,422
	(e) Finance costs	3,577	3,676	3,084	10,472	9,195	10,647
	(f) Depreciation and amortisation expense	1,155	1,000	884	3,240	2,418	3,709
	(g) Other expenses	1,408	2,230	1,343	5,270	17,929	18,652
	Total Expenses	81,056	42,307	62,222	1,46,526	1,33,427	1,91,230
3	Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)	16,825	719	1,358	11,440	2,381	9,254
4	Prior period Items	-	-	-	-	-	-
5	Profit / (Loss) before exceptional,extraordinary items and tax (3 + 4)	16,825	719	1,358	11,440	2,381	9,254
6	Exceptional Items	-	-	-	-	-	-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)	16,825	719	1,358	11,440	2,381	9,254
8	Extraordinary items	-	-	-	-	-	-
9	Profit / (Loss) before tax (7 + 8)	16,825	719	1,358	11,440	2,381	9,254
10	Tax Expense:						
	(1) Current Tax	-	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-	-
11	Profit / (Loss) for the period (9 - 10)	16,825	719	1,358	11,440	2,381	9,254
12	Other comprehensive Income/(Loss)						
	Items not to be reclassified to Profit or Loss in subsequent period	451	446	1,314	1,355	3,943	1,832
	Other comprehensive Income/(Loss) for the period	451	446	1,314	1,355	3,943	1,832
13	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (11+12)	17,277	1,165	2,672	12,796	6,324	11,085
14	Paid up equity share capital (Face value of ₹10/- each)	89,700	89,700	89,700	89,700	89,700	89,700
15	i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):						
	(a) Basic	1.79	-	0.22	1.29	0.49	0.95
	(b) Diluted	1.79	-	0.22	1.29	0.49	0.95
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):						
	(a) Basic	1.79	-	0.22	1.29	0.49	0.95
	(b) Diluted	1.79	-	0.22	1.29	0.49	0.95
	See accompanying note to the Financial Results						





NOTES:

1	The above financial results for the period ended 31.12.2019 were reviewed by the Audit Committee on 06.01.2020 and upon its recommendations, were approved by the Board of Directors at their meeting held on 06.01.2020																																					
2	These results have been prepared in accordance with the IND AS notified under the companies (Indian Accounting Standards) Rules 2015, as amended.																																					
3	The Company has received ₹300 crores as Grant from GOI towards redemption of: a) 1,00,00,000, 8.75% Cumulative redeemable preference shares, Face value of ₹100/ each, of ₹100 crores issued on 14.02.2003 to MTNL, and the same was redeemed on 05.09.2019 at board meeting held on 04.09.2019. b) 2,00,00,000, 7% Cumulative redeemable preference shares, Face value of ₹100/ each, of ₹200 crores issued on 04.06.2003 to BSNL, and the same was redeemed on 06.09.2019 at board meeting held on 04.09.2019.																																					
4	The Dept of Telecommunications (DoT), GOI has allocated Grant of Rs 8540 lacs to the company towards meeting the liability of PF of the employees who were given VRS/VSS or whose VRS/VSS was under process as on 30.6.2018 which was approved by Dept of Expenditure, MoF. The DoT has intimated vide letter dated 31st Dec 2019 that the company may account for allocation of Rs 85.40 Crore in the current financial year 2019-20 to meet its liabilities on account of statutory dues from its own resources which will be recouped by DoT. The management has confirmed that the company will fulfil the condition stipulated by DoT by the end of this financial year and accordingly has recognised the Grant of Rs 8540 lacs as " Other Income" for the quarter ended 31st December 2019 (Please see comments of Auditors in review report).																																					
5	The Other income includes Rs.4930 Lacs being Write back of liabilities which in the opinion of the company is no longer required. Out of said amount, Rs.1927 lacs represent liability towards the suppliers which have been entered on back to back agreement. with the private vendors for the supplies/services effected to Government departments/PSUs (Please see qualified opinion in Auditors review report).																																					
6	A Limited Review of the above Unaudited Financial Results has been carried out by Statutory Auditors of the Company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations,2015.																																					
7	The Company is primarily engaged in business of manufacturing, trading and servicing of telecommunication equipments and rendering other associated / ancillary services and there are no other reportable segments. The Company is primarily operating in India, which is considered as a single geographical segment. The company is also engaged in Defence projects. The MCA vide its notification dt.23.02.2018 has exempted companies engaged in the Defence production from the requirement of Segment Reporting.																																					
8	The Company is a Sick Company as per provisions of Sick Industrial Companies Act(SICA), 1985. CCEA has approved a financial assistance of ₹4156.79 crore in February, 2014, for revival of ITI under Rehabilitation Scheme.																																					
9	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3" style="text-align: left; vertical-align: top;">EPS calculation:</th> <th colspan="2" style="text-align: center;">₹ in Lakhs</th> </tr> <tr> <th style="text-align: center;">Quarter Ended</th> <th style="text-align: center;">Nine Months Ended</th> </tr> <tr> <th style="text-align: center;">31-12-2019</th> <th style="text-align: center;">31-12-2019</th> </tr> </thead> <tbody> <tr> <td>Profit After Tax including Other Comprehensive income</td> <td style="text-align: right;">17,277</td> <td style="text-align: right;">12,796</td> </tr> <tr> <td>Less:</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Preference Dividend</td> <td style="text-align: right;">982.40</td> <td style="text-align: right;">982.40</td> </tr> <tr> <td style="padding-left: 20px;">Dividend tax</td> <td style="text-align: right;">200.00</td> <td style="text-align: right;">200.00</td> </tr> <tr> <td>Profit available to equity shareholders</td> <td style="text-align: right;">16,095</td> <td style="text-align: right;">11,613</td> </tr> <tr> <td>No. of Shares at beginning of the period</td> <td style="text-align: right;">897000000</td> <td style="text-align: right;">897000000</td> </tr> <tr> <td>No. of Shares issued during the period.</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>No. of Shares at the end of the period.</td> <td style="text-align: right;">897000000</td> <td style="text-align: right;">897000000</td> </tr> <tr> <td>Weighted average no of shares during the period</td> <td style="text-align: right;">897000000</td> <td style="text-align: right;">897000000</td> </tr> <tr> <td>Earning per equity share (for continuing operation): Basic & Diluted(in ₹)</td> <td style="text-align: right;">1.79</td> <td style="text-align: right;">1.29</td> </tr> </tbody> </table>	EPS calculation:	₹ in Lakhs		Quarter Ended	Nine Months Ended	31-12-2019	31-12-2019	Profit After Tax including Other Comprehensive income	17,277	12,796	Less:			Preference Dividend	982.40	982.40	Dividend tax	200.00	200.00	Profit available to equity shareholders	16,095	11,613	No. of Shares at beginning of the period	897000000	897000000	No. of Shares issued during the period.	-	-	No. of Shares at the end of the period.	897000000	897000000	Weighted average no of shares during the period	897000000	897000000	Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	1.79	1.29
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10	The above results are available at www.itilt-india.com and website of stock exchanges at www.bseindia.com and nseindia.com.																																					

Particulars	Quarter Ended 31-12-2019
INVESTOR COMPLAINTS:	
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

As per our report of even date
For **SANKARAN & KRISHNAN**
Chartered Accountants
Firm Reg No.:003582S

By Order of Board
For ITI LIMITED

V.V. Krishnamurthy
Partner
M. No. 027044
Place: Bengaluru
Date : 06.01.2020



R M AGARWAL
Chairman & Managing Director

SANKARAN & KRISHNAN

CHARTERED ACCOUNTANTS

197, 'Sai Krupa'
6th 'A' Main
J.P. Nagar IV Phase
Bengaluru - 560 078

Phone : 080-26590422
080-26492498
Mob : 9945277897
Email : vvk.fca@gmail.com
vvk@sankrish.ind.in
Website : www.sankrish.ind.in

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF ITI LIMITED

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of ITI LIMITED ("the Company"), for the Quarter ended 31st December 2019 and Period ended 31st December 2019 ("the Statement"), submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/CMDi/44/2019 dated 29.03.2019.

This Statement which is the responsibility of the Company's Management and approved by the 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 the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

Basis of Opinion

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

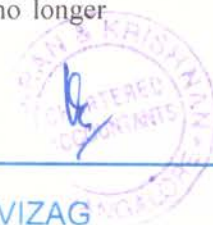
We did not review the financial results of five units and Regional Offices included in the Statement. The financial results of these units have been reviewed by the independent branch auditors whose review reports have been furnished to us, and in respect of Regional offices these financial statements have been certified by the management and furnished to us and our conclusion in so far as relates to the amounts and disclosures included in respect of these branches, is based solely on the review reports of such branch auditors of five units and such financial statements certified by the management for Regional Offices.

Basis of Qualified Opinion

Qualification Quantifiable

Other Income of Rs 14666 lacs for the quarter ended 31st December 2019 and Rs 17128 lacs for the period 1st April 2019 to 31st December 2019 includes:

- Write back of liabilities of Rs 4930 Lacs which in the opinion of the management is no longer required.



Out of the said amount, Rs 1927 Lacs represent liability towards the suppliers which have been entered on back to back agreements, with the private vendors for the supplies / services effected to Government Departments /PSUs. While accounting for these back to back transactions, the company has not written off the corresponding amount due from Government Departments/ PSUs.

IN OUR OPINION THIS ACCOUNTING TREATMENT IS NOT IN CONFORMITY WITH THE POLICY CONSISTANTLY FOLLOWED BY THE COMPANY IN THE EARLIER YEARS. AS A RESULT OF THIS THE PROFIT REPORTED FOR THE QUARTER ENDING 31ST DECEMBER 2019 IS OVERSTATED TO THE EXTENT OF RS 1927 LACS AND THE PROFIT FOR THE PERIOD 1ST APRIL 2019 TO 31ST DECEMBER 2019 IS ALSO OVERSTATED BY THE SAME AMOUNT.

Our opinion is modified inn respect of the above matter

Emphasis of Matter :

We would like to draw the attention the following matter :-

- i. The Dept of Telecommunications (DoT), GOI has allocated Grant of Rs 8540 lacs to the company towards meeting the liability of PF of the employees who were given VRS/VSS or whose VRS/VSS was under process as on 30.6.2018 which was approved by Dept of Expenditure, Of. The DoT has intimated vide letter dated 31st Dec 2019 that the company may account for allocation of Rs 85.40 Crore in the current financial year 2019-20 to meet its liabilities on account of statutory dues from its own resources which will be recouped by DoT. The company has recognised the Grant of Rs 8540 lacs as " Other Income" for the quarter ended 31st December 2019.

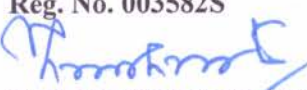
Thus, the profit of Rs 17277 lacs for the quarter 31st December 2019 and Rs 12796 lacs for the period 1st April 2019 to 31st December 2019 are after considering the above adjustments.

Our opinion is modified in respect of the above matter

Subject to the above,

nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/CMDi/44/2019 dated 29.03.2019, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For SANKARAN & KRISHNAN
Chartered Accountants
Reg. No. 003582S


V. V. KRISHNAMURTHY
Partner
Membership No. 027044
UDIN :20027044AAAAAA8378



Date: 6th January 2020
Place: Bengaluru

UDIN :- 20027044AAAAA8378



ITI LIMITED

Reg. & Corporate Office,
ITI Bhavan, Doorvaninagar, Bangalore-560016
Website: www.itiltd-india.com
Email Address: "cosecy_crp@itiltd.co.in"
CIN No: L32202KA1950GOI000640

Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months Ended 31st December 2019

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Nine Months ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
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	Revenue from Operations	82,795	41,950	56,323	1,40,839	1,03,546	1,66,837
	Other Income	15,087	1,077	7,257	17,128	32,262	33,647
	Total Revenue	97,882	43,026	63,580	1,57,967	1,35,808	2,00,484
2	Expenses						
	(a) Cost of Materials Consumed & Services	68,115	22,206	28,978	1,00,844	58,508	1,06,765
	(b) Purchase of stock-in-trade	2,603	5,341	22,377	10,305	29,182	32,164
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(1,388)	1,727	141	(430)	360	(1,129)
	(d) Employee benefits expense	5,586	6,127	5,416	16,826	15,836	20,422
	(e) Finance costs	3,577	3,676	3,084	10,472	9,195	10,647
	(f) Depreciation and amortisation expense	1,155	1,000	884	3,240	2,418	3,709
	(g) Other expenses	1,408	2,230	1,343	5,270	17,929	18,652
	Total Expenses	81,056	42,307	62,222	1,46,526	1,33,427	1,91,230
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	(1) Current Tax	-	-	-	-	-	-
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12	Other comprehensive Income/(Loss)						
	Items not to be reclassified to Profit or Loss in subsequent period	444	446	1,241	1,267	3,721	2,040
	Other comprehensive Income/(Loss) for the period	444	446	1,241	1,267	3,721	2,040
13	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (11+12)	17,269	1,165	2,599	12,707	6,102	11,294
14	Paid up equity share capital (Face value of ₹10/- each)	89,700	89,700	89,700	89,700	89,700	89,700
15	i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):						
	(a) Basic	1.79	-	0.21	1.28	0.46	0.97
	(b) Diluted	1.79	-	0.21	1.28	0.46	0.97
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):						
	(a) Basic	1.79	-	0.21	1.28	0.46	0.97
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	See accompanying note to the Financial Results						



NOTES:

1	The above financial results for the period ended 31.12.2019 were reviewed by the Audit Committee on 06.01.2020 and upon its recommendations, were approved by the Board of Directors at their meeting held on 06.01.2020																																					
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8	The Company is a Sick Company as per provisions of Sick Industrial Companies Act(SICA), 1985. CCEA has approved a financial assistance of ₹4156.79 crore in February, 2014, for revival of ITI under Rehabilitation Scheme.																																					
9	ITI has invested in 49% of Equity Share Capital of its Joint Venture "India Satcom Limited" for the cost of ₹40.55 lakhs. According to Ind AS 28, the consolidation of interest in joint ventures can be done by using "Equity Method", wherein the share of investor in the net worth of investee can be directly taken as value of investment in the books of investor and the difference between old value and new value will be credited/debited to Other Comprehensive income as the investment in equity shares has been classified as "Equity Instruments through Other Comprehensive Income".																																					
10	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3" style="text-align: left; vertical-align: bottom;">EPS calculation:</th> <th colspan="2" style="text-align: center;">₹ in Lakhs</th> </tr> <tr> <th style="text-align: center;">Quarter Ended</th> <th style="text-align: center;">Nine Months Ended</th> </tr> <tr> <th style="text-align: center;">31-12-2019</th> <th style="text-align: center;">31-12-2019</th> </tr> </thead> <tbody> <tr> <td>Profit After Tax including Other Comprehensive income</td> <td style="text-align: right;">17,269</td> <td style="text-align: right;">12,707</td> </tr> <tr> <td>Less:</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Preference Dividend</td> <td style="text-align: right;">982.40</td> <td style="text-align: right;">982.40</td> </tr> <tr> <td style="padding-left: 20px;">Dividend tax</td> <td style="text-align: right;">200.00</td> <td style="text-align: right;">200.00</td> </tr> <tr> <td>Profit available to equity shareholders</td> <td style="text-align: right;">16,086</td> <td style="text-align: right;">11,525</td> </tr> <tr> <td>No. of Shares at beginning of the period</td> <td style="text-align: right;">897000000</td> <td style="text-align: right;">897000000</td> </tr> <tr> <td>No. of Shares issued during the period.</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>No. of Shares at the end of the period.</td> <td style="text-align: right;">897000000</td> <td style="text-align: right;">897000000</td> </tr> <tr> <td>Weighted average no of shares during the period</td> <td style="text-align: right;">897000000</td> <td style="text-align: right;">897000000</td> </tr> <tr> <td>Earning per equity share (for continuing operation): Basic & Diluted (in ₹)</td> <td style="text-align: right;">1.79</td> <td style="text-align: right;">1.28</td> </tr> </tbody> </table>	EPS calculation:	₹ in Lakhs		Quarter Ended	Nine Months Ended	31-12-2019	31-12-2019	Profit After Tax including Other Comprehensive income	17,269	12,707	Less:			Preference Dividend	982.40	982.40	Dividend tax	200.00	200.00	Profit available to equity shareholders	16,086	11,525	No. of Shares at beginning of the period	897000000	897000000	No. of Shares issued during the period.	-	-	No. of Shares at the end of the period.	897000000	897000000	Weighted average no of shares during the period	897000000	897000000	Earning per equity share (for continuing operation): Basic & Diluted (in ₹)	1.79	1.28
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11	The above results are available at www.itilt-india.com and website of stock exchanges at www.bseindia.com and nseindia.com .																																					

Particulars	Quarter Ended 31-12-2019
INVESTOR COMPLAINTS:	
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

As per our report of even date
For SANKARAN & KRISHNAN
Chartered Accountants
Firm Reg No.:003582S

V.V. Krishnamurthy
Partner
M. No. 027044
Place: Bengaluru
Date : 06.01.2020

By Order of Board
For ITI LIMITED

R M AGARWAL
Chairman & Managing Director

SANKARAN & KRISHNAN

CHARTERED ACCOUNTANTS

197, 'Sai Krupa'
6th 'A' Main
J.P. Nagar IV Phase
Bengaluru - 560 078

Phone : 080-26590422
080-26492498
Mob : 9945277897
Email : vvk.fca@gmail.com
vvk@sankrish.ind.in
Website : www.sankrish.ind.in

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF ITI LIMITED

We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of ITI LIMITED ("the Company"), for the Quarter ended 31st December 2019 and Period ended 31st December 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/CMDi/44/2019 dated 29.03.2019.

This Statement which is the responsibility of the Company's Management and approved by the 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 the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

Basis of Opinion

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

We did not review the financial results of five units and Regional Offices included in the Statement. The financial results of these units have been reviewed by the independent branch auditors whose review reports have been furnished to us, and in respect of Regional offices these financial statements have been certified by the management and furnished to us and our conclusion in so far as relates to the amounts and disclosures included in respect of these branches, is based solely on the review reports of such branch auditors of five units and such financial statements certified by the management for Regional Offices.

We did not review, the interim financial results and other financial information, in respect of its joint venture, INDIA SATCOM LIMITED whose interim financial information reflects Group's share of net loss of Rs 8.19 Lacs for the quarter ended 31st December 2019 and Rs 88.59 lacs for the period 1st April 2019 to 31st December 2019. These interim financial results and other financial information have been reviewed by other auditors whose report have been furnished to us by the management. Our conclusion, in so far as it relates to the affairs of the said joint venture is based solely on the report of other auditors.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Basis of Qualified Opinion

Qualification Quantifiable

Other Income of Rs 14666 lacs for the quarter ended 31st December 2019 and Rs 17128 lacs for the period 1st April 2019 to 31st December 2019 includes:

- Write back of liabilities of Rs 4930 Lacs which in the opinion of the management is no longer required.



Out of the said amount, Rs 1927 Lacs represent liability towards the suppliers which have been entered on back to back agreements, with the private vendors for the supplies / services effected to Government Departments /PSUs. While accounting for these back to back transactions, the company has not written off the corresponding amount due from Government Departments/ PSUs.

IN OUR OPINION THIS ACCOUNTING TREATMENT IS NOT IN CONFORMITY WITH THE POLICY CONSISTANTLY FOLLOWED BY THE COMPANY IN THE EARLIER YEARS. AS A RESULT OF THIS THE PROFIT REPORTED FOR THE QUARTER ENDING 31ST DECEMBER 2019 IS OVERSTATED TO THE EXTENT OF RS 1927 LACS AND THE PROFIT FOR THE PERIOD 1ST APRIL 2019 TO 31ST DECEMBER 2019 IS ALSO OVERSTATED BY THE SAME AMOUNT.

Our opinion is modified inn respect of the above matter

Emphasis of Matter:

We would like to draw the attention the following matter: -

- i. The Dept of Telecommunications (DoT), GOI has allocated Grant of Rs 8540 lacs to the company towards meeting the liability of PF of the employees who were given VRS/VSS or whose VRS/VSS was under process as on 30.6.2018 which was approved by Dept of Expenditure, Of. The DoT has intimated vide letter dated 31st Dec 2019 that the company may account for allocation of Rs 85.40 Crore in the current financial year 2019-20 to meet its liabilities on account of statutory dues from its own resources which will be recouped by DoT. The company has recognized the Grant of Rs 8540 lacs as " Other Income" for the quarter ended 31st December 2019.

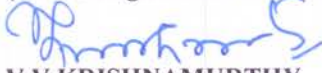
Thus, the profit of Rs 17269 lacs for the quarter 31st December 2019 and Rs 12707 lacs for the period 1st April 2019 to 31st December 2019 are after considering the above adjustments.

Our conclusion is modified in respect of this matter

Subject to the above,

nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/CMD/44/2019 dated 29.03.2019, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For SANKARAN & KRISHNAN
Chartered Accountants
(Firm's Registration No. 003582S)


V.V.KRISHNAMURTHY
Partner
(Membership No. 027044)
UDIN: 20027044AAAAAB3575



Date: 6th January 2020
Place: Bengaluru