

Ref: K/953/NSE&BSE/BM/2022-23

Date: 25.05.2022

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: **Audited Financial Results (Standalone and Consolidated) for the Quarter and Year Ended 31st March 2022**

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 25th May 2022 approved the Audited Financial Results for the Quarter and Year Ended 31st March 2022.

Please find herewith the following documents:

1. Audited Consolidated Financial Results for the Quarter and Year Ended 31st March 2022;
2. Statement of Consolidated Assets and Liabilities for the Year Ended 31st March 2022;
3. Consolidated Cash Flow Statement for the Year Ended 31st March 2022;
4. Statutory Auditor's Report on Consolidated Financial Results for the Quarter and Year Ended 31st March 2022;
5. Audited Standalone Financial Results for the Quarter and Year Ended 31st March 2022;
6. Statement of Assets and Liabilities for the Year Ended 31st March 2022;
7. Standalone Cash Flow Statement for the Year Ended 31st March 2022;
8. Statutory Auditor's Report on Standalone Financial Results for the Quarter and Year Ended 31st March 2022; and
9. Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) on:
 - a. Consolidated Financial Results for the Quarter and Year Ended 31st March 2022; and
 - b. Standalone Financial Results for the Quarter and Year Ended 31st March 2022

The Board Meeting commenced at 01:10 pm and concluded at 6:50 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, Registered and Corporate Office, ITI Bhavan, Doorvaninagar, Bengaluru-560 016, India

आईटीआई लिमिटेड, पंजीकृत एवं निगमित कार्यालय, आईटीआई भवन, दुरवाणीनगर, बेंगलूरु 560 016, भारत

Phone : +(91) (80) 2561 7486, 2561 4466, Fax : +(91) (80) 2561 7525,

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CIN : L32202KA1950GoI000640



ITI LIMITED
Reg. & Corporate Office,
ITI Bhavan, Doorvaninagar, Bengaluru-560016
Website: www.itiltd.in
Email Address: "cosecv crp@itiltd.co.in"
CIN No: L32202KA1950GOI000640

Statement of Consolidated Audited Financial Results for the Quarter and Year Ended 31st March 2022

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Year ended	
		31-03-2022	31-12-2021	31-03-2021	31-03-2022	31-03-2021
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	Revenue from Operations	1,14,150	13,732	1,26,632	1,86,073	2,36,218
	Other Income	22,554	670	6,474	25,457	16,137
	Total Income	1,36,704	14,402	1,33,106	2,11,530	2,52,356
2	Expenses					
	(a) Cost of Materials Consumed & Services	60,582	6,583	82,268	83,436	1,64,917
	(b) Purchase of stock-in-trade	26,819	3,309	12,738	62,017	26,894
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(2,040)	476	2,977	(1,928)	(855)
	(d) Employee benefits expense	5,461	5,550	7,183	22,218	29,044
	(e) Finance costs	5,239	4,970	3,363	19,213	15,959
	(f) Depreciation and amortisation expense	1,304	1,185	904	5,003	4,185
	(g) Other expenses	3,600	1,587	3,544	9,464	11,092
	Total Expenses	1,00,966	23,659	1,12,977	1,99,424	2,51,235
3	Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)	35,738	(9,257)	20,129	12,106	1,120
4	Prior period Items	-	-	-	-	-
5	Profit / (Loss) before exceptional,extraordinary items and tax (3 + 4)	35,738	(9,257)	20,129	12,106	1,120
6	Exceptional Items	-	-	-	-	-
7	Share of Profit of Associate under Equity Method	(133)	(2)	(163)	(137)	(172)
8	Profit / (Loss) before tax (5 + 6 + 7)	35,606	(9,259)	19,966	11,970	948
9	Tax Expense:					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
10	Profit / (Loss) for the period (8 - 9)	35,606	(9,259)	19,966	11,970	948
11	Other comprehensive Income/(Loss)					
	Items not to be reclassified to Profit or Loss in subsequent period	(2,956)	490	1,666	(1,486)	1,960
	Other comprehensive Income/(Loss) for the period	(2,956)	490	1,666	(1,486)	1,960
12	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (10 + 11)	32,650	(8,769)	21,632	10,484	2,907
13	Paid up equity share capital (Face value of ₹10/- each)	93,352	93,352	93,352	93,352	93,352
14	i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	3.81	(0.99)	2.14	1.28	0.10
	(b) Diluted	3.81	-0.99	2.14	1.28	0.10
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	3.81	(0.99)	2.14	1.28	0.10
	(b) Diluted	3.81	-0.99	2.14	1.28	0.10
	See accompanying note to the Financial Results					



**NOTES:**


1	The above financial results for the year ended 31.03.2022 were reviewed by the Audit Committee on 25.05.2022 and upon its recommendations, were approved by the Board of Directors at their meeting held on 25.05.2022.
2	These results have been prepared in accordance with the IND AS notified under the companies (Indian Accounting Standards) Rules 2015, as amended.
3	Under the Rehabilitation Scheme approved by CCEA for the revival of ITI Limited sanctioned upon the Company being declared as a Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985, financial assistance of ₹415679 lakhs was sanctioned in February 2014. As part of the revival scheme, the Company received Rs.7156.30 lakhs during the FY 2021-22 towards Capital expenditure which is treated as share application money pending allotment.
4	Error Rectification: (i) During the year, the company has rectified an error in charging excess depreciation on buildings during 2019-20, amounting to Rs.172.42 lakhs which had already been fully depreciated during the year 2018-19 by a retrospective restatement of the carrying value of property, plant & equipment. (ii) The Company has rectified the error of non-provision of interest on the Soft loan from the Government of India for the period from 17.04.2014 to 31.03.2019 by a retrospective restatement of the interest payable account under the current liabilities. In both these cases, the corresponding effect has been given in the retained earnings for the earliest prior period presented
5	Revenue for the quarter ended 31st March 2022 of ₹ 1,14,150 lakhs and ₹1,86,073 lakhs for the year ended 31st March 2022
6	Other Income of ₹ 22,554 Lakhs for the Quarter ended 31st March 2022 and ₹25,457 lakhs for the year ended 31st March 2022, includes ₹289.18 lakhs towards provisions / liabilities written back/ no-longer required related to earlier year during the year.
7	Other Expense for the year ended 31.03.2022 includes ₹323.02 lakhs represents, unrealisable debts written off (Previous year figures of ₹8.70 Lakhs) and Rs.700 lakhs Provision for Doubtful Debts (Previous Year Rs.203.07 lakhs)
8	*During the Year, the Dept of Telecommunications (DoT), GOI has allocated Grant of ₹214.29 Crores to the company towards meeting the liability of PF and Gratuity of the employees who were in service as on 30.06.2018 which was approved by Dept of Expenditure, MoF. In accordance with Ind AS 20 the amount has been recognised the Grant of ₹214.29 Crores as Income.
9	The company has received ₹15500 lakhs towards VRS expenditure out of which as on 31st March 2022 balance unspent Grant remained at ₹4245.48 lakhs
10	The spread of Covid-19 pandemic and subsequent restrictions during the year adversely impacted several businesses across the globe. There was a moderate impact on the company's operations/performance for the quarter and year ended on 31-3-2022. Based on the information (internal, as well as external) available up to the date of approval of these financial results, Company expects to recover the carrying amounts of trade receivables and other financial assets. The company will continue to closely monitor the developments, future economic and business outlook, and its impact on the company's future performance.
11	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.
12	Land admeasuring 77 acres with the carrying value of ₹ 19470 Lakhs was repossessed by the Government of Kerala is under adjudication of Apex court.
13	The company is in the process of engaging the registered valuer for obtaining the fair values of various investment properties and hence the disclosure of this information could not be given.
14	The Company has postponed revenue recognition in respect of rent from a few parties due to uncertainty of ultimate collection owing to several reasons including but not limited to finalisation of the terms of the lease and not entering into formal agreements
15	The Company carries as under " Other Financial Assets - Current " accumulated Unbilled revenue of Rs.230501.32 lakhs that were recognized during the current as well as the last few years
16	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 the provisions of SEBI Listing Regulations due to insufficient number of Independent Directors. However, the proposal for appointment of requisite number of Independent Directors on the Board of the Company is under process with the Administrative Ministry.
17	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 reliable in the ordinary course of business.
18	Corresponding Quarter figures have been regrouped/restated wherever necessary to conform with the current period's classification
19	The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year.



20		₹ in Lakhs	₹ in Lakhs
	EPS calculation:	Quarter end	Year ended
		31-03-2022	31-03-2022
	Profit After Tax	35,606	11,970
	Less:		
	Preference Dividend	-	-
	Dividend tax	-	-
	Profit available to equity shareholders	35,606	11,970
	No. of Shares at beginning of the period	933522869	933522869
	No. of Shares issued during the period.		
	No. of Shares at the end of the period.	933522869	933522869
	Weighted average no of shares during the period	933522869	933522869
	Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	3.81	1.28
21	The above results are available at www.itild-india.com and website of stock exchanges at www.bseindia.com and nseindia.com .		

22	Particulars	Quarter ended 31-03-2022
	INVESTOR COMPLAINTS:	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	-
	Disposed of during the quarter	-
	Remaining unresolved at the end of the quarter	Nil

As per our report of even date
For M/S GRSM & ASSOCIATES
Chartered Accountants
Firm Reg No : 000863S


V MADHAVAN
Partner
M. No. 028113
Place: Bengaluru
Date: 25.05.2022


RAJEEV SRIVASTAVA
Director Finance / Chief Financial Officer

राजीव श्रीवास्तव / Rajeev Srivastava
निदेशक- वित्त / Director - Finance
आईटीआई लिमिटेड / ITI Limited
पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office
आईटीआई भवन, दूरवाणीनगर / ITI Bhavan, Dooravaninagar
बेंगलूरु - 560016 / BANGALORE - 560 016

For ITI LIMITED


R.M. AGARWAL
Chairman & Managing Director

R.M. AGARWAL
Chairman & Managing Director
ITI Limited
Registered & Corporate Office
ITI Bhavan, Dooravaninagar
BENGALURU - 560 016



**Statement of Consolidated Assets and Liabilities**

₹ in Lakhs

Particulars	As at	As at
	31/03/2022	31/03/2021
	Audited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant & Equipment	2,65,846.40	2,63,464.20
(b) Capital work-in-progress	15,439.20	16,887.03
(c) Investment Property	6,838.00	6,746.53
(d) Goodwill	-	-
(e) Other Intangible assets	-	-
(f) Intangible assets under development	-	-
(g) Biological Assets other than bearer plants	-	-
(h) Financial Assets	-	-
(i) Investments	3,490.00	3,626.61
(ii) Trade receivables	23,622.30	35,272.92
(iii) Loans	0.42	6.89
(iv) Others	3.00	3.00
(i) Deferred Tax Assets (net)	-	-
(j) Other non current assets	0.52	0.52
(2) Current assets		
(a) Inventories	19,339.54	19,369.90
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade receivables	2,72,989.62	2,55,210.34
(iii) Cash and cash equivalents	1,556.54	2,793.67
(iv) Bank Balances other than (iii) above	29,104.81	51,966.86
(v) Loans	75,304.56	55,764.33
(vii) Others	2,30,581.96	1,71,118.91
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	13,578.72	9,046.15
TOTAL		
	9,57,695.61	8,91,277.86
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	93,352.29	93,352.29
(b) Other Equity	1,68,695.48	1,51,055.63
LIABILITIES		
(1) Non-Current Liabilities		
(a) Government Grants Unutilised	4,250.12	4,731.62
(b) Financial Liabilities	-	-
(i) Borrowings	29,940.00	30,000.00
(i)a) Lease Liabilities	13.48	-
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises, and	-	-
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	-	-
(iii) Others	7,386.26	7,311.62
(c) Provisions	4,619.26	5,324.91
(d) Deferred Tax Liabilities	-	-
(e) Other Non current Liabilities	-	-
(2) Current Liabilities		
(a) Financial Liabilities	-	-
(i) Borrowings	1,31,259.25	1,16,426.36
(i)a) Lease Liabilities	74.67	100.21
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises, and	20,679.84	5,395.25
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	1,90,131.42	1,83,148.07
(iii) Others	1,85,119.40	1,74,725.52
(b) Other current liabilities	1,06,775.23	1,06,041.81
(c) Provisions	15,398.90	13,664.57
(d) Current Tax Liabilities	-	-
TOTAL		
	9,57,695.61	8,91,277.86

As per our report of even date
For M/S GRSM & ASSOCIATES
Chartered Accountants
Firm Reg No.: 000863S

V MADHAVAN
Partner
M.No. 028113
Place: Bengaluru
Date: 25.05.2022

राजीव श्रीवास्तव / Rajeev Srivastava
निदेशक- वित्त / Director - Finance
आईटीआई लिमिटेड / ITI Limited
पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office
आईटीआई भवन, दूरवाणीनगर / ITI Bhavan, Dooravaninagar
बेंगलुरु - 560016 / BANGALORE - 560 016

For ITI LIMITED

R M AGARWAL
Chairman & Managing Director

R.M. AGARWAL
Chairman & Managing Director
ITI Limited
Registered & Corporate Office
ITI Bhavan, Dooravaninagar
BENGALURU - 560 016

ITI LIMITED

Consolidated Cash Flow Statement for the year ended 31.03.2022

Particulars	₹ in Lakhs	
	For the year ended 31.03.2022	For the year ended 31.03.2021
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT/(LOSS) BEFORE TAX	11,969.63	947.78
Adjustment For :		
Depreciation	5,002.95	4,184.85
Financing Charges	19,213.03	15,959.17
Profit On Sale Of Investments	-	-
Interest/Dividend Received	-485.26	-1,160.80
Loss On Sale Of Asset	-	-
Profit On Sale Of Asset	-344.48	-2,810.64
Transfer From Grant-In-Aid	-21,912.40	-6,675.51
Transfer From Grant-In-Aid	-	-
Other Comprehensive Income	-1,486.07	1,959.56
Non-Cash Expenditure	1,042.20	1,201.29
OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	12,999.60	13,605.90
Adjustment For:		
Trade And Other Receivables	-90,710.32	-89,334.87
Inventories	30.36	-2,037.71
Trade Payables	34,485.83	87,177.80
Direct Taxes Paid	10.08	-3.64
CASH GENERATED FROM OPERATIONS	-43,184.46	9,407.28
CASH FLOW FROM OPERATING ACTIVITIES	-43,184.46	9,407.28
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase Of Fixed Assets Including:		
Capital Work-In-Progress	-6,016.08	-3,141.10
Sale Of Fixed Assets	344.48	2,810.64
Investments	136.61	172.42
Interest Received	485.26	1,160.60
Proceeds from maturity/Deposit of Other Bank Balances	22,862.06	-31,441.09
Dividend Received	-	-
NET CASH USED IN INVESTING ACTIVITIES [B]	17,812.34	-30,438.54
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From Short Term Borrowings	14,760.83	24,968.18
Share Application Money	7,156.30	10,500.00
Adjustment with surplus	-	337.93
Grant-In-Aid Received	21,430.89	-
Financing Expenses	-19,213.03	-15,959.17
NET CASH USED IN FINANCING ACTIVITIES [C]	24,135.00	19,846.93
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	-1,237.12	-1,184.33
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	2,793.67	3,977.99
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	1,556.55	2,793.67

Note:
The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date
For M/S GRSM & ASSOCIATES
Chartered Accountants
Firm Reg No.: 000863S

V MADHAVAN
Partner



S SHAMUGA PRIYA
Company Secretary

For & On Behalf of Board of Directors

RAJEEV SRIVASTAVA
Director Finance
/ Chief Financial Officer

R M AGARWAL
Chairman &
Managing Director

M. No. 028113

Place: Bengaluru
Date : 25.05.2022

कम्पनी सेक्रेटरी / Company Secretary
आईटीआई लिमिटेड / ITI Limited
पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office
आईटीआई भवन, दूरवाणीनगर / ITI Bhavan, Dooravaninagar
बेंगलूर / Bangalore - 560 016.

राजीव श्रीवास्तव / Rajeev Srivastava
निर्देशक वित्त / Director Finance
आईटीआई लिमिटेड / ITI Limited
पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office
आईटीआई भवन, दूरवाणीनगर / ITI Bhavan, Dooravaninagar
बेंगलूर - 560016 / BANGALORE - 560 016

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF
CONSOLIDATED FINANCIAL RESULTS**

TO THE BOARD OF DIRECTORS OF ITI LIMITED

Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of ITI LIMITED (the "Company") and its associate (the Company and its associate together referred to as the "Group"), for the quarter and year ended March 31, 2022 (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 amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the Statement:

- (i) includes the results of the associate of India Satcom Limited.
- (ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2022.

Basis for Qualified Opinion

1. The Company has not made provision for bad and doubtful debts (expected credit losses) in respect of the following items included under Current Financial Assets, which are also doubtful of recovery:
 - i) Rs.5,847.90 lakhs as receivable from C-DOT towards rent from premises leased out to them up to the period ended 31-3-2011.
 - ii) Recoverable from HCL Infosystems Limited of Rs.1,690.20 lakhs as compensation on account of excess amount spent by the Mankapur Unit of the Company based on the agreement between ITI, HCL and Alcatel.
 - iii) Recoverable from Himachal Futuristic Communications Ltd of Rs.1,049.41 lakhs towards Liquidated Damages.
 - iv) Receivable from Mindarray towards encashment of letter of credit of Rs.1,023.00 lakhsAccordingly, if provision for credit losses were made by the Company, the profit for the year and the net current assets would have been reduced by Rs.9,610.51 lakhs.
2. The Company does not have confirmations and reconciliation of balances from sundry debtors. The effect of the adjustment arising from reconciliation and settlement of **old dues** and possible loss which may arise on account of non-recovery or partial recovery of such dues is not ascertained. We are unable to comment on the impact of non-provisioning for such loss on the result or financial position of the Company.



3. The company is in the process of an assessment on ageing, usefulness, and serviceability of the inventories held at various units to ascertain the provision for obsolete inventory. At the Raebareli unit, the branch auditor has emphasised that the valuation of inventory is not as per the applicable accounting standard. As these amounts are unascertained, we are unable to comment on the impact of the same on the result or financial position of the Company.
4. The company's process for identifying suppliers covered by the Micro, Small and Medium Enterprises Development Act of 2006 and the payment of interest in cases of delays in payment, appears to be inadequate and unverifiable. As a result, we are unable to comment on MSMED Act 2006 compliance or disclosure requirements under Schedule III of the Companies Act 2013.
5. The Company has not reversed the wrong GST input tax credit of Rs.889 lakhs taken during 2019-20 at the Palakkad Unit of the Company. Accordingly, cost of sales would have been increased by Rs.889 lakhs, and the net profit and shareholders' funds would have been reduced by the same amount.
6. Regarding Goods & Services Tax, in certain cases, entries/ balances as per the books of accounts do not match with the returns filed and input tax credit reflected in the portal. Adjustment entries and reversal of ineligible input tax credit are pending. In the absence of quantification, we are unable to comment on the impact of the same on the result or financial position of the Company.

We conducted our audit in accordance with the Standards on Auditing ("SA"s) 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 Consolidated Financial Results section of our report. We are independent of the Group 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 Consolidated Financial Results 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.

Emphasis of Matter

We draw attention to the following matters under various notes (referred against each item) of the financial statements. Our opinion is not modified in respect of these matters.

- The Company has received funds towards capital expenditure as part of the financial assistance approved by CCEA when the Company was declared a Sick Company as per provisions of Sick Industrial Companies Act, 1985. [Note No.3]
- The Company has postponed revenue recognition in respect of rent from a few parties due to uncertainty of ultimate collection owing to several reasons including but not limited to finalisation of the terms of the lease and not entering into formal agreements. [Note No.14]





- The Company carries as under 'other financial assets- current' accumulated unbilled revenue of Rs.2,30,501.32 lakhs that were recognised during the current as well as the last few years. [Note No.15]
- The Company is not in compliance with the requirements of having a specified proportion/ number of independent directors. [Note No.16]
- The Company continues to carry a land admeasuring 77 acres having a carrying value of Rs.19,470 lakhs under Property, Plant & Equipment after receiving intimation of re-possession by the Government of Kerala as the company has disputed the same and the matter is under adjudication of the Apex Court. [as reported by the branch auditor]. [Note No.12]

Management's Responsibilities for the Consolidated Financial Results

This Statement which includes Consolidated financial results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the audited interim condensed consolidated financial statements for the three months and year ended March 31, 2022. This responsibility includes preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Ind AS, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

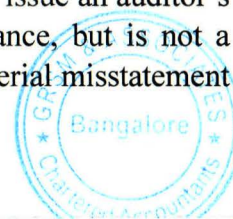
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results 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 this Consolidated Financial Results.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, 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 made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of 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 ability of the Group 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 Results 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 Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors.

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





We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors 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.

Other Matters

- a) The consolidated financial results include the group's share of net loss of Rs.133 lakhs and Rs.137 lakhs in respect of an associate for the quarter and year ended March 31, 2022 respectively, whose financial statement have been audited by the respective Independent auditors. The independent auditors' report on Financial Results of this entity has been furnished to us and our opinion on the consolidated Financial Results in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- b) We did not audit the financial statements of Mankapur, Raebareli, Srinagar, Naini & Palakkad Branches included in the financial results of the Company whose financial statements reflect total assets of Rs.4,94,049.06 lakhs as at March 31, 2022 and total income of Rs.11,431.17 lakhs and Rs.19,561.38 lakhs for the quarter and year ended on that date respectively, as considered in the financial statements (excluding inter-unit balances and transactions). The financial statements of these branches have been audited by the branch auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches is solely on the report of such Branch Auditors
- c) The consolidated financial results include the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion on the consolidated financial results is not modified in respect of the above matters.

Place: Bangalore
Date: 25 May 2022

UDIN: 22028113AJOUGH1991

For GRSM & ASSOCIATES
Chartered Accountants
[FRN: 000863S]

V.MADHAVAN
Partner
M.No.028113





ITI LIMITED

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

Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31st March 2022

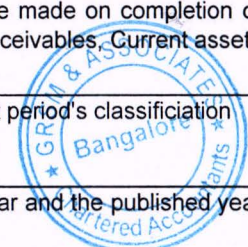
₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Year Ended	
		31-03-2022	31-12-2021	31-03-2021	31-03-2022	31-03-2021
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	Revenue from Operations	1,14,150	13,732	1,26,632	1,86,073	2,36,218
	Other Income	22,554	670	6,474	25,457	16,137
	Total Income	1,36,704	14,402	1,33,106	2,11,530	2,52,356
2	Expenses					
	(a) Cost of Materials Consumed & Services	60,582	6,583	82,268	83,436	1,64,917
	(b) Purchase of stock-in-trade	26,819	3,309	12,738	62,017	26,894
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(2,040)	476	2,977	(1,928)	(855)
	(d) Employee benefits expense	5,461	5,550	7,183	22,218	29,044
	(e) Finance costs	5,239	4,970	3,363	19,213	15,959
	(f) Depreciation and amortisation expense	1,304	1,185	904	5,003	4,185
	(g) Other expenses	3,600	1,587	3,544	9,464	11,092
	Total Expenses	1,00,966	23,659	1,12,977	1,99,424	2,51,235
3	Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)	35,738	(9,257)	20,129	12,106	1,120
4	Prior period Items	-	-	-	-	-
5	Profit / (Loss) before exceptional,extraordinary items and tax (3 + 4)	35,738	(9,257)	20,129	12,106	1,120
6	Exceptional Items	-	-	-	-	-
7	Profit / (Loss) before tax (5 + 6)	35,738	(9,257)	20,129	12,106	1,120
8	Tax Expense:					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
9	Profit / (Loss) for the period (7 - 8)	35,738	(9,257)	20,129	12,106	1,120
10	Other comprehensive Income/(Loss)					
	Items not to be reclassified to Profit or Loss in subsequent period	(2,956)	490	1,666	(1,486)	1,960
	Other comprehensive Income/(Loss) for the period	(2,956)	490	1,666	(1,486)	1,960
11	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (09+10)	32,782	(8,767)	21,795	10,620	3,080
12	Paid up equity share capital (Face value of ₹10/- each)	93,352	93,352	93,352	93,352	93,352
13	i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	3.83	(0.99)	2.16	1.30	0.12
	(b) Diluted	3.83	-0.99	2.16	1.30	0.12
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	3.83	(0.99)	2.16	1.30	0.12
	(b) Diluted	3.83	-0.99	2.16	1.30	0.12
	See accompanying note to the Financial Results					



**NOTES:**

1	The above financial results for the year ended 31.03.2022 were reviewed by the Audit Committee on 25.05.2022 and upon its recommendations, were approved by the Board of Directors at their meeting held on 25.05.2022.
2	These results have been prepared in accordance with the IND AS notified under the companies (Indian Accounting Standards) Rules 2015, as amended.
3	Under the Rehabilitation Scheme approved by CCEA for the revival of ITI Limited sanctioned upon the Company being declared as a Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985, financial assistance of ₹415679 lakhs was sanctioned in February 2014. As part of the revival scheme, the Company received Rs.7156.30 lakhs during the FY 2021-22 towards Capital expenditure which is treated as share application money pending allotment.
4	Error Rectification: (i) During the year, the company has rectified an error in charging excess depreciation on buildings during 2019-20, amounting to Rs.172.42 lakhs which had already been fully depreciated during the year 2018-19 by a retrospective restatement of the carrying value of property, plant & equipment. (ii) The Company has rectified the error of non-provision of interest on the Soft loan from the Government of India for the period from 17.04.2014 to 31.03.2019 by a retrospective restatement of the interest payable account under the current liabilities. In both these cases, the corresponding effect has been given in the retained earnings for the earliest prior period presented
5	Revenue for the quarter ended 31st March 2022 of ₹ 1,14,150 lakhs and ₹1,86,073 lakhs for the year ended 31st March 2022
6	Other Income of ₹ 22,554 Lakhs for the Quarter ended 31st March 2022 and ₹25,457 lakhs for the year ended 31st March 2022 , includes ₹289.18 lakhs towards provisions / liabilities written back/ no-longer required related to earlier year during the year.
7	Other Expense for the year ended 31.03.2022 includes ₹323.02 lakhs represents, unrealisable debts written off (Previous year figures of ₹8.70 Lakhs) and Rs.700 lakhs Provision for Doubtful Debts (Previous Year Rs.203.07 lakhs)
8	*During the Year, the Dept of Telecommunications (DoT), GOI has allocated Grant of ₹214.29 Crores to the company towards meeting the liability of PF and Gratuity of the employees who were in service as on 30.06.2018 which was approved by Dept of Expenditure, MoF. In accordance with Ind AS 20 the amount has been recognised the Grant of ₹214.29 Crores as Income.
9	The company has received ₹15500 lakhs towards VRS expenditure out of which as on 31st March 2022 balance un spent Grant remained at ₹4245.48 lakhs
10	The spread of Covid-19 pandemic and subsequent restrictions during the year adversely impacted several businesses across the globe. There was a moderate impact on the company's operations/performance for the quarter and year ended on 31-3-2022. Based on the information (internal, as well as external) available up to the date of approval of these financial results, Company expects to recover the carrying amounts of trade receivables and other financial assets. The company will continue to closely monitor the developments, future economic and business outlook, and its impact on the company's future performance.
11	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.
12	Land admeasuring 77 acres with the carrying value of ₹ 19470 Lakhs was repossessed by the Government of Kerala is under adjudication of Apex court.
13	The company is in the process of engaging the registered valuer for obtaining the fair values of various investment properties and hence the disclosure of this information could not be given.
14	The Company has postponed revenue recognition in respect of rent from a few parties due to uncertainty of ultimate collection owing to several reasons including but not limited to finalisation of the terms of the lease and not entering into formal agreements
15	The Company carries as under " Other Financial Assets - Current " accumulated Unbilled revenue of Rs.230501.32 lakhs that were recognized during the current as well as the last few years
16	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 the provisions of SEBI Listing Regulations due to insufficient number of Independent Directors. However, the proposal for appointment of requisite number of Independent Directors on the Board of the Company is under process with the Administrative Ministry.
17	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 reliable in the ordinary course of business.
18	Corresponding Quarter figures have been regrouped/restated wherever necessary to conform with the current period's classification
19	The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year.



20		₹ in Lakhs	₹ in Lakhs
	EPS calculation:	Quarter end	Year ended
		31-03-2022	31-03-2022
	Profit After Tax	35,738	12,106
	Less:		
	Preference Dividend	-	-
	Dividend tax	-	-
	Profit available to equity shareholders	35,738	12,106
	No. of Shares at beginning of the period	933522869	933522869
	No. of Shares issued during the period.	0	0
	No. of Shares at the end of the period.	933522869	933522869
	Weighted average no of shares during the period	933522869	933522869
	Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	3.83	1.30
21	The above results are available at www.itiltd-india.com and website of stock exchanges at www.bseindia.com and nseindia.com .		

22	Particulars	Quarter ended 31-03-2022
	INVESTOR COMPLAINTS:	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	-
	Disposed of during the quarter	-
	Remaining unresolved at the end of the quarter	Nil

As per our report of even date
For M/S GRSM & ASSOCIATES
Chartered Accountants
Firm Reg No.: 000863S



V MADHAVAN
Partner
M. No.028113
Place: Bengaluru
Date: 25.05.2022



RAJEEV SRIVASTAVA
Director Finance / Chief Financial Officer

राजीव श्रीवास्तव / **Rajeev Srivastava**
निदेशक- वित्त / Director - Finance
आईटीआई लिमिटेड / ITI Limited
पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office
आईटीआई भवन, दूरवाणीनगर / ITI Bhavan, Dooravaninagar
बेंगलूरु -560016 / BANGALORE - 560 016

For ITI LIMITED



R M AGARWAL
Chairman & Managing Director

R.M. AGARWAL
Chairman & Managing Director
ITI Limited
Registered & Corporate Office
ITI Bhavan, Dooravaninagar
BENGALURU - 560 016





Statement of Assets and Liabilities

₹ in Lakhs

Particulars	As at	As at
	31/03/2022	31/03/2021
	Audited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant & Equipment	2,65,846.40	2,63,464.20
(b) Capital work-in-progress	15,439.20	16,887.03
(c) Investment Property	6,838.00	6,746.53
(d) Goodwill	-	-
(e) Other Intangible assets	-	-
(f) Intangible assets under development	-	-
(g) Biological Assets other than bearer plants	-	-
(h) Financial Assets	-	-
(i) Investments	40.55	40.55
(ii) Trade receivables	23,622.30	35,272.92
(iii) Loans	0.42	6.89
(iv) Others	3.00	3.00
(i) Deferred Tax Assets (net)	-	-
(j) Other non current assets	0.52	0.52
(2) Current assets		
(a) Inventories	19,339.54	19,369.90
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade receivables	2,72,989.62	2,55,210.34
(iii) Cash and cash equivalents	1,556.54	2,793.67
(iv) Bank Balances other than (iii) above	29,104.81	51,966.87
(v) Loans	75,304.56	55,764.33
(vii) Others	2,30,581.96	1,71,118.91
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	13,578.72	9,046.15
TOTAL	9,54,246.15	8,87,691.81
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	93,352.29	93,352.29
(b) Other Equity	1,65,246.07	1,47,469.60
LIABILITIES		
(1) Non-Current Liabilities		
(a) Government Grants Unutilised	4,250.12	4,731.62
(b) Financial Liabilities	-	-
(i) Borrowings	29,940.00	30,000.00
(i) Lease Liabilities	13.48	-
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises, and	-	-
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	-	-
(iii) Others	7,386.26	7,311.62
(c) Provisions	4,619.26	5,324.90
(d) Deferred Tax Liabilities	-	-
(e) Other Non current Liabilities	-	-
(2) Current Liabilities		
(a) Financial Liabilities	-	-
(i) Borrowings	1,31,259.25	1,16,426.36
(i) Lease Liabilities	74.67	100.21
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises, and	20,679.84	5,395.25



(B) Total outstanding dues of creditors
other than Micro Enterprises & Small
Enterprises
(iii) Others

(b) Other current liabilities
(c) Provisions
(d) Current Tax Liabilities

1,90,131.42	1,83,148.06
1,85,119.36	1,74,725.52
1,06,775.23	1,06,041.81
15,398.90	13,664.57
-	-
9,54,246.15	8,87,691.81

TOTAL

As per our report of even date
For M/S GRSM & ASSOCIATES
Chartered Accountants
Firm Reg No.: 000863S



RAJEEV SRIVASTAVA
Director Finance / Chief Financial Officer

राजीव श्रीवास्तव / **Rajeev Srivastava**
निदेशक- वित्त / Director - Finance
आईटीआई लिमिटेड / ITI Limited
पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office
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बेंगलूरु - 560016 / BANGALORE - 560 016

For ITI LIMITED



R M AGARWAL
Chairman & Managing Director

R.M. AGARWAL
Chairman & Managing Director
ITI Limited
Registered & Corporate Office
ITI Bhavan, Dooravaninagar
BENGALURU - 560 016



Standalone Cash Flow Statement for the year ended 31.03.2022

Particulars	₹ in Lakhs	
	For the year ended 31.03.2022	For the year ended 31.03.2021
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT/(LOSS) BEFORE TAX		12,106.25
Adjustment For :		
Depreciation	5,002.95	4,184.85
Financing Charges	19,213.03	15,959.17
Profit On Sale Of Investments	-	-
Interest/Dividend Received	-485.26	-1,160.60
Loss On Sale Of Asset	-	-
Profit On Sale Of Asset	-344.48	-2,810.64
Transfer From Grant-In-Aid	-21,912.40	-6,675.51
Transfer From Grant-In-Aid	-	-
Other Comprehensive Income	-1,486.07	1,959.56
Non-Cash Expenditure	1,042.20	1,201.29
OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		13,136.21
Adjustment For:		
Trade And Other Receivables	-90,710.32	-89,334.87
Inventories	30.36	-2,037.71
Trade Payables	34,485.83	87,177.60
Direct Taxes Paid	10.08	-3.64
CASH GENERATED FROM OPERATIONS		-43,047.84
CASH FLOW FROM OPERATING ACTIVITIES		-43,047.84
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase Of Fixed Assets Including:		
Capital Work-In-Progress	-6,016.08	-3,141.10
Sale Of Fixed Assets	344.48	2,810.64
Investments	-	-
Interest Received	485.26	1,160.60
Proceeds from maturity/Deposit of Other Bank Balances	22,862.06	-31,441.10
Dividend Received	-	-
NET CASH USED IN INVESTING ACTIVITIES [B]		17,675.73
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Short Term Borrowings	14,760.83	24,968.18
Share Application Money	7,156.30	10,500.00
Adjustment with surplus	-	337.93
Grant-In-Aid Received	21,430.89	-
Financing Expenses	-19,213.03	-15,959.17
NET CASH USED IN FINANCING ACTIVITIES [C]		24,135.00
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]		-1,237.12
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		2,793.67
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		1,556.55

Note:

The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date
For M/S GRSM & ASSOCIATES
Chartered Accountants
Firm Reg No.: 00863S

V MADHAVAN
Partner



S. SHANMUGA PRIYA
Company
Secretary

For & On Behalf of Board of Directors

RAJEEV SRIVASTAVA
Director Finance
/ Chief Financial
Officer

R M AGARWAL
Chairman &
Managing Director

M. No. 028113

Place: Bengaluru
Date : 25.05.2022

कम्पनी सचिव / Company Secretary

आईटीआई लिमिटेड / ITI Limited

पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office

आईटीआई भवन, दूरवाणीनगर / ITI Bhavan, Dooravaninagar

बंगलूरु / Bangalore - 560 016.

राजीव श्रीवास्तव / Rajeev Srivastava

निदेशक- वित्त / Director - Finance

आईटीआई लिमिटेड / ITI Limited

पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office

आईटीआई भवन, दूरवाणीनगर / ITI Bhavan, Dooravaninagar

बंगलूरु -560016 / BANGALORE - 560 016

**INDEPENDENT AUDITOR'S REPORT
ON AUDIT OF THE STANDALONE FINANCIAL RESULTS**

TO THE BOARD OF DIRECTORS OF ITI LIMITED

Qualified Opinion

We have audited the accompanying Statement of Standalone Financial Results of ITI LIMITED (the "Company"), for the quarter and year ended March 31, 2022 (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 amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the statement:

- a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and year then ended March 31, 2022.

Basis for Qualified Opinion

1. The Company has not made provision for bad and doubtful debts (expected credit losses) in respect of the following items included under Current Financial Assets, which are also doubtful of recovery:
 - i) Rs.5,847.90 lakhs as receivable from C-DOT towards rent from premises leased out to them up to the period ended 31-3-2011.
 - ii) Recoverable from HCL Infosystems Limited of Rs.1,690.20 lakhs as compensation on account of excess amount spent by the Mankapur Unit of the Company based on the agreement between ITI, HCL and Alcatel.
 - iii) Recoverable from Himachal Futuristic Communications Ltd of Rs.1,049.41 lakhs towards Liquidated Damages.
 - iv) Receivable from Mindarray towards encashment of letter of credit of Rs.1,023.00 lakhs

Accordingly, if provision for credit losses were made by the Company, the profit for the year and the net current assets would have been reduced by Rs.9,610.51 lakhs.

2. The Company does not have confirmations and reconciliation of balances from sundry debtors. The effect of the adjustment arising from reconciliation and settlement of **old dues** and possible loss which may arise on account of non-recovery or partial recovery of such dues is not ascertained. We are unable to comment on the impact of non-provisioning for such loss on the result or financial position of the Company.
3. The company is in the process of an assessment on ageing, usefulness, and serviceability of the inventories held at various units to ascertain the provision for obsolete inventory. At the



Raebareli unit, the branch auditor has emphasised that the valuation of inventory is not as per the applicable accounting standard. As these amounts are unascertained, we are unable to comment on the impact of the same on the result or financial position of the Company.

4. The company's process for identifying suppliers covered by the Micro, Small and Medium Enterprises Development Act of 2006 and the payment of interest in cases of delays in payment, appears to be inadequate and unverifiable. As a result, we are unable to comment on MSMED Act 2006 compliance or disclosure requirements under Schedule III of the Companies Act 2013.
5. The Company has not reversed the wrong GST input tax credit of Rs.889 lakhs taken during 2019-20 at the Palakkad Unit of the Company. Accordingly, cost of sales would have been increased by Rs.889 lakhs, and the net profit and shareholders' funds would have been reduced by the same amount.
6. Regarding Goods & Services Tax, in certain cases, entries/ balances as per the books of accounts do not match with the returns filed and input tax credit reflected in the portal. Adjustment entries and reversal of ineligible input tax credit are pending. In the absence of quantification, we are unable to comment on the impact of the same on the result or financial position of the Company.

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) 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 Standalone Financial Results 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 Standalone Financial Results for the quarter and year ended March 31, 2022 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.

Emphasis of Matter

We draw attention to the following matters under various notes (referred against each item) of the financial statements. Our opinion is not modified in respect of these matters.

- i. The Company has received funds towards capital expenditure as part of the financial assistance approved by CCEA when the Company was declared a Sick Company as per provisions of Sick Industrial Companies Act, 1985. [Note No.3]
- ii. The Company has postponed revenue recognition in respect of rent from a few parties due to uncertainty of ultimate collection owing to several reasons including but not limited to finalisation of the terms of the lease and not entering into formal agreements. [Note No.14]
- iii. The Company carries as under 'other financial assets- current' accumulated unbilled revenue of Rs.2,30,501.32 lakhs that were recognised during the current as well as the last few years. [Note No.15]





- iv. The Company is not in compliance with the requirements of having a specified proportion/ number of independent directors. [Note No.16]
- v. The Company continues to carry a land admeasuring 77 acres having a carrying value of Rs.19,470 lakhs under Property, Plant & Equipment after receiving intimation of re-possession by the Government of Kerala as the company has disputed the same and the matter is under adjudication of the Apex Court. [as reported by the branch auditor]. [Note No.12]

Management's Responsibilities for the Standalone Financial Results

This Statement, which includes the Standalone financial results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited Interim condensed standalone financial statements for the three months and year ended March 31, 2022. This responsibility includes preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the 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 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 financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results 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 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 this Standalone Financial Results.

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





- Identify and assess the risks of material misstatement of the Standalone Financial Results, 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 made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of 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 ability of the Company 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 Statement 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 Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

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

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.

Other Matters

- a) We did not audit the financial statements of Mankapur, Raebareli, Srinagar, Naini & Palakkad Branches included in the standalone financial results of the Company whose financial statements reflect total assets of Rs.4,94,049.06 lakhs as at March 31, 2022 and total income





of Rs.11,431.17 lakhs and Rs.19,561.38 lakhs for the quarter and year ended on that date respectively, as considered in the standalone financial statements (excluding inter-unit balances and transactions). The financial statements of these branches have been audited by the branch auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches is solely on the report of such Branch Auditors.

- b) The standalone financial results include the results for the quarter ended March 31, 2022, being the derived figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were reviewed by us.

Our opinion is not modified in respect of these matters.

Place: Bangalore
Date: 25 May 2022

UDIN: 22028113AJOTYM9508

For GRSM & ASSOCIATES
Chartered Accountants
[FRN: 000863S]

V.MADHAVAN
Partner
M.No.028113



Consolidated Statement of Impact of Audit Qualifications for The Financial Year Ended March 31st, 2022

(Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)

(₹ In Lakhs)

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Audited figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	2,11,529.76	2,11,529.76
2	Total Expenditure	1,99,423.51	2,09,922.12
3	Net Profit/(Loss)	11,969.63	1,471.02
4	Earnings per share	1.28	0.16
5	Total Assets	9,57,695.60	9,57,695.60
6	Total Liabilities	6,95,647.83	7,05,257.44
7	Net worth	2,62,047.77	2,51,549.16
8	Any other financial item's (as felt appropriate by the management)		

(₹ In Lakhs)

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Audited figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	2,11,529.76	2,11,529.76
2.	Total Expenditure	1,99,423.51	2,09,922.12
3.	Net Profit/(Loss)	12,106.25	1,607.64
4.	Earnings per share	1.30	0.17
5.	Total Assets	9,54,246.15	9,54,246.15
6.	Total Liabilities	6,95,647.79	7,06,146.40
7.	Net worth	2,58,598.36	2,48,099.75
8.	Any other financial item's (as felt appropriate by the management)		

Qualification No. 1

I	Audit Qualification
a.	Details of Audit Qualification The Company is carrying an amount of ₹ 5,847.90 lakhs as receivable from C-DOT towards rent from premises leased out to them up to the period ended 31-3-2011. The company has not made a provision for credit losses in respect of this amount which is doubtful of recovery. The company has also not recognised any rent for further period due to uncertainty of collection
b.	Type of Qualification – Qualified Opinion
c.	Frequency of Qualification – Repetitive
d.	Audit Qualification – Quantified (i) The company has been rigorously following on with the C-DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject matter to ITI Board for perusal for the further course of action. Company is of the view that provision for ₹ 5847.90 Lakhs at this juncture is not required till the issue is finally settled.

Qualification No. 2

II	Audit Qualification
a.	Details of Audit Qualification i) Recoverable from HCL Infosystems Limited of ₹ 1690.20 lakhs as compensation on account of excess amount spent by the Mankapur Unit of the Company based on the agreement between ITI, HCL and Alcatel.
b.	Type of Qualification – Qualified Opinion
c.	Frequency of Qualification – Repetitive
d.	Audit Qualification – Quantified • The implementation of GSM Project 2M, 3M & 9M BSNL Project AND 1M MTNL Project and there was Master agreement (MoU) in 2006 and subsequent addendums. Due to LD, payment & short closure the dispute arose between the parties as such the arbitration clause is invoked by the HCL in December 2017 during the pendency of their civil suit. In this case ITI has also filed its amended counter claim. Cross examination of HCL's witness is completed. Cross examination of ITI RW-1, 2, 3 and 4 has been completed. Case is adjourned for further written submissions if any and then final arguments. Most likely in the month of June, 2022. We are hopeful to get the decision in companies favour, provision at this juncture is not possible

Qualification No. 3

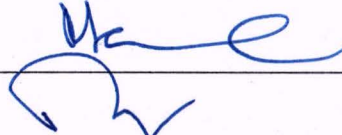
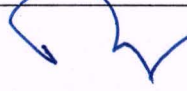
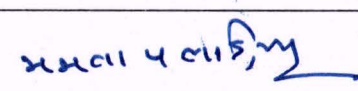
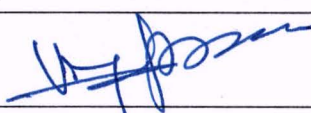
III	Audit Qualification
a.	Details of Audit Qualification Recoverable from Himachal Futuristic Communications Ltd of ₹ 1049.41 lakhs towards Liquidated Damages
b.	Type of Qualification – Qualified Opinion
c.	Frequency of Qualification – Repetitive
d.	Audit Qualification – Quantified <ul style="list-style-type: none">Contract entered into between M/s ITI Ltd and M/s Himachal Futuristic Communication Ltd (HFCL) for supply of Integrated Fixed Wireless Telephone (IFWT) sets and there were disputes between the parties as such the M/s HFCL has invoked the arbitration clause. The award was passed in favour of HFCL. However, HFCL has filed the present case for enhancement of award. Case was last listed on 25.03.2022 and is posted for disposal on 24.08.2022. Company will try to represent its views and will try to get the decision in favour of the Company and hence it is proposed not to make provision at this juncture.

Qualification No. 4

III	Audit Qualification
a.	Details of Audit Qualification Receivable from Mindarray towards encashment of letter of Credit of Rs.1023 lakhs
b.	Type of Qualification – Qualified Opinion
c.	Frequency of Qualification – New
d.	Audit Qualification – Quantified <ul style="list-style-type: none">For criminal complaint: As per the Police report- B Report, there is no need for further investigation. ITI Limited filed a complaint in the Magistrate Civil Court dated 18/05/2022 in furtherance of acting upon the Police B-Report.For Civil suit: The Court directed both the parties to go for mediation upon which ITI Limited was present in all the mediation sessions. The opposite party, however, was not present due to which the mediation process was deemed to be failed. We have to file a civil suit for the next step.

Qualification No. 5

III	Audit Qualification
a.	Details of Audit Qualification Non Reversal of Wrong Input Tax Credit of Rs.889 lakhs taken during 2019-20 at the Palakkad Unit of the Company
b.	Type of Qualification - Qualified Opinion
c.	Frequency of Qualification - New
d.	Audit Qualification - Quantified <ul style="list-style-type: none">During the year 2019-20, BSNL reversed/rejected some of the supplies for various reasons and in Smart Energy Meter project due to consignee address issue, for which Palakkad Unit we have issued the credit notes against already issued sale invoices While accounting these in GST portal for the credit notes values were reduced from output liability (GSTR3B) and added back to ITC claim (GSTR3B). This resulted in difference between ITC claimed and ITC available (GSTR2A). Necessary rectification will be carried out in the year 2022-23 after verification of all the documents.

To be signed by:	
CEO/Managing Director	
Director Finance	
Audit Committee Chairman	
Statutory Auditor	

Place: Bangalore

Date: 25.05.2022

Standalone Statement of Impact of Audit Qualifications for The Financial Year Ended March 31st, 2022

(Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)

(₹ In Lakhs)

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b.	Type of Qualification – Qualified Opinion
c.	Frequency of Qualification –Repetitive
d.	<p>Audit Qualification – Quantified</p> <ul style="list-style-type: none"> The company has been rigorously following on with the C-DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject matter to ITI Board for perusal for the further course of action. Company is of the view that provision for ₹ 5847.90 Lakhs at this juncture is not required till the issue is finally settled.

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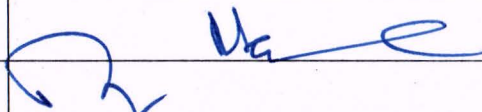
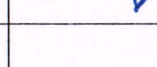
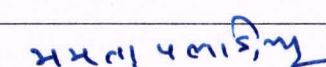
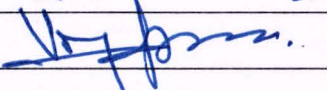
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CEO/Managing Director	
Director Finance	
Audit Committee Chairman	
Statutory Auditor	

Place: Bangalore
Date: 25.05.2022