

Ref: K/953/NSE&BSE/BM/2023

Date: 29.05.2023

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 2023**

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 29th May 2023 approved the Audited Financial Results for the Quarter and Year Ended 31st March 2023.

Please find herewith the following documents:

1. Audited Consolidated Financial Results for the Quarter and Year Ended 31st March 2023;
2. Statement of Consolidated Assets and Liabilities for the Year Ended 31st March 2023;
3. Consolidated Cash Flow Statement for the Year Ended 31st March 2023;
4. Statutory Auditor's Report on Consolidated Financial Results for the Quarter and Year Ended 31st March 2023;
5. Audited Standalone Financial Results for the Quarter and Year Ended 31st March 2023;
6. Statement of Assets and Liabilities for the Year Ended 31st March 2023;
7. Standalone Cash Flow Statement for the Year Ended 31st March 2023;
8. Statutory Auditor's Report on Standalone Financial Results for the Quarter and Year Ended 31st March 2023; 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 2023; and
 - b. Standalone Financial Results for the Quarter and Year Ended 31st March 2023

The Board Meeting commenced at 02.30 pm and concluded at 04.25 pm.

This is for your kind information and records please.

Thanking you

Yours faithfully
For ITI Limited

Rajeev Srivastava
Compliance Officer

Encl: as above

ITI Limited, Registered and Corporate Office, ITI Bhavan, Doorvaninagar, Bengaluru-560 016, India

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

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CIN : L32202KA1950GoI000640



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

Statement of Consolidated Audited Financial Results for the Quarter and Year Ended 31st March 2023

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Year ended	
		31-03-2023	31-12-2022	31-03-2022	31-03-2023	31-03-2022
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	Revenue from Operations	77,526	25,635	1,14,150	1,39,545	1,86,073
	Other Income	993	1,019	22,553	5,255	25,457
	Total Income	78,519	26,654	1,36,703	1,44,799	2,11,530
2	Expenses					
	(a) Cost of Materials Consumed & Services	50,163	17,912	60,582	94,106	83,436
	(b) Purchase of stock-in-trade	16,980	1,918	26,819	27,337	62,017
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(1,222)	652	(2,040)	(3,323)	(1,928)
	(d) Employee benefits expense	7,209	5,552	5,461	22,887	22,218
	(e) Finance costs	6,317	5,068	5,249	20,958	19,223
	(f) Depreciation and amortisation expense	1,342	1,224	1,402	4,950	5,101
	(g) Other expenses	5,018	3,069	3,591	13,893	9,455
	Total Expenses	85,808	35,394	1,01,064	1,80,809	1,99,522
3	Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)	(7,289)	(8,740)	35,640	(36,010)	12,008
4	Prior period Items	-	-	-	-	-
5	Profit / (Loss) before exceptional, extraordinary items and tax (3 + 4)	(7,289)	(8,740)	35,640	(36,010)	12,008
6	Exceptional Items	-	-	-	-	-
7	Share of Profit of Associate under Equity Method	88	(20)	(133)	24	(137)
8	Profit / (Loss) before tax (5 + 6 + 7)	(7,201)	(8,761)	35,507	(35,985)	11,871
9	Tax Expense:					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
10	Profit / (Loss) for the period (8 - 9)	(7,201)	(8,761)	35,507	(35,985)	11,871
11	Other comprehensive Income/(Loss)					
	Items not to be reclassified to Profit or Loss in subsequent period	(4,964)	(372)	(2,956)	(6,079)	(1,486)
	Other comprehensive Income/(Loss) for the period	(4,964)	(372)	(2,956)	(6,079)	(1,486)
12	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (10 + 11)	(12,165)	(9,133)	32,551	(42,064)	10,385
13	Paid up equity share capital (Face value of ₹10/- each)	94,449	94,958	93,352	94,449	93,352
14	i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(0.76)	(0.93)	3.80	(3.81)	1.27
	(b) Diluted	(0.76)	(0.93)	3.80	(3.81)	1.27
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(0.76)	(0.93)	3.80	(3.81)	1.27
	(b) Diluted	(0.76)	(0.93)	3.80	(3.81)	1.27
	See accompanying note to the Financial Results					

**NOTES:**

1	The above financial results for the year ended 31.03.2023 were reviewed by the Audit Committee on 29.05.2023 and upon its recommendations, were approved by the Board of Directors at their meeting held on 29.05.2023.
2	These results have been prepared in accordance with the IND AS notified under the companies (Indian Accounting Standards) Rules 2015, as amended.
3	As a part of the approved financial assistance, until the beginning of the financial year 2022-23, an amount of Rs.94556 lakhs have been received towards Capital Grant and Rs.189279 lakhs towards revenue grant. Shares have been allotted to the President of India towards the Capital Grant received, on various dates in accordance with the BIFR order dated 08.01.2013 at prevailing market price or average share price for three months prior to the date of allotment, whichever is lower. Of the revenue grant, Rs.15500 lakhs was towards a VRS scheme of which an amount of Rs.11003.58 lakhs has been disbursed to the employees towards VRS and the remaining amount is lying in the account. Further to the above, the company received a capital grant of Rs.18700 lakhs during the FY 2022-23. Of this, towards ₹8,000.00 lakhs grant amount 77,33,204 shares @ Rs. 103.45 per share have been allotted on 28.09.2022(each Rs. 10 fully paid up at premium of Rs. 93.45 per share) and the balance of ₹10700.00 lakhs has been accounted in the books as share application money pending allotment. The total financial assistance received till the balance sheet date amounts to Rs.302535 lakhs.
4	Error Rectification: (i) The company rectified an error of delay in the capitalisation of a few items of property, plant & equipment. Based on the date of installation of these assets, they ought to have been capitalised prior to the comparable period covered in these financial statements, which has resulted in the non-provision of depreciation in the prior years. There were also cases of short provision of depreciation in the year 2021-22. These errors have been rectified by (i) increasing the depreciation of the comparable year FY 2021-22 by Rs.98.48 lakhs (ii) decreasing the retained earnings by Rs.117.42 lakhs on account of depreciation pertaining to earlier periods. (iii) corresponding retrospective restatement as at 1-4-2021 by decreasing the carrying value of capital work in progress by Rs.2390.98 lakhs, corresponding increase by the same amount in the carrying value of the property, plant and equipment. (ii) Expenditure of Rs.1593 lakhs related to unbilled revenue recognised during the financial year 2020-21 was erroneously missed out to be accounted for and the error has been rectified in the current financial year by a retrospective restatement of trade payables.
5	Revenue for the quarter ended 31st March 2023 of ₹ 77,526 lakhs and ₹1,39,545 lakhs for the year ended 31st March 2023
6	Other Income of ₹ 993 Lakhs for the Quarter ended 31st March 2023 and ₹5255 lakhs for the year ended 31st March 2023 , includes ₹3.80 lakhs towards provisions / liabilities written back/ no-longer required related to earlier year during the year.
7	Other Expense for the year ended 31.03.2023 includes ₹2639.78 lakhs represents, doubtful debts provision made (Previous year figures of ₹700.00 Lakhs) and Rs.0.78 lakhs write off Doubtful Debts (Previous Year Rs.323.02.00 lakhs)
8	Trade Receivables and Trade Payables of Palakkad Unit are not receivable/payable, hence, the net difference has been provided for in the books.
9	*During the FY 2021-22, 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.
10	The company has received ₹15500 lakhs towards VRS expenditure out of which as on 31st March 2023 balance un spent Grant remained at ₹4496.42 lakhs
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 Measuring 77 Acres at Palakkad valuing ₹ 19470 Lakhs (Carrying Value) have been resumed by the Govt of Kerala and under adjudication of the Apex Court. The value of Land as shown in the Balance Sheet includes the value of Land resumed by the Govt of Kerala pending decision by the 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. 257855 lakhs that were recognized during the current as well as the last few years
16	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.

17	The Company has received a demand for property tax from BBMP for the years from 2008-09 to 2022-23 based on revised rates along with interest and penalties totalling to Rs.7938.21 lakhs. The company has paid/ provided for the property tax at the rates at which the taxes were paid in the past and contested the revision of the property tax by filing a writ petition before the High Court of Karnataka on the ground that the Company is a sick industry under a revival plan sanctioned by the BIFR and are eligible for an exemption from such revision.
18	Finance Cost includes interest on delayed remittances of statutory dues of provident fund (Rs. 3006.98 Lakhs) at the year end.
19	ITI Limited, being a Public Sector Undertaking, the Directors on the Board of the company are appointed by the order of Government of India. The composition of Board of Directors is not as per provisions of SEBI Listing Regulations due to insufficient number of Independent Directors. However, the proposal for the appointment of requisite number of Independent Directors on the Board of the company is under process with the Administrative Ministry. The company also does not have the Company Secretary as on 31st March 2023.
20	Palakkad Unit of the Company has made provision for bad debts only to the extent of Rs.242 lakhs after netting off the corresponding liability to the back-end partners in respect of overdue receivables from M/s.Karvy Data Management Services Limited and M/s.Telva Systems.
21	Corresponding Quarter figures have been regrouped/restated wherever necessary to conform with the current period's classification
22	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.

23		₹ in Lakhs	₹ in Lakhs
	EPS calculation:	Quarter end	Year ended
		31-03-2023	31-03-2023
	Profit After Tax	(7,201)	(35,985)
	Less:		
	Preference Dividend	-	-
	Dividend tax	-	-
	Profit available to equity shareholders	(7,201)	(35,985)
	No. of Shares at beginning of the period	933522869	933522869
	No. of Shares issued during the period.	16054483	16054483
	No. of Shares at the end of the period.	949577352	933522869
	Weighted average no of shares during the period	944488639	944488639
	Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	(0.76)	(3.81)

24	The above results are available at www.itild.in and website of stock exchanges at www.bseindia.com and www.nseindia.com .
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25	Particulars	Quarter ended 31-03-2023
	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

For ITI LIMITED

A RAJGOPAL
Partner
M. No.205296
Place: Bengaluru
Date : 29.05.2023

RAJEEV SRIVASTAVA
Director Finance & CFO

RAJESH RAI
Chairman & Managing Director



Statement of Consolidated Assets and Liabilities

₹ in Lakhs

Particulars	As at	As at
	31/03/2023	31/03/2022
	Audited	Audited
<u>I. ASSETS</u>		
(1) Non-current assets		
(a) Property, Plant & Equipment	2,68,408.07	2,66,105.11
(b) Capital work-in-progress	13,863.12	14,964.58
(c) Investment Property	6,827.78	6,838.00
(d) Goodwill	-	-
(e) Other Intangible assets	-	-
(f) Intangible assets under development	-	-
(g) Biological Assets other than bearer plants	-	-
(h) Financial Assets	-	-
(i) Investments	3,514.27	3,490.00
(ii) Trade receivables	19,646.74	23,622.30
(iii) Loans	-	-
(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	24,975.23	19,339.54
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade receivables	2,42,927.83	2,72,989.62
(iii) Cash and cash equivalents	935.78	1,556.54
(iv) Bank Balances other than (iii) above	20,548.13	29,093.25
(v) Loans	73,302.93	75,304.97
(vii) Others	2,57,975.43	2,30,593.53
(vii) Others	-	-
(d) Other current assets	16,207.31	13,578.72
TOTAL	9,49,136.16	9,57,479.69
<u>II. EQUITY AND LIABILITIES</u>		
<u>EQUITY</u>		
(a) Equity Share Capital	94,957.74	93,352.29
(b) Other Equity	1,42,475.59	1,67,445.44
<u>LIABILITIES</u>		
(1) Non-Current Liabilities		
(a) Government Grants Unutilised	4,501.06	4,250.12
(b) Financial Liabilities	-	-
(i) Borrowings	18,000.00	24,000.00
(ia) Lease Liabilities	59.66	74.67
(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	17,399.02	22,381.00
(iii) Others	7,631.29	7,386.26
(c) Provisions	5,141.35	4,619.26
(d) Deferred Tax Liabilities	-	-
(e) Other Non current Liabilities	-	-

Particulars	As at	As at
	31/03/2023	31/03/2022
	Audited	Audited
(2) Current Liabilities		
(a) Financial Liabilities	-	-
(i) Borrowings	1,69,583.52	1,37,199.25
(ia) Lease Liabilities	15.01	13.48
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises, and	12,895.01	20,606.69
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	1,24,773.18	1,48,399.64
(iii) Others	2,29,040.32	2,05,577.47
(b) Other current liabilities	1,03,221.54	1,06,775.23
(c) Provisions	19,441.86	15,398.90
(d) Current Tax Liabilities	-	-
TOTAL	9,49,136.16	9,57,479.69

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

For ITI LIMITED

A RAJGOPAL
Partner
M. No.205296
Place: Bengaluru
Date : 29.05.2023

RAJEEV SRIVASTAVA
Director Finance & CFO

RAJESH RAI
Chairman & Managing Director

ITI LIMITED
Consolidated Cash Flow Statement for the year ended 31.03.2023

Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
(A) CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT/(LOSS) BEFORE TAX		(35985.36)		11871.15
Adjustment For :				
Depreciation	4949.84		5101.43	
Financing Charges	20958.40		19222.60	
Profit On Sale Of Investments	0.00		0.00	
Interest/Dividend Received	(541.27)		(485.26)	
Loss On Sale Of Asset	0.00		0.00	
Profit On Sale Of Asset	(1628.83)		(344.48)	
Transfer From Grant-In-Aid	250.94		(21912.40)	
Transfer From Grant-In-Aid	0.00		0.00	
Other Comprehensive Income	(6079.04)		(1486.07)	
Non-Cash Expenditure	2660.62	20570.67	1042.20	1138.02
OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		(15414.70)		13009.17
Adjustment For:				
Trade And Other Receivables	3297.07		(90721.87)	
Inventories	(5635.69)		30.36	
Trade Payables	(11600.83)		33927.00	
Direct Taxes Paid	0.00	(13939.45)	10.08	(56754.43)
CASH GENERATED FROM OPERATIONS		(29354.15)		(43745.26)
CASH FLOW FROM OPERATING ACTIVITIES		(29354.15)		(43745.26)
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase Of Fixed Assets Including:				
Capital Work-In-Progress	(6069.96)		(6016.08)	
Sale Of Fixed Assets	1628.83		344.48	
Investments	(24.27)		136.61	
Interest Received	541.27		485.26	
Proceeds from maturity/Deposit of Other Bank Balances	8545.12		22873.62	
Dividend Received	0.00		0.00	
NET CASH USED IN INVESTING ACTIVITIES [B]		4620.99		17823.90
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds From Short Term Borrowings	26370.79		14760.83	
Share Application Money	10700.00		7156.30	
Capex Grant Received and shares allotted				
Adjustment with surplus	8000.00		0.00	
Grant-In-Aid Received	0.00		21989.76	
Financing Expenses	(20958.40)		(19222.60)	
NET CASH USED IN FINANCING ACTIVITIES [C]		24112.39		24684.30
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]		(620.77)		(1237.08)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		1556.54		2793.67
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		935.78		1556.58

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

For & On Behalf of Board of Directors

A RAJGOPAL
Partner

M. No.205296

RAJEEV SRIVASTAVA
Director Finance & CFO

RAJESH RAI
Chairman & Managing Director

Place: Bengaluru
Date : 29.05.2023

INDEPENDENT AUDITORS' 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 Joint Venture (the Company and its Joint Venture together referred to as the "Group"), for the quarter and year ended March 31, 2023 (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 Joint Venture - 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, 2023.

Basis for Qualified Opinion

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

Accordingly, if provision for bad debts/ credit losses were made by the Company, the loss for the year would have been higher and the net current assets lesser by Rs.9610.51 lakhs.

- 2) 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. The Naini Unit carries a debit balance of Rs.94.42 lakhs towards unavailed input tax credits that are time-barred. Consequently, the net profit for the year is overstated by Rs. 983.42 lakhs, plus applicable interest.
- 3) In respect of the below-mentioned issues, the impact on the items of financial statements is not quantifiable/unascertained:
 - a) The Company carries long outstanding balances under trade receivable, unbilled debtor balances, claims receivable, and rent receivable. These balances are subject to confirmation by the parties and reconciliations. The effect of the adjustment arising from reconciliation and the delay in settlement of

the dues may result in a possible loss due to short/non-recovery. In the absence of sufficient and appropriate evidence, we are unable to comment on the impact of such unascertained losses on the carrying value of these receivables as well as on the Other Comprehensive Income.

- b) The Company's inventories include old inventory, and it is in the process of an assessment of the ageing, usefulness, and serviceability of the inventories held at various units to ascertain the quantum of obsolete inventory. Consequently, we are unable to comment on whether the valuation of the inventories is at the lower of cost and net realisable value, which constitutes a departure from the requirements of Ind AS 2.
 - c) 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 credits reflected in the portal. Adjustment entries and reversal of ineligible input tax credits are pending.
 - d) The Company carries certain items of property, plant & equipment under Capital Work-in-Progress pending acceptance/ installation. This includes a let-out building costing Rs.6582.06 that is not yet capitalised as an investment property. A detailed list of such items, along with the date available for use, was not made available to ascertain the shortfall in providing depreciation, if any, as under Ind AS 16/40, depreciation shall commence from the date the items are available for use. In the absence of sufficient and appropriate evidence, we are unable to comment on the impact of such delayed capitalisation and the resultant shortfall in charging depreciation on the Other Comprehensive Income.
- 4) Finance costs for the year include the interest of Rs.3,006.98 lakhs towards delayed remittance of Provident Fund. This amount includes interest for current and previous years, and such a break-up is unavailable.
- 5) 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 verify whether the provision for interest on delayed payments is complete and comment on MSMED Act 2006 compliance or correctness of disclosure made by the Company under Schedule III of the Companies Act 2013.

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.

- i. The Company had 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 the 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 the finalisation of the terms of the lease and not entering into formal agreements. [Note Nos. 14]
- iii. The Company carries under 'other financial assets- current' accumulated unbilled revenue of Rs.2,57,855 lakhs that were recognised during the current as well as the previous few years. [Note No.15]
- iv. The Company has not provided for the demand of property tax based on the demand notice from BBMP, as it has disputed the demand by filing a writ in the High Court of Karnataka. [Note No.17]
- v. The Company is not in compliance with the requirements of having a specified proportion/ number of independent directors and appointment of a Company Secretary. [Note No.19]
- vi. 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. [Note No.12]
- vii. Non-disclosure of fair value on the balance sheet date in respect of Investment Properties [Note No.13]
- viii. The Palakkad Unit of the Company has made provision for bad debts only to the extent of Rs.242 lakhs after netting off the corresponding liability to the back-end partners in respect of overdue receivables from M/s.Karvy Data Management Services Limited and M/s.Telva Systems.[Note No.20]

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 issuance. The Statement has been compiled from the audited interim condensed consolidated financial statements for the three months and year ended March 31, 2023. 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 profit of 88 lakhs and Rs.24 lakhs in respect of a joint venture/ associate for the quarter and year ended March 31, 2023, respectively, whose financial statement have been audited by its Independent auditors. The independent auditors' report on the 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 the Mankapur, Raebareli, Srinagar, Naini & Palakkad Branches included in the financial results of the Company, whose financial statements reflect total assets of Rs.2,96,230.66 lakhs as at March 31, 2023 and total income of Rs.8,251.01 lakhs and Rs.17,057.64 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
- c) The consolidated financial results include the results for the quarter ended March 31, 2023 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: 29 May 2023

UDIN: 23205296BGWRPL8098

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

RAJGOPAL A
Partner
M.No.205296



ITI LIMITED

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

Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31st March 2023

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Year Ended	
		31/03/2023	31/12/2022	31/03/2022	31/03/2023	31/03/2022
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	Revenue from Operations	77,526	25,635	114,150	139,545	186,073
	Other Income	993	1,019	22,553	5,255	25,457
	Total Income	78,519	26,654	136,703	144,799	211,530
2	Expenses					
	(a) Cost of Materials Consumed & Services	50,163	17,912	60,582	94,106	83,436
	(b) Purchase of stock-in-trade	16,980	1,918	26,819	27,337	62,017
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(1,222)	652	(2,040)	(3,323)	(1,928)
	(d) Employee benefits expense	7,209	5,552	5,461	22,887	22,218
	(e) Finance costs	6,317	5,068	5,249	20,958	19,223
	(f) Depreciation and amortisation expense	1,342	1,224	1,402	4,950	5,101
	(g) Other expenses	5,018	3,069	3,591	13,893	9,455
	Total Expenses	85,808	35,394	101,064	180,809	199,522
3	Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)	(7,289)	(8,740)	35,640	(36,010)	12,008
4	Prior period Items	-	-	-	-	-
5	Profit / (Loss) before exceptional, extraordinary items and tax (3 + 4)	(7,289)	(8,740)	35,640	(36,010)	12,008
6	Exceptional Items	-	-	-	-	-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)	(7,289)	(8,740)	35,640	(36,010)	12,008
8	Extraordinary items	-	-	-	-	-
7	Profit / (Loss) before tax (5 + 6)	(7,289)	(8,740)	35,640	(36,010)	12,008
8	Tax Expense:					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
9	Profit / (Loss) for the period (7 - 8)	(7,289)	(8,740)	35,640	(36,010)	12,008
10	Other comprehensive Income/(Loss)					
	Items not to be reclassified to Profit or Loss in subsequent period	(4,964)	(372)	(2,956)	(6,079)	(1,486)
	Other comprehensive Income/(Loss) for the period	(4,964)	(372)	(2,956)	(6,079)	(1,486)
11	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (09+10)	(12,253)	(9,112)	32,684	(42,089)	10,522
12	Paid up equity share capital (Face value of ₹10/- each)	94,449	94,958	93,352	94,449	93,352
13	i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(0.77)	(0.93)	3.82	(3.81)	1.29
	(b) Diluted	(0.77)	(0.93)	3.82	(3.81)	1.29
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(0.77)	(0.93)	3.82	(3.81)	1.29
	(b) Diluted	(0.77)	(0.93)	3.82	(3.81)	1.29
	See accompanying note to the Financial Results					

**NOTES:**

1	The above financial results for the year ended 31.03.2023 were reviewed by the Audit Committee on 29.05.2023 and upon its recommendations, were approved by the Board of Directors at their meeting held on 29.05.2023.
2	These results have been prepared in accordance with the IND AS notified under the companies (Indian Accounting Standards) Rules 2015, as amended.
3	As a part of the approved financial assistance, until the beginning of the financial year 2022-23, an amount of Rs.94556 lakhs have been received towards Capital Grant and Rs.189279 lakhs towards revenue grant. Shares have been allotted to the President of India towards the Capital Grant received, on various dates in accordance with the BIFR order dated 08.01.2013 at prevailing market price or average share price for three months prior to the date of allotment, whichever is lower. Of the revenue grant, Rs.15500 lakhs was towards a VRS scheme of which an amount of Rs.11003.58 lakhs has been disbursed to the employees towards VRS and the remaining amount is lying in the account. Further to the above, the company received a capital grant of Rs.18700 lakhs during the FY 2022-23. Of this, towards ₹8,000.00 lakhs grant amount 77,33,204 shares @ Rs. 103.45 per share have been allotted on 28.09.2022(each Rs. 10 fully paid up at premium of Rs. 93.45 per share) and the balance of ₹10700.00 lakhs has been accounted in the books as share application money pending allotment. The total financial assistance received till the balance sheet date amounts to Rs.302535 lakhs.
4	Error Rectification: (i) The company rectified an error of delay in the capitalisation of a few items of property, plant & equipment. Based on the date of installation of these assets, they ought to have been capitalised prior to the comparable period covered in these financial statements, which has resulted in the non-provision of depreciation in the prior years. There were also cases of short provision of depreciation in the year 2021-22. These errors have been rectified by (i) increasing the depreciation of the comparable year FY 2021-22 by Rs.98.48 lakhs (ii) decreasing the retained earnings by Rs.117.42 lakhs on account of depreciation pertaining to earlier periods. (iii) corresponding retrospective restatement as at 1-4-2021 by decreasing the carrying value of capital work in progress by Rs.2390.98 lakhs, corresponding increase by the same amount in the carrying value of the property, plant and equipment. (ii) Expenditure of Rs.1593 lakhs related to unbilled revenue recognised during the financial year 2020-21 was erroneously missed out to be accounted for and the error has been rectified in the current financial year by a retrospective restatement of trade payables.
5	Revenue for the quarter ended 31st March 2023 of ₹ 77,526 lakhs and ₹1,39,545 lakhs for the year ended 31st March 2023
6	Other Income of ₹ 993 Lakhs for the Quarter ended 31st March 2023 and ₹5255 lakhs for the year ended 31st March 2023 , includes ₹3.80 lakhs towards provisions / liabilities written back/ no-longer required related to earlier year during the year.
7	Other Expense for the year ended 31.03.2023 includes ₹2639.78 lakhs represents, doubtful debts provision made (Previous year figures of ₹700.00 Lakhs) and Rs.0.78 lakhs write off Doubtful Debts (Previous Year Rs.323.02.00 lakhs)
8	Trade Receivables and Trade Payables of Palakkad Unit are not receivable/payable, hence, the net difference has been provided for in the books.
9	*During the FY 2021-22, 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.
10	The company has received ₹15500 lakhs towards VRS expenditure out of which as on 31st March 2023 balance un spent Grant remained at ₹4496.42 lakhs
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 Measuring 77 Acres at Palakkad valuing ₹ 19470 Lakhs (Carrying Value) have been resumed by the Govt of Kerala and under adjudication of the Apex Court. The value of Land as shown in the Balance Sheet includes the value of Land resumed by the Govt of Kerala pending decision by the 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. 257855 lakhs that were recognized during the current as well as the last few years

16	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.
17	The Company has received a demand for property tax from BBMP for the years from 2008-09 to 2022-23 based on revised rates along with interest and penalties totalling to Rs.7938.21 lakhs. The company has paid/ provided for the property tax at the rates at which the taxes were paid in the past and contested the revision of the property tax by filing a writ petition before the High Court of Karnataka on the ground that the Company is a sick industry under a revival plan sanctioned by the BIFR and are eligible for an exemption from such revision.
18	Finance Cost includes interest on delayed remittances of statutory dues of provident fund (Rs. 3006.98 Lakhs) at the year end.
19	ITI Limited, being a Public Sector Undertaking, the Directors on the Board of the company are appointed by the order of Government of India. The composition of Board of Directors is not as per provisions of SEBI Listing Regulations due to insufficient number of Independent Directors. However, the proposal for the appointment of requisite number of Independent Directors on the Board of the company is under process with the Administrative Ministry. The company also does not have the Company Secretary as on 31st March 2023.
20	Palakkad Unit of the Company has made provision for bad debts only to the extent of Rs.242 lakhs after netting off the corresponding liability to the back-end partners in respect of overdue receivables from M/s.Karvy Data Management Services Limited and M/s.Telva Systems.
21	Corresponding Quarter figures have been regrouped/restated wherever necessary to conform with the current period's classification
22	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.

23		₹ in Lakhs	₹ in Lakhs
	EPS calculation:	Quarter end	Year ended
		31/03/2023	31/03/2023
	Profit After Tax	(7,289)	(36,010)
	Less:		
	Preference Dividend	-	-
	Dividend tax	-	-
	Profit available to equity shareholders	(7,289)	(36,010)
	No. of Shares at beginning of the period	933522869	933522869
	No. of Shares issued during the period.	16054483	16054483
	No. of Shares at the end of the period.	949577352	949577352
	Weighted average no of shares during the period	944488639	944488639
	Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	(0.77)	(3.81)
24	The above results are available at www.italtd.in and website of stock exchanges at www.bseindia.com and www.nseindia.com .		

25	Particulars	Quarter ended 31-03-2023
	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

For ITI LIMITED

A RAJGOPAL

Partner

M. No.205296

Place: Bengaluru

Date : 29.05.2023

RAJEEV SRIVASTAVA

Director Finance & CFO

RAJESH RAI

Chairman & Managing Director

**Statement of Assets and Liabilities**

₹ in Lakhs

Particulars	As at	As at
	31/03/2023	31/03/2022
	Audited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant & Equipment	268,408.07	266,105.11
(b) Capital work-in-progress	13,863.12	14,964.58
(c) Investment Property	6,827.78	6,838.00
(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	19,646.74	23,622.30
(iii) Loans	-	-
(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	24,975.23	19,339.54
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade receivables	242,927.83	272,989.62
(iii) Cash and cash equivalents	935.78	1,556.54
(iv) Bank Balances other than (iii) above	20,548.13	29,093.25
(v) Loans	73,302.93	75,304.97
(vii) Others	257,975.43	230,593.53
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	16,207.31	13,578.72
TOTAL		
	945,662.45	954,030.25
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	94,957.74	93,352.29
(b) Other Equity	139,001.88	163,996.00
LIABILITIES		
(1) Non-Current Liabilities		
(a) Government Grants Unutilised	4,501.06	4,250.12
(b) Financial Liabilities	-	-
(i) Borrowings	18,000.00	24,000.00
(ia) Lease Liabilities	59.66	74.67
(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
(c) Provisions
(d) Deferred Tax Liabilities
(e) Other Non current Liabilities

17,399.02	22,381.00
7,631.29	7,386.26
5,141.35	4,619.26
-	-
-	-

Particulars	As at 31/03/2023	As at 31/03/2022
	Audited	Audited
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	169,583.52	137,199.25
(ia) Lease Liabilities	15.01	13.48
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises, and	12,895.01	20,606.69
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	124,773.18	148,399.64
(iii) Others	229,040.32	205,577.47
(b) Other current liabilities	103,221.54	106,775.23
(c) Provisions	19,441.86	15,398.90
(d) Current Tax Liabilities	-	-
TOTAL	945,662.45	954,030.25

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

For ITI LIMITED

A RAJGOPAL
Partner
M. No.205296

RAJEEV SRIVASTAVA
Director Finance & CFO

RAJESH RAI
Chairman & Managing Director

Place: Bengaluru
Date : 29.05.2023

ITI LIMITED
Standalone Cash Flow Statement for the year ended 31.03.2023

₹ in Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT/(LOSS) BEFORE TAX	(36009.63)	12007.78
Adjustment For :		
Depreciation	4949.84	5101.43
Financing Charges	20958.40	19222.60
Profit On Sale Of Investments	0.00	0.00
Interest/Dividend Received	(541.27)	(485.26)
Loss On Sale Of Asset	0.00	0.00
Profit On Sale Of Asset	(1628.83)	(344.48)
Transfer From Grant-In-Aid	250.94	(21912.40)
Transfer From Grant-In-Aid	0.00	0.00
Other Comprehensive Income	(6079.04)	(1486.07)
Non-Cash Expenditure	2660.62	1042.20
OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	20570.67	1138.02
Adjustment For:		
Trade And Other Receivables	3297.07	(90721.87)
Inventories	(5635.69)	30.36
Trade Payables	(11600.83)	33926.98
Direct Taxes Paid	0.00	10.08
CASH GENERATED FROM OPERATIONS	(13939.45)	(56754.45)
CASH FLOW FROM OPERATING ACTIVITIES	(29378.42)	(43608.66)
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase Of Fixed Assets Including:		
Capital Work-In-Progress	(6069.96)	(6016.08)
Sale Of Fixed Assets	1628.83	344.48
Investments	0.00	0.00
Interest Received	541.27	485.26
Proceeds from maturity/Deposit of Other Bank Balances	8545.12	22873.62
Dividend Received	0.00	0.00
NET CASH USED IN INVESTING ACTIVITIES [B]	4645.26	17687.29
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Short Term Borrowings	26370.79	14760.83
Share Application Money	10700.00	7156.30
Capex Grant Received and shares allotted	8000.00	0.00
Adjustment with surplus	0.00	0.00
Grant-In-Aid Received	0.00	21989.76
Financing Expenses	(20958.40)	(19222.60)
NET CASH USED IN FINANCING ACTIVITIES [C]	24112.39	24684.30
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	(620.77)	(1237.08)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	1556.54	2793.66
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	935.78	1556.58

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

For & On Behalf of Board of Directors

A RAJGOPAL
Partner

M. No.205296

RAJEEV SRIVASTAVA
Director Finance & CFO

RAJESH RAI
Chairman & Managing Director

Place: Bengaluru
Date : 29.05.2023

**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, 2023 (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, 2023.

Basis for Qualified Opinion

- 1) The Company has not made provision for bad debts (credit losses) in respect of the following items included under Current Assets - Financial Assets, which are doubtful of recovery:
 - a) Rs.5,847.90 lakhs, receivable from C-DOT towards rent from premises leased out to them up to the period ending 31-3-2011.
 - b) Recoverable from HCL Infosystems Limited of Rs.1,690.20 lakhs as compensation on account of the excess amount spent by the Mankapur Unit of the Company based on the agreement between ITI, HCL and Alcatel.
 - c) Recoverable from Himachal Futuristic Communications Ltd of Rs.1,049.41 lakhs towards Liquidated Damages.
 - d) 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 loss for the year would have been higher and the net current assets lesser by Rs.9610.51 lakhs.

- 2) 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. The Naini Unit carries a debit balance of Rs.94.42 lakhs towards unavailed input tax credits that are time-barred. Consequently, the net profit for the year is overstated by Rs. 983.42 lakhs, plus applicable interest.
- 3) In respect of the below-mentioned issues, the impact on the items of financial statements is not quantifiable/unascertained:
 - a) The Company carries long outstanding balances under trade receivable, unbilled debtor balances, claims receivable, and rent receivable. These balances are subject to confirmation by the parties and reconciliations. The effect of the adjustment arising from reconciliation and the delay in settlement of



the dues may result in a possible loss due to short/non-recovery. In the absence of sufficient and appropriate evidence, we are unable to comment on the impact of such unascertained losses on the carrying value of these receivables as well as on the Other Comprehensive Income.

- b) The Company's inventories include old inventory, and it is in the process of an assessment of the ageing, usefulness, and serviceability of the inventories held at various units to ascertain the quantum of obsolete inventory. Consequently, we are unable to comment on whether the valuation of the inventories is at the lower of cost and net realisable value, which constitutes a departure from the requirements of Ind AS 2.
 - c) 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 credits reflected in the portal. Adjustment entries and reversal of ineligible input tax credits are pending.
 - d) The Company carries certain items of property, plant & equipment under Capital Work-in-Progress pending acceptance/ installation. This includes a let-out building costing Rs.6582.06 that is not yet capitalised as an investment property. A detailed list of such items, along with the date available for use, was not made available to ascertain the shortfall in providing depreciation, if any, as under Ind AS 16/40, depreciation shall commence from the date the items are available for use. In the absence of sufficient and appropriate evidence, we are unable to comment on the impact of such delayed capitalisation and the resultant shortfall in charging depreciation on the Other Comprehensive Income.
- 4) Finance costs for the year include the interest of Rs.3,006.98 lakhs towards delayed remittance of Provident Fund. This amount includes interest for current and previous years, and such a break-up is unavailable.
 - 5) 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 verify whether the provision for interest on delayed payments is complete and comment on MSMED Act 2006 compliance or correctness of disclosure made by the Company under Schedule III of the Companies Act 2013.

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 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, 2023, 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 had 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 the 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 the finalisation of the terms of the lease and not entering into formal agreements. [Note Nos. 14]
- iii. The Company carries under 'other financial assets- current' accumulated unbilled revenue of Rs.2,57,855 lakhs that were recognised during the current as well as the previous few years. [Note No.15]
- iv. The Company has not provided for the demand of property tax based on the demand notice from BBMP, as it has disputed the demand by filing a writ in the High Court of Karnataka. [Note No.17]
- v. The Company is not in compliance with the requirements of having a specified proportion/ number of independent directors and appointment of a Company Secretary. [Note No.19]
- vi. 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]
- vii. Non-disclosure of fair value on the balance sheet date in respect of Investment Properties [Note No.13]
- viii. The Palakkad Unit of the Company has made provision for bad debts only to the extent of Rs.242 lakhs after netting off the corresponding liability to the back-end partners in respect of overdue receivables from M/s.Karvy Data Management Services Limited and M/s.Telva Systems.[Note No.20]

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 issuance. The Statement has been compiled from the related audited Interim condensed standalone financial statements for the three months and year ended March 31, 2023. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2023 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 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 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 the 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) evaluating 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 the Mankapur, Raebareli, Srinagar, Naini & Palakkad Branches included in the standalone financial results of the Company, whose financial statements reflect total assets of Rs.2,96,230.66 lakhs as at March 31, 2023 and total income of Rs.8,251.01 lakhs and Rs.17,057.64 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, 2023, being the derived figures between the audited figures in respect of the entire 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: May 29, 2023

UDIN: 23205296BGWRPK5043

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

RAJGOPAL A
Partner
M.No.205296

Consolidated Statement of Impact of Audit Qualifications for The Financial Year Ended March 31st, 2023

(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	1,44,799.38	1,44,799.38
2.	Total Expenditure	1,80,809.02	1,91,402.95
3.	Net Profit/(Loss)	-35,985.36	-46,579.29
4.	Earnings per share	-3.81	-4.93
5.	Total Assets	9,49,136.16	9,49,136.16
6.	Total Liabilities	7,11,702.83	7,22,296.76
7.	Net worth	2,37,433.33	2,26,839.40

Qualification No. 1

I	Audit Qualification
a.	<p>Details of Audit Qualification</p> <p>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</p>
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. Company is hopeful of receiving the entire amount. • 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 <ul style="list-style-type: none">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 some works 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 RW1 is continuing. Matter was last listed for further cross examination of RW1 on 10.04.2021 to 13.04.2021. However, due to pandemic it could not happen. Matter is posted for final arguments from 21st to 25th July, 2023. 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. Matter was last posted to 28th April 2023. Next date is awaited. We are hopeful to get the decision in companies favour, provision at this juncture is not possible.

Qualification No. 4

IV	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.	<p>Audit Qualification – Quantified</p> <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. <p>The last date of the Court hearing for the case of M/s MindArray was heard on 04/04/2023 wherein the Court gave time to the opposing Counsel to further his arguments and the case was last posted on 16.05.2023 for further cross examination.</p>

Qualification No. 5

V	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.	<p>Audit Qualification – Quantified</p> <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).• Matter is under review and appropriate action will be taken during 2023-24.

Qualification No. 6

VI	Audit Qualification
a.	Details of Audit Qualification The Naini Unit carries a debit balance of Rs.94.42 lakhs towards unavailed input tax credits that are time-barred
b.	Type of Qualification – Qualified Opinion
c.	Frequency of Qualification – New
d.	Audit Qualification – Quantified <ul style="list-style-type: none">The matter is being reviewed at the Unit level, appropriate action will be taken during the first quarter of Financial Year 2023-24

To be signed by:	
Chairman and Managing Director	
Director Finance & CFO	
Audit Committee Chairperson	
Statutory Auditor	

Place: Bangalore

Date: 29.05.2023

Standalone Statement of Impact of Audit Qualifications for The Financial Year Ended March 31st, 2023

(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)
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3.	Net Profit/(Loss)	-36,009.63	-46,603.56
4.	Earnings per share	-3.81	-4.93
5.	Total Assets	9,45,662.45	9,45,662.45
6.	Total Liabilities	7,11,702.79	7,22,296.72
7.	Net worth	2,33,959.66	2,23,365.73

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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. Company is hopeful of receiving the entire amount. • 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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c.	Frequency of Qualification – New
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To be signed by:	
Chairman and Managing Director	
Director Finance & CFO	
Audit Committee Chairperson	
Statutory Auditor	

Place: Bangalore

Date: 29.05.2023