

हिंदी केवल एक भाषा नहीं बल्कि हमारी राष्ट्रीय पहचान है।

ITI LIMITED
(A Govt. of India Undertaking)



आईटीआई लिमिटेड
(भारत सरकार का उपक्रम)

Ref: K/NSE&BSE/BM/2020

Date: 26.06.2020

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: Disclosure on impact of COVID-19 pandemic on the Company

Ref: SEBI Circular No. SEB111-10/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020

With reference to the captioned subject, please find enclosed disclosure on the impact of Covid-19 and resultant lockdown.

This is for your kind information and records please.

Thanking you

Yours faithfully
For ITI Limited

S Shanmuga Priya
Company Secretary

IMPACT OF COVID 19 PANDEMIC AND RESULTANT LOCKDOWN:

S.No.	Particulars	Disclosure
1.	Impact of the CoVID-19 pandemic on the business;	<p>ITI Limited is a Telecom Public Sector undertaking under Ministry of Communications.</p> <p>The Manufacturing activities and project execution in all the units were stopped from 22nd March 2020 as per Government of India guidelines, except for essential staff.</p> <p>Subsequently operations were gradually resumed since 20th April 2020</p> <p>The Company with its strong order book is confident that it will be able to cope up with the production gaps.</p>
2.	Ability to maintain operations including the factories/ units/ office spaces functioning and closed down;	<p>All units resumed partial operations since April 2020 and adhering to all the precautionary measures and after obtaining approval from concerned authorities.</p> <p>There was use of digital technology for extensive use of virtual meeting platforms and Work from Home facility with access to systems on merit.</p>
3.	Steps taken to ensure smooth functioning of operations;	<ul style="list-style-type: none"> - Detailed SOPs were issued to all Units / Offices regarding safety and precautionary measures to be adhered to prior to and after commencement of operations. - All employees were informed to download and use the Arogya Setu App and follow the instructions issued by DPE. - The work premises are regularly sanitized using user friendly disinfectant prior to resumption of work - Employees are deployed for work in shifts / staggered timings to ensure that there is no overcrowding and

		<p>social distancing maintained.</p> <ul style="list-style-type: none"> - Canteen timings are staggered to ensure social distancing. - Proper cleaning and frequent sanitization of the workplace, particularly of common areas and frequently touched surfaces is being carried out. - Thermal screening of employees and visitors at all entry points. - All Employees are required to wear masks. - Hand sanitizers are placed at all entry points. - Meetings have been minimized and interaction through Video Conferencing / Conference Call / Telephones has increased. - Employees have been advised to avoid Public transport and use their own vehicles to commute. - Strict adherence to the Govt. directives and Local Administration guidelines.
4.	Estimation of the future impact of CoVID-19 on its operations;	<p>Requisite systems are in place to tackle the impact of COVID-19 in future as well though the unknowns add an element of uncertainty as well.</p> <p>Due to delay in getting components/ raw materials, orders, working capital constraints, the production and project execution is likely to be affected, which may impact the Company's operation.</p>
5.	Details of impact of CoVID-19 on listed entity's	<p>With the diversified products, ITI will endeavor to minimize the impact on turnover of FY 2020-21</p> <p>ITI have developed the Face Shields, Detachable Face Masks, Face Mask Disposal System, Foot operated Hand Sanitizer, Sanitizing Tunnels are supplying to COVID Warriors.</p>

		<p>ITI has also entered into MoU with DRDO for manufacturing of Portable Ventilators and the prototype is being developed by ITI.</p> <p>On the positive side, 'Aatmnirbhar Bharat Abhiyan' led by the Government is giving significant impetus for self-reliance and local production which may favourably impact the operations of the Company</p>
	- Capital, financial resources and liquidity	<p>Management is well abreast of all challenges and attempts are underway for easing the situation.</p> <p>Company is in touch with consortium Banks to get enhance working capital facilities.</p> <p>Delay in realisation from the Customers on account of COVID19 has adversely affected cash flows of the Company and created a working capital gap for which Company requires additional funding.</p>
	- profitability	<p>The profitability due to the adverse impact on Company's operations when compared to the corresponding period of the previous year. However, the Company expects that the situation will normalize at the earliest.</p>
	- ability to service debt and other financing arrangements;	<p>The Company has planned to meet the additional financial resources through Renewed focus on sundry debtors' realization to improve the cash flow, deferment of interest payment has been availed from Consortium Banks, availing of additional working capital facility, proactive internal guidelines have been issued to all the Plants / Offices to achieve a cut of 30% in Other Expenses of the company</p>
	- Assets	<p>None of the assets of the Company have been impacted or impaired due to COVID-19</p>
	- internal financial reporting and control	<p>The Company has an effective internal</p>

		financial reporting and control mechanism in place and there is no change due to COVID 19
	- supply chain;	Likely disruption of production and project execution at supplier premises and associated delays in supplies, may in-turn affect Company's operations.
	- demand for its products/ services	With regard to the existing contracts of supply, turnkey execution and maintenance works, except for the delay/suspension due to lockdown, which was in nature of force majeure, there is no major impact on the demand side of the business.
6.	Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	Delivery timelines for some of the contracts requires to be extended due to COVID 19 and ITI has initiated actions for invoking Force Majeure Clause for select contracts to avoid liquidated damages and we are committed to fulfil its contractual obligations for ongoing projects.