

Ref: K/953/NSE&BSE/BM/2024
Date: 28.05.2024

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

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

Dear Sir/Madam,

Sub: **Audited Financial Results (Standalone and Consolidated) for the Quarter and Year Ended 31st March 2024**

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

With reference to the captioned subject, this is to inform that with the recommendation of the Audit Committee, the Board of Directors in its Meeting held on 28th May 2024 approved the Audited Financial Results for the Quarter and Year Ended 31st March 2024.

Please find herewith the following documents:

1. Audited Consolidated Financial Results for the Quarter and Year Ended 31st March 2024;
2. Statement of Consolidated Assets and Liabilities for the Year Ended 31st March 2024;
3. Consolidated Cash Flow Statement for the Year Ended 31st March 2024;
4. Statutory Auditor's Report on Consolidated Financial Results for the Quarter and Year Ended 31st March 2024;
5. Audited Standalone Financial Results for the Quarter and Year Ended 31st March 2024;
6. Statement of Assets and Liabilities for the Year Ended 31st March 2024;
7. Standalone Cash Flow Statement for the Year Ended 31st March 2024;
8. Statutory Auditor's Report on Standalone Financial Results for the Quarter and Year Ended 31st March 2024; 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 2024; and
 - b. Standalone Financial Results for the Quarter and Year Ended 31st March 2024

The Board Meeting commenced at 12.30 pm and concluded at 07.50 pm.

This is for your kind information and records please.

Thanking you

Yours faithfully
For ITI Limited

Shalini Ghatak
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

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 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 2024

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Year ended	
		31-03-2024	31-12-2023	31-03-2023	31-03-2024	31-03-2023
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	Revenue from Operations	60,128	25,884	77,526	1,26,363	1,39,545
	Other Income	927	1,264	993	4,450	5,255
	Total Income	61,055	27,148	78,519	1,30,813	1,44,799
2	Expenses					
	(a) Cost of Materials Consumed & Services	36,124	18,916	50,163	80,212	94,106
	(b) Purchase of stock-in-trade	28,295	1,854	16,980	35,637	27,337
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	295	(280)	(1,222)	2,526	(3,323)
	(d) Employee benefits expense	6,291	5,481	7,209	23,180	22,887
	(e) Finance costs	6,022	5,725	6,317	24,139	20,958
	(f) Depreciation and amortisation expense	1,418	1,359	1,342	5,312	4,950
	(g) Other expenses	6,504	4,262	5,018	16,713	13,893
	Total Expenses	84,949	37,317	85,808	1,87,719	1,80,809
3	Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)	(23,894)	(10,169)	(7,289)	(56,906)	(36,010)
4	Prior period Items	-	-	-	-	-
5	Profit / (Loss) before exceptional, extraordinary items and tax (3 + 4)	(23,894)	(10,169)	(7,289)	(56,906)	(36,010)
6	Exceptional Items	-	-	-	-	-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)	(23,894)	(10,169)	(7,289)	(56,906)	(36,010)
8	Extraordinary items	-	-	-	-	-
7	Share of Profit of Associate under Equity Method	12	44	89	14	24
8	Profit / (Loss) before tax (5 + 6 + 7)	(23,882)	(10,125)	(7,200)	(56,892)	(35,985)
9	Tax Expense:					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
10	Profit / (Loss) for the period (8 - 9)	(23,882)	(10,125)	(7,200)	(56,892)	(35,985)
11	Other comprehensive Income/(Loss)					
	Items not to be reclassified to Profit or Loss in subsequent period	2,439	(1,519)	(4,964)	(2,121)	(6,079)
	Other comprehensive Income/(Loss) for the period	2,439	(1,519)	(4,964)	(2,121)	(6,079)
12	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (10 + 11)	(21,443)	(11,644)	(12,164)	(59,013)	(42,064)
13	Paid up equity share capital (Face value of ₹10/- each)	96,089	96,089	94,958	96,089	94,958
14	i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(2.49)	(1.05)	(0.76)	(5.93)	(3.81)
	(b) Diluted	(2.49)	(1.05)	(0.76)	(5.93)	(3.81)
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(2.49)	(1.05)	(0.76)	(5.93)	(3.81)
	(b) Diluted	(2.49)	(1.05)	(0.76)	(5.93)	(3.81)
	See accompanying note to the Financial Results					





NOTES:

1	The above financial results for the year ended 31.03.2024 were reviewed by the Audit Committee on 28.05.2024 and upon its recommendations, were approved by the Board of Directors at their meeting held on 28.05.2024.
2	These results have been prepared in accordance with the IND AS notified under the companies (Indian Accounting Standards) Rules 2015, as amended.
3	Revenue for the quarter ended 31st March 2024 of ₹ 60128 lakhs and ₹126363 lakhs for the year ended 31st March 2024
4	Other Income of ₹ 927 Lakhs for the Quarter ended 31st March 2024 and ₹4450 lakhs for the year ended 31st March 2024.
5	Other expense of ₹6504 Lakhs for the Quarter ended 31st March 2024 and ₹16713 lakhs for the year ended 31st March 2024.
6	The Company is primarily engaged in business of manufacturing, trading and servicing of telecommunication equipments and rendering other associated / ancillary services and there are no other reportable segments. The Company is primarily operating in India, which is considered as a single geographical segment. The company is also engaged in Defence projects. The MCA vide its notification dt.23.02.2018 has exempted companies engaged in the Defence production from the requirement of Segment Reporting.
7	a. Company is in the process of reconciling the land (Freehold/leasehold) record held with the records held by the civil engineering department ('Civil'). An appropriate coding/cross-referencing system is in the process of development to enable proper correlation between records. b. 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. c. Due to non-receipt of demand notice from Revenue authorities towards property tax payable by ITI, Company is in the process of determining and payment of property taxes.
8	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.
9	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
10	The Company carries as under " Other Financial Assets - Current " accumulated Unbilled revenue of Rs. 217467 lakhs that were recognized during the current as well as the last few years
11	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. Identification of MSME vendors in progress.
12	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.
13	Finance Cost includes interest on delayed remittances of statutory dues of provident fund at the year end.
14	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.
15	Corresponding Quarter figures have been regrouped/restated wherever necessary to conform with the current period's classification
16	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.



17	The Company has signed a contract dated 01.10.2020 with the Ministry of Defence for the execution of Army Static Switched Communication Network (ASCON) Phase IV project worth Rs. 8,280.36 Crore. It includes Installation, commissioning, and maintenance of telecom equipment, NMS, mobile nodes, and civil works for providing the complete infrastructure at various sites and roll-out of the optical fiber network. The implementation of the project is to be completed in three years and thereafter it must be maintained for ten years including a two-year warranty. For Proof of Concept [PoC] activities, test bed has been setup for at Army Headquarter 5 signal premises of Indian Army. ITI and OEM teams are assisting Army team in PoC process. The PoC is in process and mainly delayed because of the Country-of-Origin Issue which has been resolved now and PoC is expected to be completed by 30.06.2024. The project timeline has been revised upto Dec 2025.
18	The management is of the opinion that going concern basis of accounting is appropriate in view of the high value of exiting Order Book of Rs. 11,927 Crores under execution with adequate margin, expected conversion of unbilled revenue of Rs. 2,174.68 Crores into billed revenue / realization by completing the contact milestones within next 12 months, step-up the recovery processes to collect the billed dues, adequate sanction of working capital borrowing from consortium banks along with continued support of the Government of India.

19		₹ in Lakhs	₹ in Lakhs
	EPS calculation:	Quarter end	Year ended
		31-03-2024	31-03-2024
	Profit After Tax	(23,882)	(56,892)
	Less:		
	Preference Dividend	-	-
	Dividend tax	-	-
	Profit available to equity shareholders	(23,882)	(56,892)
	No. of Shares at beginning of the period	949577352	949577352
	No. of Shares issued during the period.	11309586	11309586
	No. of Shares at the end of the period.	960886938	960886938
	Weighted average no of shares during the period	959620017	959620017
	Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	(2.49)	(5.93)

20 The above results are available at www.itild.in and website of stock exchanges at www.bseindia.com and www.nseindia.com.

21	Particulars	Quarter ended 31-03-2024
	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: **B.K.Ramadhyan & Co. LLP**

Chartered Accountants

Firm Reg No.: 002878S/S200021

Vasuki H S
Partner
M. No.. 212013
Place: Bengaluru
Date : 28.05.2024



Rajeev Srivastava
Director Finance & CFO

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-560 016 /BENGALURU - 560 016

For ITI LIMITED

Rajesh Rai
Chairman & Managing Director

RAJESH RAI
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
	31/03/2024	31/03/2023
	Audited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant & Equipment	2,66,379	2,68,408
(b) Capital work-in-progress	14,228	13,863
(c) Investment Property	6,818	6,828
(d) Goodwill	-	-
(e) Other Intangible assets	-	-
(f) Intangible assets under development	-	-
(g) Biological Assets other than bearer plants	-	-
(h) Financial Assets	-	-
(i) Investments	3,528	3,514
(ii) Trade receivables	11,529	19,647
(iii) Loans	-	-
(iv) Others	3	3
(i) Deferred Tax Assets (net)	-	-
(j) Other non current assets	1	1
(2) Current assets		
(a) Inventories	22,220	24,975
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade receivables	2,44,081	2,42,928
(iii) Cash and cash equivalents	10,526	936
(iv) Bank Balances other than (iii) above	72,716	20,548
(v) Loans	79,958	73,303
(vi) Others	2,18,180	2,57,975
(vii) Others	-	-
(d) Other current assets	9,638	16,207
TOTAL	9,59,805	9,49,136
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	96,089	94,958
(b) Other Equity	82,346	1,42,489
LIABILITIES		
(1) Non-Current Liabilities		
(a) Government Grants Unutilised	4,496	4,501
(b) Financial Liabilities	-	-
(i) Borrowings	12,000	18,000
(ia) Lease Liabilities	43	60
(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	10,912	17,399
(iii) Others	7,933	7,631
(c) Provisions	5,363	5,141
(d) Deferred Tax Liabilities	-	-
(e) Other Non current Liabilities	-	-



Particulars	As at	As at
	31/03/2024	31/03/2023
	Audited	Audited
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,67,546	1,69,584
(ia) Lease Liabilities	17	15
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises, and	8,398	12,895
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	1,47,348	1,24,773
(iii) Others	2,00,980	2,29,027
(b) Other current liabilities	2,00,638	1,03,222
(c) Provisions	15,696	19,442
(d) Current Tax Liabilities	-	-
TOTAL	9,59,805	9,49,136

As per our report of even date

For: **B.K.Ramadhyan & Co. LLP**

Chartered Accountants

Firm Reg No.: 002878S/S200021

For ITI LIMITED

Vasuki H S

Vasuki H S

Partner

M. No.. 212013

Place: Bengaluru

Date : 28.05.2024



Rajeev Srivastava

Rajeev Srivastava
Director Finance & CFO

Rajesh Rai

Rajesh Rai
Chairman & Managing Director

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

RAJESH RAI
Chairman & Managing Director
ITI Limited
Registered & Corporate Office
ITI Bhavan, Dooravaninagar
BENGALURU - 560 016

ITI LIMITED


Consolidated Cash Flow Statement for the year ended 31.03.2024

Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT/(LOSS) BEFORE TAX	(56890.11)	(35985.36)
Adjustment For :		
Depreciation	5312.25	4949.84
Financing Charges	24138.85	20958.40
Profit On Sale Of Investments	0.00	0.00
Interest/Dividend Received	(291.66)	(541.27)
Loss On Sale Of Asset	114.83	0.00
Profit On Sale Of Asset	(48.11)	(1628.83)
Transfer From Grant-In-Aid	0.00	250.94
Transfer From Grant-In-Aid	0.00	0.00
Other Comprehensive Income	(2120.51)	(6079.04)
Non-Cash Expenditure	1541.94	2660.62
OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	28647.58	20570.67
Adjustment For:		
Trade And Other Receivables	45587.85	3297.07
Inventories	2299.57	(5635.69)
Trade Payables	77738.45	(11600.83)
Direct Taxes Paid	0.00	0.00
CASH GENERATED FROM OPERATIONS	97383.34	(29354.15)
CASH FLOW FROM OPERATING ACTIVITIES	97383.34	(29354.15)
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase Of Fixed Assets Including:		
Capital Work-In-Progress	(3757.99)	(6069.96)
Sale Of Fixed Assets	48.11	1628.83
Investments	(14.13)	(24.27)
Interest Received	291.66	541.27
Proceeds from maturity/Deposit of Other Bank Balances	(52167.79)	8545.12
Dividend Received	0.00	0.00
NET CASH USED IN INVESTING ACTIVITIES [B]	(55600.14)	4620.99
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Short Term Borrowings	(8052.67)	26370.79
Share Application Money	0.00	10700.00
Capex Grant Received and shares allotted	0.00	8000.00
Adjustment with surplus	(1.35)	0.00
Grant-In-Aid Received	0.00	0.00
Financing Expenses	(24138.85)	(20958.40)
NET CASH USED IN FINANCING ACTIVITIES [C]	(32192.87)	24112.39
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	9590.33	(620.77)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	935.78	1556.54
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	10526.11	935.78

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

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

Vasuki H S
Partner
M. No.. 212013
Place: Bengaluru
Date : 28.05.2024



For & On Behalf of Board of Directors



RAJEEV SRIVASTAVA
Director Finance & CFO

For & On Behalf of Board of Directors



RAJESH RAI
Chairman & Managing Director
RAJESH RAI
Chairman & Managing Director
ITI Limited
Registered & Corporate Office
ITI Bhavan, Dooravaninagar
BENGALURU - 560 016

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

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

Independent Auditor's Report To the Board of Directors of ITI Limited

Report on the audit of the Consolidated Financial Results

Disclaimer of Opinion

We were engaged to audit the accompanying annual financial results of ITI Limited (hereinafter referred to as the "Company") for the year ended March 31, 2024, ('Consolidated Financial Results') attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

The aforesaid Consolidated Financial Results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations and
- b. We do not express an opinion on the accompanying Consolidated Financial Results of the Company. Because of the significance of the matters described in the 'Basis for Disclaimer of Opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated Financial Results.

Basis for Disclaimer Opinion

1. The Financial Statements and the consolidated result sheets of the Company for the year ended March 31, 2023 as approved by the Board of Directors on May 29, 2023 was reported upon by the earlier auditor M/s GRSM & Associates, Chartered Accountants vide their report issued on the same date. Vide this report, they had qualified their opinion on the said Financial Statements and the consolidated result sheets due to the significance of the matters described in the 'Basis for qualified opinion' section of their report and their inability to quantify/ascertain the impact of the items on the Financial Statements and the consolidated result sheets for the said financial year. Their qualifications and observations may continue to impact the Financial Statements and the consolidated result sheets for the current year. Management has not provided us any quantification of the effect of these items on the current years' Financial Statements and the consolidated result sheets and are accordingly unable to comment on the same.



2. In terms of SA 510 - Initial Audit Engagements -Opening Balances issued by the Institute of Chartered Accountants of India ('ICAI'), we sought details and current status of certain items of assets and liabilities reflected in the Consolidated Financial Results as at March 31, 2024. Management did not furnish us requisite breakup and current status of cumulative debit and credit balances aggregating to Rs. 3,563.55 lakhs & 10,652.02 lakhs respectively carried forward from the said Balance Sheet and reflecting debit and credit balances in the same accounts aggregating to Rs. 3,690.45 lakhs & Rs. 15,500.23 lakhs respectively as at March 31, 2024. Summaries of such accounts are furnished in Annexure- A to this report.
3. The land (Freehold/leasehold) records maintained by the Company and detailed records held by the civil engineering department ('Civil') could not be correlated, in the absence of an appropriate coding/cross-referencing system (refer note 7(a) to Consolidated Financial Results). All the deficiencies in documentation to the extent identified and other matters have been based on the records maintained by Civil. Attention of the members is invited to paragraph 1(c) of our audit report on matters required to be dealt with in terms of The Companies (Auditors' Report) Order, 2020 ("the Order"), wherein we have expressed our inability to comprehensively identify land not in the name of the Company. Many of these deficiencies have significant bearing on the title of the Company to such properties.
4. Attention is drawn to note 7(c) to Consolidated Financial Results regarding property tax payable in respect of land and buildings being recognized either being based on estimates or not determined at all in the absence of demands from the revenue authorities and/or pending updations/reconciliations of land records as per asset records with records of Civil. Due to non-availability of proper records, adequacy / completeness / correctness of provisions recognized, its impact on Consolidated Financial Results could not be ascertained.
5. Requisite details of certain land and buildings owned by the Company/taken on lease (sale/lease deed, location, purpose for which property is put to use, categorization between Property, Plant, & Equipment ('PPE') and Investment property (IP), whether any amortization of the same is required, income derived therefrom, etc.) were not furnished to us. The original cost and written down value of such assets as at March 31, 2024 aggregated to Rs. 7,657.03 lakhs & Rs. 7,592.54 lakhs respectively. The Company has recognized income to an extent of Rs. 334.91 lakhs on certain items of land and buildings although the relevant leases had expired and to the best of our knowledge, are yet to be renewed. Further, the Company has also not furnished the fair values of its IPs, the basis of determining its fair value, rental income derived from such properties and direct operating expenses (including repairs and maintenance) arising from IP that generated rental income during the year etc, in accordance with IndAS 40 – Investment Property.



6. In terms of the Material Significant Accounting Policies, the Company has not provided any documentation as to the evaluation carried out to test for any impairment of assets in compliance with IndAS 36 'Impairment of Assets'.
7. Capital work in progress as at March 31, 2024 at Bangalore unit (BGP) included the following assets, which to the best of our knowledge has been put to use, but continued therein ostensibly for want of certain documents. We are unable to validate the carrying value with the relevant documents and the effect of non-recognition of depreciation in the Consolidated Financial Results.

Description of asset	Carrying value as at March 31, 2024 (Rs. In lakhs)
New Data Center	2,669.45
Other Capital Work in Progress	3,923.39

8. The Company has not identified lease contracts entered into by it as a lessee/lessor within the meaning of IndAS 116 – Leases and has not consequently adopted the principles of recognition, measurement and disclosure contemplated therein, contrary to accounting policy but has expensed off/taken to income from/to rent payable/receivable to the statement of profit and loss as per contractual terms. Security deposits paid/received thereon not recognized in the Statement of Profit or Loss in accordance with Ind AS 109 – Financial Instruments.
9. The Company did not have a system of appropriating payments received against specific bills raised in Tally Prime software (books of accounts) and only maintains a running account of bills raised and payments received. Consequently, the Company has certain excel workings based on which the age-wise data in respect of trade receivables as specified in Schedule III of the Companies Act, 2013 are furnished. We could not independently validate the ageing data so furnished with the books of accounts and have relied on such excel workings. Further, the Company has also not obtained confirmation of balances / statements of account / reconciliation with books of accounts. The data furnished in note 4(b) and 7 to the Financial Statements could not be validated by us. Current trade receivable includes Rs. 18,099.63 lakhs & Rs. 1,95,310.44 lakhs representing debts exceeding 6 months but less than one year and debts exceeding one year and ranging upto beyond three years. The Company has not assessed and recognized the quantum of expected credit loss in terms of IndAS 109 - 'Financial Instruments' and has not furnished the requisite disclosures required in respect thereof.
10. The Company has not made provision for 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 for the period from 2005-06 to 2010-11.



- 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.
- e) Receivable from South Western Railway of Rs. 2,908.02 lakhs towards consideration receivable for sale of land.
- f) Amounts receivable held under the head Claims and Expenses recoverable Inland amounting to Rs. 344.48 lakhs (breakup not available)

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 12,863.01 lakhs.

11. The company had received soft loan from the Government of India (GoI) in the financial year 2014-15 of Rs. 30,000 lakhs carrying interest at the rate of 1%. This loan was not recognized at fair value after considering the market borrowing rate. The Company has not identified financial assets and financial liabilities within the meaning of IndAS 109 and not consequently adopted the principles of recognition, measurement and disclosure contemplated therein.
12. Inventories with book value of Rs. 22,220.13 lakhs, included several old items lying in the various site/stores for which NRV as at March 31, 2024 was not made available. The Company's inventories included old inventory and has not performed any ageing, usefulness and serviceability assessment held at various units to ascertain obsolete inventory. Company did not furnish the physical verification reports which was reportedly conducted as explained to us and in the absence of any excess/shortage list readily available we could not verify if there were any adjustments required to be made to the books of account. A ready list of inventories were not furnished to confirm the bifurcation of raw materials & production stores, materials issued against fabrication contracts, non-production stores, work in process/installation, manufactured components, finished goods, stock reconciliation account and goods pending inspection. We have relied on such list furnished in various excel sheets and could not independently validate the stock records and its ageing as furnished in note 6 to the audited financial statements. In the absence of full data, we are unable to obtain sufficient appropriate audit evidence regarding the valuation of such stores and spares and whether the same is in accordance with IndAS 2 – Inventories.
13. In respect of certain current/non-current liabilities complete details/nature and ageing in respect of each amounts payable, reasons for their pendency, reasons for non-claim by parties, confirmation/statement of account/reconciliation were not made available.



14. Reference is invited to note 11 to Consolidated Result Sheet regarding disclosure of information pertaining to vendors under Micro, Small and Medium Enterprises Development Act, 2006, pending identification of such vendors and consequential non-provision for interest, if any, in terms of section 23 of the said act, consequent effect on FS not ascertained.
15. The Company has not carried-out any fair valuation as was required in terms of the IndAS 109 'Financial Instruments' in respect of all financial assets and liabilities which are receivable/payable beyond a period of 12 months from the date of initial recognition (examples: certain employee receivables, retention money payable, security deposits accepted/paid, etc.) for the purposes of determination of amortized costs and amortization/recognition of expenses/income of the differential between amortized cost and contractual amounts payable/receivable.
16. The Company's contribution to ITI Employees Provident Fund Trust ('PF Trust') as detailed in point 22(e) of the Material Accounting Policies has been considered as a defined contribution plan and not that to a defined benefit plan both for the current year and prior years. Accordingly, the liability to the trust should have been evaluated actuarially and recognized rather than 12% of the eligible salaries to be made over during the year. Consequent disclosures required in terms of IndAS 19 – Employee Benefits have not been furnished.
17. The Company has not evaluated actuarially its liability to the Kalyanakari Death Benefit Scheme of its employees in the event of shortfall between the funds available from recoveries from employees & interest thereon and amount payable to deceased employees in any year.
18. The Company has not reconciled its books of accounts with its GST returns filed across all its units/divisions/corporate office (turnover, exempt turnover, taxes payable, input tax credit available and availed and tax deducted at source) in the absence of which we are unable to ascertain any effect on the FS. Company to examine the advances received by it and identify the goods and service portion of the respective advances received based on respective contracts and ensure GST remittance on such service portion of advances received. Matter may be examined by the Company regarding such compliance and appropriate action be taken. Pending such bifurcation of goods and service portion we are unable to ascertain if there are GST liability on advances and consequent interest provision thereon in the books of accounts. The Company has not filed its annual return of reconciliation of turnover between books and returns for certain registrations pertaining to financial years 2021-22 and 2022-23 respectively, contrary to rule 80 of the CGST Rules, 2016.
19. The Company has not reconciled the entries in Form 26AS and AIS in the Income Tax portal website with the books. Due to lack of adequate ready data/reconciliation, we are unable to independently validate the entries in Form 26AS / AIS / TIS and consequent disclosures



in the financial statements of advance tax/refunds/disputed taxes, if any.

20. The Company has reported to the extent ascertained in respect of contingent liabilities and capital commitments as detailed in note 31 to financial statements. In the absence of full and comprehensive list across all divisions of the Company with testing of the probability of the liability devolving with appropriate legal advice wherever required, we are unable to ascertain the completeness/accuracy of the values reported in the said note and any provisions that may be required in this respect.
21. The Company has not identified warranty obligations as a distinct performance obligation within the meaning of IndAS 115 – Revenue from contracts with customers and recognizes the same as and when obligations arise on the plea that it generally has a back-to-back claims against its vendors. The company has not provided us with the requisite documentation indicating such rights in each and every contract entered into by it.
22. Palakkad Unit has received an amount of Rs 51 lakhs from certain customers as of March 31, 2024 which have not been accounted for in the books of account since the management is unable to map these receipts with the specific invoices raised by it. Accordingly, the bank balances of the Company are understated to the tune of Rs 51 lakhs as of March 31, 2024, and the Accounts receivable balances are overstated to the same extent. (As per the audit report issued by Balaram & Nandakumar, Chartered Accountants dated May 24, 2024)
23. Company has not compiled and disclosed the requisite data detailed below in terms of Schedule III, division II to the Act.

Sl.No	Requisite disclosures not furnished
1.	Fair value of investment property
2.	Relationship with Struck off Companies

- 24.
- a. Attention is invited to note 17 of the Consolidated Financial Results where in the Company has enumerated the status of a contract with Ministry of Defence, GoI, for supply and establishment of Army Static Switched Communication Network (ASCON) at an agreed consideration. In terms of the said contract, the Company was to mandatorily demonstrate its complete solution so as to bring out its capabilities vis-à-vis the requirements of the customer, which would be evaluated by the latter and form an essential part of the test bed evaluation process. We are informed for the reasons stated in the said note the test best approval is awaited as at March 31, 2024 which is expected upon completion of certain activities as detailed thereon. The Company has proceeded with part execution of the contract pending test bed final approval and in the opinion of the management of the company is not impacting the revenue already recognized up to March 31, 2024 to an aggregate extent of Rs. 1,48,686.48 lakhs. We have relied on the



representations made by the Company and do not express any independent opinion on such revenue recognized.

- b. The Company has entered into contracts with a customer for implementation of a network within a specified area at an aggregate consideration (excluding O&M and taxes) of Rs. 2,48,954.87 lakhs. As against this, the Company has recognized revenue to an extent of Rs. 2,36,701.57 lakhs although the contract is not complete. In the absence of the percentage completion, we are unable to obtain sufficient appropriate audit evidence in support of the revenue recognition.
- c. The Company's system of revenue recognition is based upon the percentage of completion method. The Company had inadequate documentation to support reassessment of total costs of each contract and costs yet to be incurred on every reporting date, backed by customer attested data of work completed and certified, work completed but yet to be certified and internal assessment of cost incurred in respect of work in progress. The Company has also recognized unbilled revenues to an aggregate extent of Rs. 2,17,467.63 lakhs as at year end. This includes unbilled revenue recognized upto March 31, 2023, and yet to be billed to the customer as at March 31, 2024 upon certification of the work. The Company has not furnished us an analysis of unbilled revenue identifying the milestones to be achieved before the same can be billed, the further costs yet to be incurred to achieve such milestone, and the estimate of likely costs of rework/ modifications that is to be incurred in the process of achieving certification. Accordingly, we could not obtain sufficient appropriate audit evidence of revenue recognized.

Common to all matters dealt with above:

We are unable to obtain sufficient appropriate audit evidence to form an opinion on the FS due to the potential interaction of the multiple/undetected misstatements, if any, contained therein and their possible individual and cumulative effect on the FS, which may be material and pervasive, accordingly forms a basis for the disclaimer of opinion.

Material Uncertainty on Going Concern.

Company incurred a net loss of Rs. 56,906 lakhs during the year ended March 31, 2024. In spite of events or conditions which may cast a doubt on the ability of the Company to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate in view of the continued support of the Government of India, high value of order book under execution with adequate margins, adequate working capital borrowing from banks already sanctioned, conversion of unbilled revenue into billed revenue by completing the contact milestones within next 12 months, step-up the recovery processes to collect the billed dues as mentioned in the note 18 of the Consolidated Financial Results. Our opinion is not



modified in respect of this matter.

Emphasis of Matter

- a. 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.
- b. The Company is not in compliance with the requirements of having a specified proportion/ number of independent directors and appointment of a Company Secretary.
- c. 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.

[Refer Note No.31 of the Consolidated Financial Statements for the above matters]

Our opinion is not modified in this respect in respect of the above matters.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Results

These Annual Financial Results have been prepared on the basis of annual financial statements. The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Annual Financial Results that give a true and fair view of the net profit/ loss and other financial information, the Statement of Assets and Liabilities and the Statement of Cash Flow in accordance with the recognition and measurement principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, issued there under 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 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Results, management and the Board of Directors are 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 responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the annual 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

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

- Identify and assess the risks of material misstatement of the annual 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the annual financial results made by management and the Board of Directors.
- Conclude on the appropriateness of management and 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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures



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in the annual 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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 consolidated financial results of the Company, whose financial statements reflect total assets of Rs. 1,93,893.25 lakhs as at March 31, 2024 and total income of Rs. 19,023.13 lakhs and Rs. 6,693.56 lakhs for the quarter and year ended on that date respectively as considered in the consolidated 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 consolidated financial results include the results for the quarter ended March 31, 2024, being the derived figures between the audited figures in respect of the entire financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were reviewed by us.



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- c. The Consolidated Financial Results include the results for the quarter ended March 31, 2024 being the balancing figure 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.

Our opinion is not modified in respect of these matters.

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



(Vasuki H S)
Partner

Membership No : 212013
UDIN : 24212013BKCLQP5520



Place: Bengaluru
Date: May 28, 2024

Annexure A to the Audit Report

Credit ledger accounts -				
RO name	Ledger Name	Debit / Credit	Opening Balance	Closing Balance
BGP	14502 LIABILITY FOR OTHER FIN.-PAYROLL	Credit	-24,97,29,132	-2,70,65,867
BGP	145.02 LIABILITY FOR OTHER FIN MISC	Credit	-15,17,14,635	-14,31,05,628
BGP	147.05 OTHER DEPOSITS	Credit	-4,40,10,101	-3,99,22,395
BGP	14702 SEC DEP BLDG CONTRACTORS	Credit	-4,24,61,366	-4,09,92,627
BGP	Rent Deposits (Other Payable)	Credit	-3,74,06,692	-4,10,88,534
BGP	Advances Recd. From Customers	Credit	-2,72,65,970	-2,10,58,487
BGP	Salary Payable	Credit	-2,68,59,014	-5,11,26,230
BGP	14509 CONTRACTOR LIABILITY CIVIL & OTHERS	Credit	-2,37,75,933	-2,46,35,498
BGP	Salaries Recoveries	Credit	-2,32,43,236	-2,12,11,909
BGP	145.08 OTHER LIABILITIES-OTHERS	Credit	-1,02,13,201	-1,06,13,931
BGP	PL Encashment Liability for MKP	Credit	-28,22,919	-28,22,919
BGP	PL Encashment for Naini	Credit	-3,55,911	-4,60,943
BGP	14106 Exp. & Services Other	Credit	-1,41,540	-1,41,540
BGP	22506 TA ADVANCE SALARY RECOVERY	Credit	-64,635	-17,479
BGP	226.06 ADV RECOVERABLE-OTHER MISC. REC.	Credit	-1,456	-93,031
RO Bhuvaneshwar	19103 SERVICE TAX	Credit	-3,89,165	-3,89,165
RO Bhuvaneshwar	Advances From Customer	Credit	-5,34,488	-5,34,488
RO Chennai	18210 OTHER PAYABLES	Credit	-1,25,742	-1,21,235
RO Hyderabad	28570 EMD FROM VENDORS	Credit	-3,06,252	-28,77,792
RO Hyderabad	14705 - Security Deposit	Credit	-92,719	-95,31,806
RO Lucknow	18250 DEPOSITS FROM CONTRACTORS	Credit	-6,04,97,916	-6,02,41,881
RO Lucknow	18250 DEPOSITS FROM CONTRACTORS	Credit	-1,17,69,408	-1,25,13,796
RO Lucknow	18260 MISC. LIABILITIES	Credit	-1,43,41,712	-76,49,013
RO Lucknow	RECOV. SUPPLIERS/OTHER	Credit	-43,89,145	-3,82,10,694
RO Lucknow	19400 ADVANCE FROM CUSTOMERS	Credit	-31,65,736	-64,18,05,136
RO Lucknow	28570 EMD FROM VENDORS	Credit	-9,25,000	-14,40,000



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RO Lucknow	UNPAID TRAVELLING ALLOWANCE	Credit	-57,052	-57,052
RO Lucknow	SALARIES AND WAGES UNPAID	Credit	-21,156	-21,156
RO Lucknow	RECOVERIES-PAYROLL	Credit	-9,500	-9,500
RO Lucknow	18220 SALARY PAYABLE	Credit	-14,82,517	-13,64,682
RO Delhi	Security From Vendor-BPL	Credit	-5,44,048	-5,44,048
RO Delhi	142 45 Security Deposits	Credit	-1,56,87,009	-1,67,17,232
RO Delhi	EMD From Vendor- Delhi	Credit	-2,32,86,732	-4,64,74,939
RO Delhi	EMD From Vendor- BPL	Credit	-25,69,720	-25,69,720
RO Delhi	18220 SALARY PAYABLE	Credit	-41,96,826	-68,51,175
RO Delhi	19103 Service Tax	Credit	-83,03,254	-83,03,254
RO Delhi	19105 Rajasthan/MP Tax	Credit	-12,012	-12,012
RO Lucknow	Misc Liability	Credit	-27,24,29,954	-26,74,26,405
Total			-1,06,52,02,803	-1,55,00,23,198

Debit ledger accounts -				
RO name	Ledger Name	Debit/Credit	Opening Balance	Closing Balance
BGP	21872 CLAIMS RENT SHOPS & BLDG.	Debit	9,19,95,582	9,71,42,650
BGP	225.05 ADV.TO CONTRACTORS	Debit	4,71,49,437	4,71,49,437
BGP	228.01 CLAIMS AND EXPENSES RECOV INLAND	Debit	3,44,48,482	3,44,48,482
BGP	230.04 SECURITY DEPOSIT PAID ACCOUNT	Debit	3,39,64,684	3,39,37,224
BGP	225.07 OTHER ADVANCE RECOV. BGP	Debit	2,35,76,835	2,35,76,835
BGP	21871 CLAIMS RENT QTRS.	Debit	1,83,93,414	3,26,27,524
BGP	228.01 Electricity Data Centre	Debit	1,61,61,589	90,67,535
BGP	230.03 DEPOSIT PAID-OTHERS (EMD)	Debit	69,88,737	72,12,277
BGP	22507 OTHER ADVANCE RECOV. BGP PI	Debit	39,59,363	39,43,655
BGP	22801 Stipend Claims	Debit	29,76,528	29,76,528
BGP	235.00 Prepaid Expenses	Debit	27,60,847	21,34,831
BGP	22801 South Western Rly Leased Rent	Debit	21,27,813	21,27,813
BGP	21873 CLAIM GROUND RENT	Debit	13,36,670	7,39,543
BGP	22801 Recoverable UTSTARCOM NGN Mfg.	Debit	10,67,771	10,67,771
BGP	22506 TA Adv. BGP VUSS MUSS	Debit	9,09,826	9,09,826



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BGP	Sales Tax Input Credits	Debit	6,65,486	6,65,486
BGP	22513 MECHNOLINC WELDERS	Debit	5,00,000	5,00,000
BGP	230.01 DEPOSIT TCS RECEIVABLE	Debit	4,79,746	4,60,351
BGP	Excise Duty Input Credits / Deposits	Debit	4,27,401	4,27,401
BGP	Custom Duty Input Credits / Deposits	Debit	3,65,627	3,65,627
BGP	Sales Tax	Debit	3,53,690	3,53,690
BGP	226.13 OTHER ADVANCES RECOVERABLE	Debit	3,06,506	99,506
BGP	21873 CLAIMS GROUND RENT GST B2B	Debit	1,79,319	3,56,519
BGP	222.00 Imprest Account	Debit	1,47,434	2,13,989
BGP	22506 TA Advance 4 G BGP	Debit	97,836	59,124
BGP	226.03 ADV RECOVERABLE-FESTIVAL ADVANCE	Debit	84,800	5,74,800
BGP	22506 TA/DA ASCON PHASE 4	Debit	48,086	38,086
BGP	226.05 ADV RECOVERABLE-CYCLE ADVANCE	Debit	30,000	30,000
BGP	22801 RECOVERABLE FROM SSTPL - SAAS AADHAR	Debit	29,500	29,500
BGP	22510 TA/DA ASCON PHASE 4	Debit	4,651	-21,408
BGP	225.20 CANTEEN ADVANCE RECOVERABLE	Debit	240	240
BGP	Excise Duty	Debit	150	-
RO Bhuvaneshwar	SECURITY DEPOSIT FOR SALES TAX APPEAL FEES	Debit	7,90,538	7,90,538
RO Lucknow	29100 SECURITY DEPOSIT	Debit	2,00,96,845	2,14,91,939
RO Lucknow	ADVANCE TOWARDS PURCHASES-ROS	Debit	1,99,65,600	1,99,65,600
RO Lucknow	RECOV.OF TA EXP-RLY-F	Debit	16,78,207	16,78,207
RO Lucknow	PAY AEAR DUE FROM HQ	Debit	81,596	81,596
RO Lucknow	28316 OTHER ADVANCE RECOVERABLE	Debit	44,181	57,803
RO Lucknow	28315 TA RECOVERABLE	Debit	37,163	5,482
RO Lucknow	ADVANCE RECOVERABLE SERVICES	Debit	26,000	24,000
RO Delhi	28750 EMD RECEIVABLE (DELHI)	Debit	1,92,76,378	2,02,76,379
RO Delhi	28312 STAFF IMPREST ADVANCE & LOANS	Debit	3,39,229	2,00,718



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RO Delhi	28315 TA RECOVERABLE	Debit	15,10,912	3,69,650
RO Delhi	28316 OTHER ADVANCE RECOVERABLE (ANNUAL ADVANCE)	Debit	81,000	-1,000
RO Delhi	28570 EMD RECEIVABLE (BHOPAL)	Debit	4,58,123	4,58,123
RO Delhi	29100 SECURITY DEPOSITS (BHOPAL)	Debit	74,636	74,636
RO Delhi	29100 SECURITY DEPOSITS (DELHI)	Debit	3,57,020	3,57,020
Total			35,63,55,479	36,90,45,534





ITI LIMITED

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CIN No: L32202KA1950GOI000640

Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31st March 2024

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Year Ended	
		31-03-2024	31-12-2023	31-03-2023	31-03-2024	31-03-2023
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	Revenue from Operations	60,128	25,884	77,526	1,26,363	1,39,545
	Other Income	927	1,264	993	4,450	5,255
	Total Income	61,055	27,148	78,519	1,30,813	1,44,799
2	Expenses					
	(a) Cost of Materials Consumed & Services	36,124	18,916	50,163	80,212	94,106
	(b) Purchase of stock-in-trade	28,295	1,854	16,980	35,637	27,337
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	295	(280)	(1,222)	2,526	(3,323)
	(d) Employee benefits expense	6,291	5,481	7,209	23,180	22,887
	(e) Finance costs	6,022	5,725	6,317	24,139	20,958
	(f) Depreciation and amortisation expense	1,418	1,359	1,342	5,312	4,950
	(g) Other expenses	6,504	4,262	5,018	16,713	13,893
	Total Expenses	84,949	37,317	85,808	1,87,719	1,80,809
3	Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)	(23,894)	(10,169)	(7,289)	(56,906)	(36,010)
4	Prior period Items	-	-	-	-	-
5	Profit / (Loss) before exceptional,extraordinary items and tax (3 + 4)	(23,894)	(10,169)	(7,289)	(56,906)	(36,010)
6	Exceptional Items	-	-	-	-	-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)	(23,894)	(10,169)	(7,289)	(56,906)	(36,010)
8	Extraordinary items	-	-	-	-	-
7	Profit / (Loss) before tax (5 + 6)	(23,894)	(10,169)	(7,289)	(56,906)	(36,010)
8	Tax Expense:					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
9	Profit / (Loss) for the period (7 - 8)	(23,894)	(10,169)	(7,289)	(56,906)	(36,010)
10	Other comprehensive Income/(Loss)					
	Items not to be reclassified to Profit or Loss in subsequent period	2,439	(1,519)	(4,964)	(2,121)	(6,079)
	Other comprehensive Income/(Loss) for the period	2,439	(1,519)	(4,964)	(2,121)	(6,079)
11	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (09+10)	(21,455)	(11,688)	(12,253)	(59,027)	(42,089)
12	Paid up equity share capital (Face value of ₹10/- each)	96,089	96,089	94,958	96,089	94,958
13	i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(2.49)	(1.06)	(0.77)	(5.93)	(3.81)
	(b) Diluted	(2.49)	(1.06)	(0.77)	(5.93)	(3.81)
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(2.49)	(1.06)	(0.77)	(5.93)	(3.81)
	(b) Diluted	(2.49)	(1.06)	(0.77)	(5.93)	(3.81)
	See accompanying note to the Financial Results					



**NOTES:**

1	The above financial results for the year ended 31.03.2024 were reviewed by the Audit Committee on 28.05.2024 and upon its recommendations, were approved by the Board of Directors at their meeting held on 28.05.2024.
2	These results have been prepared in accordance with the IND AS notified under the companies (Indian Accounting Standards) Rules 2015, as amended.
3	Revenue for the quarter ended 31st March 2024 of ₹ 60128 lakhs and ₹126363 lakhs for the year ended 31st March 2024
4	Other Income of ₹ 927 Lakhs for the Quarter ended 31st March 2024 and ₹4450 lakhs for the year ended 31st March 2024.
5	Other expense of ₹6504 Lakhs for the Quarter ended 31st March 2024 and ₹16713 lakhs for the year ended 31st March 2024.
6	The Company is primarily engaged in business of manufacturing, trading and servicing of telecommunication equipments and rendering other associated / ancillary services and there are no other reportable segments. The Company is primarily operating in India, which is considered as a single geographical segment. The company is also engaged in Defence projects. The MCA vide its notification dt.23.02.2018 has exempted companies engaged in the Defence production from the requirement of Segment Reporting.
7	a. Company is in the process of reconciling the land (Freehold/leasehold) record held with the records held by the civil engineering department ('Civil'). An appropriate coding/cross-referencing system is in the process of development to enable proper correlation between records. b. 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.
8	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.
9	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
10	The Company carries as under " Other Financial Assets - Current " accumulated Unbilled revenue of Rs. 217467 lakhs that were recognized during the current as well as the last few years
11	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. Identification of MSME vendors in progress.
12	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.
13	Finance Cost includes interest on delayed remittances of statutory dues of provident fund at the year end.
14	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.
15	Corresponding Quarter figures have been regrouped/restated wherever necessary to conform with the current period's classification



16	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.
17	The Company has signed a contract dated 01.10.2020 with the Ministry of Defence for the execution of Army Static Switched Communication Network (ASCON) Phase IV project worth Rs. 8,280.36 Crore. It includes Installation, commissioning, and maintenance of telecom equipment, NMS, mobile nodes, and civil works for providing the complete infrastructure at various sites and roll-out of the optical fiber network. The implementation of the project is to be completed in three years and thereafter it must be maintained for ten years including a two-year warranty. For Proof of Concept [PoC] activities, test bed has been setup for at Army Headquarter 5 signal premises of Indian Army. ITI and OEM teams are assisting Army team in PoC process. The PoC is in process and mainly delayed because of the Country-of-Origin Issue which has been resolved now and PoC is expected to be completed by 30.06.2024. The project timeline has been revised upto Dec 2025.
18	The management is of the opinion that going concern basis of accounting is appropriate in view of the high value of exiting Order Book of Rs. 11,927 Crores under execution with adequate margin, expected conversion of unbilled revenue of Rs. 2,174.68 Crores into billed revenue / realization by completing the contact milestones within next 12 months, step-up the recovery processes to collect the billed dues, adequate sanction of working capital borrowing from consortium banks along with continued support of the Government of India.

		₹ in Lakhs	₹ in Lakhs
		Quarter end	Year ended
		31-03-2024	31-03-2024
EPS calculation:			
Profit After Tax		(23,894)	(56,906)
Less:			
Preference Dividend		-	-
Dividend tax		-	-
Profit available to equity shareholders		(23,894)	(56,906)
No. of Shares at beginning of the period		949577352	949577352
No. of Shares issued during the period.		11309586	11309586
No. of Shares at the end of the period.		960886938	960886938
Weighted average no of shares during the period		959620017	959620017
Earning per equity share (for continuing operation): Basic & Diluted(in ₹)		(2.49)	(5.93)

20 The above results are available at www.itiltd.in and website of stock exchanges at www.bseindia.com and www.nseindia.com.

21	Particulars	Quarter ended 31-03-2024
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: B.K.Ramadhyani & Co. LLP
Chartered Accountants
Firm Reg No.: 002878S/S200021

Vasuki H S

Vasuki H S
Partner
M. No.. 212013
Place: Bengaluru
Date : 28.05.2024



Rajeev Srivastava

Rajeev Srivastava
Director Finance & CFO

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

For ITI LIMITED

Rajesh Rai

Rajesh Rai
Chairman & Managing Director
RAJESH RAI
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
	31/03/2024	31/03/2023
	Audited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant & Equipment	2,66,379	2,68,408
(b) Capital work-in-progress	14,228	13,863
(c) Investment Property	6,818	6,828
(d) Goodwill	-	-
(e) Other Intangible assets	-	-
(f) Intangible assets under development	-	-
(g) Biological Assets other than bearer plants	-	-
(h) Financial Assets	-	-
(i) Investments	41	41
(ii) Trade receivables	11,529	19,647
(iii) Loans	-	-
(iv) Others	3	3
(i) Deferred Tax Assets (net)	-	-
(j) Other non current assets	1	1
(2) Current assets		
(a) Inventories	22,220	24,975
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade receivables	2,44,081	2,42,928
(iii) Cash and cash equivalents	10,526	936
(iv) Bank Balances other than (iii) above	72,716	20,548
(v) Loans	79,958	73,303
(vii) Others	2,18,180	2,57,975
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	9,638	16,207
TOTAL	9,56,318	9,45,662
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	96,089	94,958
(b) Other Equity	78,858	1,39,015
LIABILITIES		
(1) Non-Current Liabilities		
(a) Government Grants Unutilised	4,496	4,501
(b) Financial Liabilities	-	-
(i) Borrowings	12,000	18,000
(ia) Lease Liabilities	43	60
(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

10,912	17,399
7,933	7,631
5,363	5,141
-	-
-	-



Particulars	As at	As at
	31/03/2024	31/03/2023
	Audited	Audited
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,67,546	1,69,584
(ia) Lease Liabilities	17	15
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises, and	8,398	12,895
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	1,47,348	1,24,773
(iii) Others	2,00,980	2,29,027
(b) Other current liabilities	2,00,639	1,03,222
(c) Provisions	15,696	19,442
(d) Current Tax Liabilities	-	-
TOTAL	9,56,318	9,45,662

As per our report of even date

For: B.K.Ramadhyan & Co. LLP

Chartered Accountants

Firm Reg No.: 002878S/S200021

Vasuki H S
Partner
M. No.. 212013
Place: Bengaluru
Date : 28.05.2024



For ITI LIMITED


Rajeev Srivastava

Director Finance & CFO



Rajesh Rai

Chairman & Managing Director

RAJESH RAI

Chairman & Managing Director

ITI Limited

Registered & Corporate Office

ITI Bhavan, Dooravaninagar

BENGALURU - 560 016

राजीव श्रीवास्तव /Rajeev Srivastava

निदेशक - वित्त /Director - Finance

आईटीआई लिमिटेड /ITI Limited

पंजीकृत एवं नियमित कार्यालय /Regd. & Corporate Office

आईटीआई भवन, दूरवाणीनगर /ITI Bhavan, Dooravaninagar

बेंगलूरु-560 016 /BENGALURU - 560 016

ITI LIMITED			
Standalone Cash Flow Statement for the year ended 31.03.2024			
₹ in Lakhs			
Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023	
(A) CASH FLOW FROM OPERATING ACTIVITIES:			
NET PROFIT/(LOSS) BEFORE TAX		(56904.24)	(36009.63)
Adjustment For :			
Depreciation	5312.25		4949.84
Financing Charges	24138.85		20958.40
Profit On Sale Of Investments	0.00		0.00
Interest/Dividend Received	(291.66)		(541.27)
Loss On Sale Of Asset	114.83		0.00
Profit On Sale Of Asset	(48.11)		(1628.83)
Transfer From Grant-In-Aid	0.00		250.94
Transfer From Grant-In-Aid	0.00		0.00
Other Comprehensive Income	(2120.51)		(6079.04)
Non-Cash Expenditure	1541.94	28647.58	2660.62
OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		(28256.66)	(15438.97)
Adjustment For:			
Trade And Other Receivables	45587.85		3297.07
Inventories	2299.57		(5635.69)
Trade Payables	77738.45		(11600.83)
Direct Taxes Paid	0.00	125625.87	0.00
CASH GENERATED FROM OPERATIONS		97369.21	(29378.41)
CASH FLOW FROM OPERATING ACTIVITIES		97369.21	(29378.41)
(B) CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase Of Fixed Assets Including:			
Capital Work-In-Progress	(3757.99)		(6069.96)
Sale Of Fixed Assets	48.11		1628.83
Investments	0.00		0.00
Interest Received	291.66		541.27
Proceeds from maturity/Deposit of Other Bank Balances	(52167.79)		8545.12
Dividend Received	0.00		0.00
NET CASH USED IN INVESTING ACTIVITIES [B]		(55586.01)	4645.26
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds From Short Term Borrowings	(8052.67)		26370.79
Share Application Money	0.00		10700.00
Capex Grant Received and shares allotted	0.00		8000.00
Adjustment with surplus	(1.35)		0.00
Grant-In-Aid Received	0.00		0.00
Financing Expenses	(24138.85)		(20958.40)
NET CASH USED IN FINANCING ACTIVITIES [C]		(32192.87)	24112.39
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]		9590.33	(620.76)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		935.78	1556.54
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		10526.11	935.78

Note:

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

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

Vasuki H S
Partner
M. No., 212013
Place: Bengaluru
Date : 28.05.2024
Place: Bengaluru



(Signature)

RAJEEV SRIVASTAVA
Director Finance & CFO

For & On Behalf of Board of Directors

(Signature)
RAJESH RAI
Chairman & Managing Director

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

RAJESH RAI
Chairman & Managing Director
ITI Limited
Registered & Corporate Office
ITI Bhavan, Dooravaninagar
BENGALURU - 560 016

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

Independent Auditor's Report To the Board of Directors of ITI Limited

Report on the audit of the Standalone Financial Results

Disclaimer of Opinion

We were engaged to audit the accompanying annual financial results of ITI Limited (hereinafter referred to as the "Company") for the year ended March 31, 2024, ('Standalone Financial Results') attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

The aforesaid Standalone Financial Results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations and
- b. We do not express an opinion on the accompanying Standalone Financial Results of the Company. Because of the significance of the matters described in the 'Basis for Disclaimer of Opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Results.

Basis for Disclaimer Opinion

1. The Financial Statements and the standalone result sheets of the Company for the year ended March 31, 2023 as approved by the Board of Directors on May 29, 2023 was reported upon by the earlier auditor M/s GRSM & Associates, Chartered Accountants vide their report issued on the same date. Vide this report, they had qualified their opinion on the said Financial Statements and the standalone result sheets due to the significance of the matters described in the 'Basis for qualified opinion' section of their report and their inability to quantify/ascertain the impact of the items on the Financial Statements and the standalone result sheets for the said financial year. Their qualifications and observations may continue to impact the Financial Statements and the standalone result sheets for the current year. Management has not provided us any quantification of the effect of these items on the current years' Financial Statements and the standalone result sheets and are accordingly unable to comment on the same.



2. In terms of SA 510 - Initial Audit Engagements -Opening Balances issued by the Institute of Chartered Accountants of India ('ICAI'), we sought details and current status of certain items of assets and liabilities reflected in the Standalone Financial Results as at March 31, 2024. Management did not furnish us requisite breakup and current status of cumulative debit and credit balances aggregating to Rs. 3,563.55 lakhs & 10,652.02 lakhs respectively carried forward from the said Balance Sheet and reflecting debit and credit balances in the same accounts aggregating to Rs. 3,690.45 lakhs & Rs. 15,500.23 lakhs respectively as at March 31, 2024. Summaries of such accounts are furnished in Annexure- A to this report.
3. The land (Freehold/leasehold) records maintained by the Company and detailed records held by the civil engineering department ('Civil') could not be correlated, in the absence of an appropriate coding/cross-referencing system (refer note 7(a) to Standalone Financial Results). All the deficiencies in documentation to the extent identified and other matters have been based on the records maintained by Civil. Attention of the members is invited to paragraph 1(c) of our audit report on matters required to be dealt with in terms of The Companies (Auditors' Report) Order, 2020 ("the Order"), wherein we have expressed our inability to comprehensively identify land not in the name of the Company. Many of these deficiencies have significant bearing on the title of the Company to such properties.
4. Attention is drawn to note 7(c) to Standalone Financial Results regarding property tax payable in respect of land and buildings being recognized either being based on estimates or not determined at all in the absence of demands from the revenue authorities and/or pending updations/reconciliations of land records as per asset records with records of Civil. Due to non-availability of proper records, adequacy / completeness / correctness of provisions recognized, its impact on Standalone Financial Results could not be ascertained.
5. Requisite details of certain land and buildings owned by the Company/taken on lease (sale/lease deed, location, purpose for which property is put to use, categorization between Property, Plant, & Equipment ('PPE') and Investment property (IP), whether any amortization of the same is required, income derived therefrom, etc.) were not furnished to us. The original cost and written down value of such assets as at March 31, 2024 aggregated to Rs. 7,657.03 lakhs & Rs. 7,592.54 lakhs respectively. The Company has recognized income to an extent of Rs. 334.91 lakhs on certain items of land and buildings although the relevant leases had expired and to the best of our knowledge, are yet to be renewed. Further, the Company has also not furnished the fair values of its IPs, the basis of determining its fair value, rental income derived from such properties and direct operating expenses (including repairs and maintenance) arising from IP that generated rental income during the year etc, in accordance with IndAS 40 – Investment Property.



6. In terms of the Material Significant Accounting Policies, the Company has not provided any documentation as to the evaluation carried out to test for any impairment of assets in compliance with IndAS 36 'Impairment of Assets'.
7. Capital work in progress as at March 31, 2024 at Bangalore unit (BGP) included the following assets, which to the best of our knowledge has been put to use, but continued therein ostensibly for want of certain documents. We are unable to validate the carrying value with the relevant documents and the effect of non-recognition of depreciation in the Standalone Financial Results.

Description of asset	Carrying value as at March 31, 2024 (Rs. In lakhs)
New Data Center	2,669.45
Other Capital Work in Progress	3,923.39

8. The Company has not identified lease contracts entered into by it as a lessee/lessor within the meaning of IndAS 116 – Leases and has not consequently adopted the principles of recognition, measurement and disclosure contemplated therein, contrary to accounting policy but has expensed off/taken to income from/to rent payable/receivable to the statement of profit and loss as per contractual terms. Security deposits paid/received thereon not recognized in the Statement of Profit or Loss in accordance with Ind AS 109 – Financial Instruments.
9. The Company did not have a system of appropriating payments received against specific bills raised in Tally Prime software (books of accounts) and only maintains a running account of bills raised and payments received. Consequently, the Company has certain excel workings based on which the age-wise data in respect of trade receivables as specified in Schedule III of the Companies Act, 2013 are furnished. We could not independently validate the ageing data so furnished with the books of accounts and have relied on such excel workings. Further, the Company has also not obtained confirmation of balances / statements of account / reconciliation with books of accounts. The data furnished in note 4(b) and 7 to the Financial Statements could not be validated by us. Current trade receivable includes Rs. 18,099.63 lakhs & Rs. 1,95,310.44 lakhs representing debts exceeding 6 months but less than one year and debts exceeding one year and ranging upto beyond three years. The Company has not assessed and recognized the quantum of expected credit loss in terms of IndAS 109 - 'Financial Instruments' and has not furnished the requisite disclosures required in respect thereof.
10. The Company has not made provision for 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 for the period from 2005-06 to 2010-11.



- 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.
- e) Receivable from South Western Railway of Rs. 2,908.02 lakhs towards consideration receivable for sale of land.
- f) Amounts receivable held under the head Claims and Expenses recoverable Inland amounting to Rs. 344.48 lakhs (breakup not available)

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 12,863.01 lakhs.

11. The company had received soft loan from the Government of India (GoI) in the financial year 2014-15 of Rs. 30,000 lakhs carrying interest at the rate of 1%. This loan was not recognized at fair value after considering the market borrowing rate. The Company has not identified financial assets and financial liabilities within the meaning of IndAS 109 and not consequently adopted the principles of recognition, measurement and disclosure contemplated therein.
12. Inventories with book value of Rs. 22,220.13 lakhs, included several old items lying in the various site/stores for which NRV as at March 31, 2024 was not made available. The Company's inventories included old inventory and has not performed any ageing, usefulness and serviceability assessment held at various units to ascertain obsolete inventory. Company did not furnish the physical verification reports which was reportedly conducted as explained to us and in the absence of any excess/shortage list readily available we could not verify if there were any adjustments required to be made to the books of account. A ready list of inventories were not furnished to confirm the bifurcation of raw materials & production stores, materials issued against fabrication contracts, non-production stores, work in process/installation, manufactured components, finished goods, stock reconciliation account and goods pending inspection. We have relied on such list furnished in various excel sheets and could not independently validate the stock records and its ageing as furnished in note 6 to the audited financial statements. In the absence of full data, we are unable to obtain sufficient appropriate audit evidence regarding the valuation of such stores and spares and whether the same is in accordance with IndAS 2 – Inventories.
13. In respect of certain current/non-current liabilities complete details/nature and ageing in respect of each amounts payable, reasons for their pendency, reasons for non-claim by parties, confirmation/statement of account/reconciliation were not made available.



14. Reference is invited to note 11 to Standalone Result Sheet regarding disclosure of information pertaining to vendors under Micro, Small and Medium Enterprises Development Act, 2006, pending identification of such vendors and consequential non-provision for interest, if any, in terms of section 23 of the said act, consequent effect on FS not ascertained.
15. The Company has not carried-out any fair valuation as was required in terms of the IndAS 109 'Financial Instruments' in respect of all financial assets and liabilities which are receivable/payable beyond a period of 12 months from the date of initial recognition (examples: certain employee receivables, retention money payable, security deposits accepted/paid, etc.) for the purposes of determination of amortized costs and amortization/recognition of expenses/income of the differential between amortized cost and contractual amounts payable/receivable.
16. The Company's contribution to ITI Employees Provident Fund Trust ('PF Trust') as detailed in point 22(e) of the Material Accounting Policies has been considered as a defined contribution plan and not that to a defined benefit plan both for the current year and prior years. Accordingly, the liability to the trust should have been evaluated actuarially and recognized rather than 12% of the eligible salaries to be made over during the year. Consequent disclosures required in terms of IndAS 19 – Employee Benefits have not been furnished.
17. The Company has not evaluated actuarially its liability to the Kalyanakari Death Benefit Scheme of its employees in the event of shortfall between the funds available from recoveries from employees & interest thereon and amount payable to deceased employees in any year.
18. The Company has not reconciled its books of accounts with its GST returns filed across all its units/divisions/corporate office (turnover, exempt turnover, taxes payable, input tax credit available and availed and tax deducted at source) in the absence of which we are unable to ascertain any effect on the FS. Company to examine the advances received by it and identify the goods and service portion of the respective advances received based on respective contracts and ensure GST remittance on such service portion of advances received. Matter may be examined by the Company regarding such compliance and appropriate action be taken. Pending such bifurcation of goods and service portion we are unable to ascertain if there are GST liability on advances and consequent interest provision thereon in the books of accounts. The Company has not filed its annual return of reconciliation of turnover between books and returns for certain registrations pertaining to financial years 2021-22 and 2022-23 respectively, contrary to rule 80 of the CGST Rules, 2016.
19. The Company has not reconciled the entries in Form 26AS and AIS in the Income Tax portal website with the books. Due to lack of adequate ready data/reconciliation, we are unable to independently validate the entries in Form 26AS / AIS / TIS and consequent disclosures



in the financial statements of advance tax/refunds/disputed taxes, if any.

20. The Company has reported to the extent ascertained in respect of contingent liabilities and capital commitments as detailed in note 31 to financial statements. In the absence of full and comprehensive list across all divisions of the Company with testing of the probability of the liability devolving with appropriate legal advice wherever required, we are unable to ascertain the completeness/accuracy of the values reported in the said note and any provisions that may be required in this respect.
21. The Company has not identified warranty obligations as a distinct performance obligation within the meaning of IndAS 115 – Revenue from contracts with customers and recognizes the same as and when obligations arise on the plea that it generally has a back-to-back claims against its vendors. The company has not provided us with the requisite documentation indicating such rights in each and every contract entered into by it.
22. Palakkad Unit has received an amount of Rs 51 lakhs from certain customers as of March 31, 2024 which have not been accounted for in the books of account since the management is unable to map these receipts with the specific invoices raised by it. Accordingly, the bank balances of the Company are understated to the tune of Rs 51 lakhs as of March 31, 2024, and the Accounts receivable balances are overstated to the same extent. (As per the audit report issued by Balaram & Nandakumar, Chartered Accountants dated May 24, 2024)
23. Company has not compiled and disclosed the requisite data detailed below in terms of Schedule III, division II to the Act.

Sl.No	Requisite disclosures not furnished
1.	Fair value of investment property
2.	Relationship with Struck off Companies

- 24.
- a. Attention is invited to note 17 of the Standalone Financial Results where in the Company has enumerated the status of a contract with Ministry of Defence, GoI, for supply and establishment of Army Static Switched Communication Network (ASCON) at an agreed consideration. In terms of the said contract, the Company was to mandatorily demonstrate its complete solution so as to bring out its capabilities vis-à-vis the requirements of the customer, which would be evaluated by the latter and form an essential part of the test bed evaluation process. We are informed for the reasons stated in the said note the test best approval is awaited as at March 31, 2024 which is expected upon completion of certain activities as detailed thereon. The Company has proceeded with part execution of the contract pending test bed final approval and in the opinion of the management of the company is not impacting the revenue already recognized up to March 31, 2024 to an aggregate extent of Rs. 1,48,686.48 lakhs. We have relied on the



representations made by the Company and do not express any independent opinion on such revenue recognized.

- b. The Company has entered into contracts with a customer for implementation of a network within a specified area at an aggregate consideration (excluding O&M and taxes) of Rs. 2,48,954.87 lakhs. As against this, the Company has recognized revenue to an extent of Rs. 2,36,701.57 lakhs although the contract is not complete. In the absence of the percentage completion, we are unable to obtain sufficient appropriate audit evidence in support of the revenue recognition.
- c. The Company's system of revenue recognition is based upon the percentage of completion method. The Company had inadequate documentation to support reassessment of total costs of each contract and costs yet to be incurred on every reporting date, backed by customer attested data of work completed and certified, work completed but yet to be certified and internal assessment of cost incurred in respect of work in progress. The Company has also recognized unbilled revenues to an aggregate extent of Rs. 2,17,467.63 lakhs as at year end. This includes unbilled revenue recognized upto March 31, 2023 and yet to be billed to the customer as at March 31, 2024 upon certification of the work. The Company has not furnished us an analysis of unbilled revenue identifying the milestones to be achieved before the same can be billed, the further costs yet to be incurred to achieve such milestone, and the estimate of likely costs of rework/ modifications that is to be incurred in the process of achieving certification. Accordingly, we could not obtain sufficient appropriate audit evidence of revenue recognized.

Common to all matters dealt with above:

We are unable to obtain sufficient appropriate audit evidence to form an opinion on the FS due to the potential interaction of the multiple/undetected misstatements, if any, contained therein and their possible individual and cumulative effect on the FS, which may be material and pervasive, accordingly forms a basis for the disclaimer of opinion.

Material Uncertainty on Going Concern.

Company incurred a net loss of Rs. 56,906 lakhs during the year ended March 31, 2024. In spite of events or conditions which may cast a doubt on the ability of the Company to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate in view of the continued support of the Government of India, high value of order book under execution with adequate margins, adequate working capital borrowing from banks already sanctioned, conversion of unbilled revenue into billed revenue by completing the contact milestones within next 12 months, step-up the recovery processes to collect the billed dues as mentioned in the note 18 of the Standalone Financial Results. Our opinion is not



modified in respect of this matter.

Emphasis of Matter

- a. 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.
- b. The Company is not in compliance with the requirements of having a specified proportion/ number of independent directors and appointment of a Company Secretary.
- c. 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.

[Refer Note No.31 of the Standalone Financial Statements for the above matters]

Our opinion is not modified in this respect in respect of the above matters.

Management's and Board of Directors' Responsibilities for the Standalone Financial Results

These Annual Financial Results have been prepared on the basis of annual financial statements. The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Annual Financial Results that give a true and fair view of the net profit/ loss and other financial information, the Statement of Assets and Liabilities and the Statement of Cash Flow in accordance with the recognition and measurement principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, issued there under 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 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 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 are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, management and the Board of Directors are 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



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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 responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the annual 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 these annual financial results.

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

- Identify and assess the risks of material misstatement of the annual 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the annual financial results made by management and the Board of Directors.
- Conclude on the appropriateness of management and 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 appropriateness of this assumption. 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 annual financial results or, if such disclosures are inadequate, to modify our opinion.



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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 annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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. 1,93,893.25 lakhs as at March 31, 2024 and total income of Rs. 19,023.13 lakhs and Rs. 6,693.56 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, 2024, 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.



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- c. The Standalone Financial Results include the results for the quarter ended March 31, 2024 being the balancing figure 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.

Our opinion is not modified in respect of these matters.

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

Vasuki H S

(Vasuki H S)
Partner

Membership No : 212013
UDIN : 24212013BKCLQR3625



Place: Bengaluru
Date: May 28, 2024

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Annexure A to the Audit Report

Credit ledger accounts -				
RO name	Ledger Name	Debit / Credit	Opening Balance	Closing Balance
BGP	14502 LIABILITY FOR OTHER FIN.-PAYROLL	Credit	-24,97,29,132	-2,70,65,867
BGP	145.02 LIABILITY FOR OTHER FIN MISC	Credit	-15,17,14,635	-14,31,05,628
BGP	147.05 OTHER DEPOSITS	Credit	-4,40,10,101	-3,99,22,395
BGP	14702 SEC DEP BLDG CONTRACTORS	Credit	-4,24,61,366	-4,09,92,627
BGP	Rent Deposits (Other Payable)	Credit	-3,74,06,692	-4,10,88,534
BGP	Advances Recd. From Customers	Credit	-2,72,65,970	-2,10,58,487
BGP	Salary Payable	Credit	-2,68,59,014	-5,11,26,230
BGP	14509 CONTRACTOR LIABILITY CIVIL & OTHERS	Credit	-2,37,75,933	-2,46,35,498
BGP	Salaries Recoveries	Credit	-2,32,43,236	-2,12,11,909
BGP	145.08 OTHER LIABILITIES-OTHERS	Credit	-1,02,13,201	-1,06,13,931
BGP	PL Encashment Liability for MKP	Credit	-28,22,919	-28,22,919
BGP	PL Encashment for Naini	Credit	-3,55,911	-4,60,943
BGP	14106 Exp. & Services Other	Credit	-1,41,540	-1,41,540
BGP	22506 TA ADVANCE SALARY RECOVERY	Credit	-64,635	-17,479
BGP	226.06 ADV RECOVERABLE-OTHER MISC. REC.	Credit	-1,456	-93,031
RO Bhuvaneshwar	19103 SERVICE TAX	Credit	-3,89,165	-3,89,165
RO Bhuvaneshwar	Advances From Customer	Credit	-5,34,488	-5,34,488
RO Chennai	18210 OTHER PAYABLES	Credit	-1,25,742	-1,21,235
RO Hyderabad	28570 EMD FROM VENDORS	Credit	-3,06,252	-28,77,792
RO Hyderabad	14705 - Security Deposit	Credit	-92,719	-95,31,806
RO Lucknow	18250 DEPOSITS FROM CONTRACTORS	Credit	-6,04,97,916	-6,02,41,881
RO Lucknow	18250 DEPOSITS FROM CONTRACTORS	Credit	-1,17,69,408	-1,25,13,796
RO Lucknow	18260 MISC. LIABILITIES	Credit	-1,43,41,712	-76,49,013
RO Lucknow	RECOV. SUPPLIERS/OTHER	Credit	-43,89,145	-3,82,10,694
RO Lucknow	19400 ADVANCE FROM CUSTOMERS	Credit	-31,65,736	-64,18,05,136
RO Lucknow	28570 EMD FROM VENDORS	Credit	-9,25,000	-14,40,000



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RO Lucknow	UNPAID TRAVELLING ALLOWANCE	Credit	-57,052	-57,052
RO Lucknow	SALARIES AND WAGES UNPAID	Credit	-21,156	-21,156
RO Lucknow	RECOVERIES-PAYROLL	Credit	-9,500	-9,500
RO Lucknow	18220 SALARY PAYABLE	Credit	-14,82,517	-13,64,682
RO Delhi	Security From Vendor-BPL	Credit	-5,44,048	-5,44,048
RO Delhi	142 45 Security Deposits	Credit	-1,56,87,009	-1,67,17,232
RO Delhi	EMD From Vendor- Delhi	Credit	-2,32,86,732	-4,64,74,939
RO Delhi	EMD From Vendor- BPL	Credit	-25,69,720	-25,69,720
RO Delhi	18220 SALARY PAYABLE	Credit	-41,96,826	-68,51,175
RO Delhi	19103 Service Tax	Credit	-83,03,254	-83,03,254
RO Delhi	19105 Rajasthan/MP Tax	Credit	-12,012	-12,012
RO Lucknow	Misc Liability	Credit	-27,24,29,954	-26,74,26,405
Total			-1,06,52,02,803	-1,55,00,23,198

Debit ledger accounts -

RO name	Ledger Name	Debit/Credit	Opening Balance	Closing Balance
BGP	21872 CLAIMS RENT SHOPS & BLDG.	Debit	9,19,95,582	9,71,42,650
BGP	225.05 ADV.TO CONTRACTORS	Debit	4,71,49,437	4,71,49,437
BGP	228.01 CLAIMS AND EXPENSES RECOV INLAND	Debit	3,44,48,482	3,44,48,482
BGP	230.04 SECURITY DEPOSIT PAID ACCOUNT	Debit	3,39,64,684	3,39,37,224
BGP	225.07 OTHER ADVANCE RECOV. BGP	Debit	2,35,76,835	2,35,76,835
BGP	21871 CLAIMS RENT QTRS.	Debit	1,83,93,414	3,26,27,524
BGP	228.01 Electricity Data Centre	Debit	1,61,61,589	90,67,535
BGP	230.03 DEPOSIT PAID-OTHERS (EMD)	Debit	69,88,737	72,12,277
BGP	22507 OTHER ADVANCE RECOV. BGP PI	Debit	39,59,363	39,43,655
BGP	22801 Stipend Claims	Debit	29,76,528	29,76,528
BGP	235.00 Prepaid Expenses	Debit	27,60,847	21,34,831
BGP	22801 South Western Rly Leased Rent	Debit	21,27,813	21,27,813
BGP	21873 CLAIM GROUND RENT	Debit	13,36,670	7,39,543
BGP	22801 Recoverable UTSTARCOM NGN Mfg.	Debit	10,67,771	10,67,771
BGP	22506 TA Adv. BGP VUSS MUSS	Debit	9,09,826	9,09,826



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BGP	Sales Tax Input Credits	Debit	6,65,486	6,65,486
BGP	22513 MECHNOLINC WELDERS	Debit	5,00,000	5,00,000
BGP	230.01 DEPOSIT TCS RECEIVABLE	Debit	4,79,746	4,60,351
BGP	Excise Duty Input Credits / Deposits	Debit	4,27,401	4,27,401
BGP	Custom Duty Input Credits / Deposits	Debit	3,65,627	3,65,627
BGP	Sales Tax	Debit	3,53,690	3,53,690
BGP	226.13 OTHER ADVANCES RECOVERABLE	Debit	3,06,506	99,506
BGP	21873 CLAIMS GROUND RENT GST B2B	Debit	1,79,319	3,56,519
BGP	222.00 Imprest Account	Debit	1,47,434	2,13,989
BGP	22506 TA Advance 4 G BGP	Debit	97,836	59,124
BGP	226.03 ADV RECOVERABLE-FESTIVAL ADVANCE	Debit	84,800	5,74,800
BGP	22506 TA/DA ASCON PHASE 4	Debit	48,086	38,086
BGP	226.05 ADV RECOVERABLE-CYCLE ADVANCE	Debit	30,000	30,000
BGP	22801 RECOVERABLE FROM SSTPL - SAAS AADHAR	Debit	29,500	29,500
BGP	22510 TA/DA ASCON PHASE 4	Debit	4,651	-21,408
BGP	225.20 CANTEEN ADVANCE RECOVERABLE	Debit	240	240
BGP	Excise Duty	Debit	150	-
RO Bhuvaneshwar	SECURITY DEPOSIT FOR SALES TAX APPEAL FEES	Debit	7,90,538	7,90,538
RO Lucknow	29100 SECURITY DEPOSIT	Debit	2,00,96,845	2,14,91,939
RO Lucknow	ADVANCE TOWARDS PURCHASES-ROS	Debit	1,99,65,600	1,99,65,600
RO Lucknow	RECOV.OF TA EXP-RLY-F	Debit	16,78,207	16,78,207
RO Lucknow	PAY AEAR DUE FROM HQ	Debit	81,596	81,596
RO Lucknow	28316 OTHER ADVANCE RECOVERABLE	Debit	44,181	57,803
RO Lucknow	28315 TA RECOVERABLE	Debit	37,163	5,482
RO Lucknow	ADVANCE RECOVERABLE SERVICES	Debit	26,000	24,000
RO Delhi	28750 EMD RECEIVABLE (DELHI)	Debit	1,92,76,378	2,02,76,379
RO Delhi	28312 STAFF IMPREST ADVANCE & LOANS	Debit	3,39,229	2,00,718



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RO Delhi	28315 TA RECOVERABLE	Debit	15,10,912	3,69,650
RO Delhi	28316 OTHER ADVANCE RECOVERABLE (ANNUAL ADVANCE)	Debit	81,000	-1,000
RO Delhi	28570 EMD RECEIVABLE (BHOPAL)	Debit	4,58,123	4,58,123
RO Delhi	29100 SECURITY DEPOSITS (BHOPAL)	Debit	74,636	74,636
RO Delhi	29100 SECURITY DEPOSITS (DELHI)	Debit	3,57,020	3,57,020
Total			35,63,55,479	36,90,45,534



ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March				
31, 03.2024				
<i>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i>				
I.	Sl. No	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in lakhs	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	130,813	Not ascertainable (*)
	2.	Total Expenditure	187,719	Not ascertainable (*)
	3.	Net Profit/(Loss)	(56,892)	Not ascertainable (*)
	4.	Earnings Per Share	(5.93)	Not ascertainable (*)
	5.	Total Assets	959,805	Not ascertainable (*)
	6.	Total Liabilities	959,805	Not ascertainable (*)
	7.	Net Worth	178,435	Not ascertainable (*)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	Not ascertainable (*)
<i>Refer our audit report in terms of regulation 33 on the Consolidated Financial Results – Disclaimer of Opinion Paragraph</i>				
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: The Financial Statements and the consolidated result sheets of the Company for the year ended March 31, 2023 as approved by the Board of Directors on May 29, 2023 was reported upon by the earlier auditor M/s GRSM & Associates, Chartered Accountants vide their report issued on the same date. Vide this report, they had qualified their opinion on the said Financial Statements and the consolidated result sheets due to the significance of the matters described in the 'Basis for qualified opinion' section of their report and their inability to quantify/ascertain the impact of the items on the Financial Statements and the consolidated result sheets for the said financial year. Their qualifications and observations may continue to impact the Financial Statements and the consolidated result sheets for the current year. Management has not provided us any quantification of the effect of these items on the current years' Financial Statements and the consolidated result sheets and are accordingly unable to comment on the same		
	b.	Type of Audit Qualification : Disclaimer of Opinion		
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long		

	continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Company has initiated action plan for necessary compliance. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	b. Details of Audit Qualification: In terms of SA 510 - Initial Audit Engagements -Opening Balances issued by the Institute of Chartered Accountants of India ('ICAI'), we sought details and current status of certain items of assets and liabilities reflected in the Consolidated Financial Results as at March 31, 2024. Management did not furnish us requisite breakup and current status of cumulative debit and credit balances aggregating to Rs. 3,563.55 lakhs & 10,601.99 lakhs respectively carried forward from the said Balance Sheet and reflecting debit and credit balances in the same accounts aggregating to Rs. 3,690.45 lakhs & Rs. 15,500.23 lakhs respectively as at March 31, 2024.
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: impact not ascertainable at this stage
	(ii) If management is unable to estimate the impact, reasons for the same: The details are being reviewed for necessary compliance, which is in process, to ascertain the impact.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>

	<p>c. Details of Audit Qualification: The land (Freehold/leasehold) records maintained by the Company and detailed records held by the civil engineering department ('Civil') could not be correlated, in the absence of an appropriate coding/cross-referencing system. All the deficiencies in documentation to the extent identified and other matters have been based on the records maintained by Civil. Attention of the members is invited to paragraph 1(c) of our audit report on matters required to be dealt with in terms of The Companies (Auditors' Report) Order, 2020 ("the Order"), wherein we have expressed our inability to comprehensively identify land not in the name of the Company. Many of these deficiencies have significant bearing on the title of the Company to such properties.</p>
	<p>b. Type of Audit Qualification : Disclaimer of Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing Repetitive</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification: impact not ascertainable.</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: An appropriate coding/cross-referencing system is in the process of development to enable proper correlation between records. However, impact is not ascertainable at this stage.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable</p>

II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>d. Details of Audit Qualification: Property tax payable in respect of land and buildings being recognized either being based on estimates or not determined at all in the absence of demands from the revenue authorities and/or pending updations/reconciliations of land records as per asset records with records of Civil. Due to non-availability of proper records, adequacy / completeness / correctness of provisions recognized, its impact on Consolidated Financial Results could not be ascertained.</p>
	<p>b. Type of Audit Qualification : Disclaimer of Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>

	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: The details / records are being ascertained from Units and would be furnished for proper assessment and the process is on. Hence, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	e. Details of Audit Qualification: Requisite details of certain land and buildings owned by the Company/taken on lease (sale/lease deed, location, purpose for which property is put to use, categorization between Property, Plant, & Equipment ('PPE') and Investment property (IP), whether any amortization of the same is required, income derived therefrom, etc.) were not furnished to us. The original cost and written down value of such assets as at March 31, 2024 aggregated to Rs. 7,657.03 lakhs & Rs. 7,592.54 lakhs respectively. The Company has recognized income to an extent of Rs. 334.91 lakhs on certain items of land and buildings although the relevant leases had expired and to the best of our knowledge, are yet to be renewed. Further, the Company has also not furnished the fair values of its IPs, the basis of determining its fair value, rental income derived from such properties and direct operating expenses (including repairs and maintenance) arising from IP that generated rental income during the year etc, in accordance with IndAS 40 – Investment Property
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process is noted for compliance and the details are being ascertained in this regard in comprehensive manner for detailed review and assessment. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II.	Audit Qualification (each audit qualification separately):
	<p>f. Details of Audit Qualification: In terms of the Material Significant Accounting Policies, the Company has not provided any documentation as to the evaluation carried out to test for any impairment of assets in compliance with IndAS 36 'Impairment of Assets'.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Noted for compliance and required evaluation would be carried out. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II.	Audit Qualification (each audit qualification separately):						
	<p>g. Details of Audit Qualification: Capital work in progress as at March 31, 2024 at Bangalore unit (BGP) included the following assets, which to the best of our knowledge has been put to use, but continued therein ostensibly for want of certain documents. We are unable to validate the carrying value with the relevant documents</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Description of asset</th> <th style="width: 30%;">Carrying value as at March 31, 2024 (Rs. In lakhs)</th> </tr> </thead> <tbody> <tr> <td>New Data Center</td> <td style="text-align: right;">2,669.45</td> </tr> <tr> <td>Other Capital Work in Progress</td> <td style="text-align: right;">3,923.39</td> </tr> </tbody> </table>	Description of asset	Carrying value as at March 31, 2024 (Rs. In lakhs)	New Data Center	2,669.45	Other Capital Work in Progress	3,923.39
Description of asset	Carrying value as at March 31, 2024 (Rs. In lakhs)						
New Data Center	2,669.45						
Other Capital Work in Progress	3,923.39						
	b. Type of Audit Qualification : Disclaimer of Opinion						
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time						
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:						

	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Planned to be regularized in forthcoming period, to assess the impact for respective accounting. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II.	<u>Audit Qualification (each audit qualification separately):</u>
	h. Details of Audit Qualification: The Company has not identified lease contracts entered into by it as a lessee/lessor within the meaning of IndAS 116 – Leases and has not consequently adopted the principles of recognition, measurement and disclosure contemplated therein, contrary to accounting policy but has expensed off/taken to income from/to rent payable/receivable to the statement of profit and loss as per contractual terms. Security deposits paid/received thereon not recognized in the Statement of Profit or Loss in accordance with Ind AS 109 – Financial Instruments
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process is initiated to identify such contracts and would be complied accordingly. However, impact is not ascertainable at this stage
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	i. Details of Audit Qualification: The Company did not have a system of appropriating payments received against specific bills raised in Tally Prime software (books of accounts) and only maintains a running account of bills raised and payments received. Consequently, the Company has certain excel workings based on which the age-wise data in respect of trade receivables as

	<p>specified in Schedule III of the Companies Act, 2013 are furnished. We could not independently validate the aging data so furnished with the books of accounts and have relied on such excel workings. Further, the Company has also not obtained confirmation of balances / statements of account / reconciliation with books of accounts. The data furnished in note 4(b) and 7 to the Financial Statements could not be validated by us. Current trade receivable includes Rs. 18,099.63 lakhs & Rs. 1,95,310.44 lakhs representing debts exceeding 6 months but less than one year and debts exceeding one year and ranging upto beyond three years. The Company has not assessed and recognized the quantum of expected credit loss in terms of IndAS 109 - 'Financial Instruments' and has not furnished the requisite disclosures required in respect thereof.</p>
	<p>b. Type of Audit Qualification : Disclaimer of Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification: Impact not ascertainable</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: Process would be followed for required compliance and for the respective accounting accordingly. However, impact is not ascertainable at this stage</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable</p>

II	<p><u>Audit Qualification (each audit qualification separately):</u></p>
	<p>j. Details of Audit Qualification:</p> <p>1. The Company has not made provision for credit losses in respect of the following items included under Current Assets - Financial Assets, which are doubtful of recovery:</p> <p>a) Rs 5,847.90 lakhs, receivable from C-DOT towards rent from premises leased out to them for the period from 2005-06 to 2010-11.</p> <p>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.</p> <p>c) Recoverable from Himachal Futuristic Communications Ltd of Rs 1,049.41 lakhs towards Liquidated Damages.</p>

	<p>d) Receivable from Mindarray towards encashment of letter of credit of Rs 1,023.00 lakhs.</p> <p>e) Receivable from South Western Railway of Rs. 2,908.02 lakhs towards consideration receivable for sale of land.</p> <p>f) Amounts receivable held under the head Claims and Expenses recoverable Inland amounting to Rs. 344.48 lakhs (breakup not available) 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 12,863.01 lakhs.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification : Whether appeared first time / repetitive / since how long continuing Repetitive
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification : Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Matters are pending for finalization / settlement. Hence, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above : Impact not ascertainable
II	<u>Audit Qualification (each audit qualification separately):</u>
	<p>k. Details of Audit Qualification: The company had received soft loan from the Government of India (GoI) in the financial year 2014-15 of Rs. 30,000 lakhs carrying interest at the rate of 1%. This loan was not recognized at fair value after considering the market borrowing rate. The Company has not identified financial assets and financial liabilities within the meaning of IndAS 109 and not consequently adopted the principles of recognition, measurement and disclosure contemplated therein.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification : Whether appeared first time / repetitive / since how long continuing Repetitive

	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process would be followed for required compliance. However, impact is not ascertainable at this stage
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II	<u>Audit Qualification (each audit qualification separately):</u>
	<p>i. Details of Audit Qualification: Inventories with book value of Rs. 22,220.13 lakhs, included several old items lying in the various site/stores for which NRV as at March 31, 2024 was not made available. The Company's inventories included old inventory and has not performed any ageing, usefulness and serviceability assessment held at various units to ascertain obsolete inventory. Company did not furnish the physical verification reports which was reportedly conducted as explained to us and in the absence of any excess/shortage list readily available we could not verify if there were any adjustments required to be made to the books of account. A ready list of inventories were not furnished to confirm the bifurcation of raw materials & production stores, materials issued against fabrication contracts, non-production stores, work in process/installation, manufactured components, finished goods, stock reconciliation account and goods pending inspection. We have relied on such list furnished in various excel sheets and could not independently validate the stock records and its aging as furnished in note 6 to the audited financial statements. In the absence of full data, we are unable to obtain sufficient appropriate audit evidence regarding the valuation of such stores and spares and whether the same is in accordance with IndAS 2 – Inventories.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing Repetitive
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process is initiated for the required assessment of ageing, usefulness and serviceability for the required valuation. However, impact is not ascertainable at this stage
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	Audit Qualification (each audit qualification separately):
	m. Details of Audit Qualification: Regarding disclosure of information pertaining to vendors under Micro, Small and Medium Enterprises Development Act, 2006, pending identification of such vendors and consequential non-provision for interest, if any, in terms of section 23 of the said act, consequent effect on FS not ascertained.
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing first time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: The required information / confirmation would be obtained for ensuring the necessary compliance. However, impact is not ascertainable at this stage
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	Audit Qualification (each audit qualification separately):
	n. Details of Audit Qualification: The Company has not carried-out any fair valuation as was required in terms of the IndAS 109 'Financial Instruments' in respect of all financial assets and liabilities which are receivable/payable beyond a period of 12 months from the date of initial recognition (examples: certain employee

	receivables, retention money payable, security deposits accepted/paid, etc.) for the purposes of determination of amortized costs and amortization/recognition of expenses/income of the differential between amortized cost and contractual amounts payable/receivable
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification : Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :
	(i) Management's estimation on the impact of audit qualification : Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same : The required process would be carried out to determine the amortized costs and amortization/recognition of expenses/income of the differential between amortized cost and contractual amounts payable/receivable. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above : Impact not ascertainable
II	<u>Audit Qualification (each audit qualification separately)</u> :
	o. Details of Audit Qualification : The Company's contribution to ITI Employees Provident Fund Trust ('PF Trust') as detailed in point 22(e) of the Material Accounting Policies has been considered as a defined contribution plan and not that to a defined benefit plan both for the current year and prior years. Accordingly, the liability to the trust should have been evaluated actuarially and recognized rather than 12% of the eligible salaries to be made over during the year. Consequent disclosures required in terms of IndAS 19 – Employee Benefits have not been furnished.
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification : Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :

	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: The process would be initiated for necessary requirements. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II.	Audit Qualification (each audit qualification separately):
	<p>p. Details of Audit Qualification:</p> <p>18. The Company has not reconciled its books of accounts with its GST returns filed across all its units/divisions/corporate office (turnover, exempt turnover, taxes payable, input tax credit available and availed and tax deducted at source) in the absence of which we are unable to ascertain any effect on the FS. Company to examine the advances received by it and identify the goods and service portion of the respective advances received based on respective contracts and ensure GST remittance on such service portion of advances received. Matter may be examined by the Company regarding such compliance and appropriate action be taken. Pending such bifurcation of goods and service portion we are unable to ascertain if there are GST liability on advances and consequent interest provision thereon in the books of accounts. The Company has not filed its annual return of reconciliation of turnover between books and returns for certain registrations pertaining to financial years 2021-22 and 2022-23 respectively, contrary to rule 80 of the CGST Rules, 2016.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Noted for the required compliance/reconciliation. However, Impact is not ascertainable at this stage.

	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>q. Details of Audit Qualification:</p> <p>The Company has not reconciled the entries in Form 26AS and AIS in the Income Tax portal website with the books. Due to lack of adequate ready data/reconciliation, we are unable to independently validate the entries in Form 26AS / AIS / TIS and consequent disclosures in the financial statements of advance tax/refunds/disputed taxes, if any.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: The process is initiated for the required reconciliation. However, Impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>r. Details of Audit Qualification:</p> <p>The Company has reported to the extent ascertained in respect of contingent liabilities and capital commitments as detailed in note 31 to financial statements. In the absence of full and comprehensive list across all divisions of the Company with testing of the probability of the liability devolving with appropriate legal advice wherever required, we are unable to ascertain the completeness/accuracy of the values reported in the said note and any provisions that may be required in this respect.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long


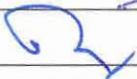

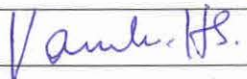
	continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process is initiated for obtaining comprehensive list across all divisions of the Company and submission of the same for the required assessment. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	s. Details of Audit Qualification: The Company has not identified warranty obligations as a distinct performance obligation within the meaning of IndAS 115 – Revenue from contracts with customers and recognizes the same as and when obligations arise on the plea that it generally has a back-to-back claims against its vendors. The company has not provided us with the requisite documentation indicating such rights in each and every contract entered into by it
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: The process is initiated for obtaining the requisite information / documentation, for necessary assessment. However, Impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II.	Audit Qualification (each audit qualification separately):						
	<p>t. Details of Audit Qualification:</p> <p>Palakkad Unit has received an amount of Rs 51 lakhs from certain customers as of March 31, 2024 which have not been accounted for in the books of account since the management is unable to map these receipts with the specific invoices raised by it. Accordingly, the bank balances of the Company are understated to the tune of Rs 51 lakhs as of March 31, 2024, and the Accounts receivable balances are overstated to the same extent. (As per the audit report issued by Balaram & Nandakumar, Chartered Accountants dated May 24, 2024)</p>						
	b. Type of Audit Qualification : Disclaimer of Opinion						
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time						
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:						
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:						
	(i) Management's estimation on the impact of audit qualification: The required accounting will be ensured to set right the Bank balance and accounts receivable to the extent of Rs. 51 Lakhs.						
	(ii) If management is unable to estimate the impact, reasons for the same: NA						
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable						
II.	Audit Qualification (each audit qualification separately):						
	<p>u. Details of Audit Qualification:</p> <p>Company has not compiled and disclosed the requisite data detailed below in terms of Schedule III, division II to the Act.</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Sl.No</th> <th style="text-align: center;">Requisite disclosures not furnished</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>Fair value of investment property</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Relationship with Struck off Companies</td> </tr> </tbody> </table>	Sl.No	Requisite disclosures not furnished	1.	Fair value of investment property	2.	Relationship with Struck off Companies
Sl.No	Requisite disclosures not furnished						
1.	Fair value of investment property						
2.	Relationship with Struck off Companies						
	b. Type of Audit Qualification : Disclaimer of Opinion						
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time						

	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process is initiated for the required compliance. However, Impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	v. Details of Audit Qualification: The Company has enumerated the status of a contract with Ministry of Defence, Gol, for supply and establishment of Army Static Switched Communication Network (ASCON) at an agreed consideration. In terms of the said contract, the Company was to mandatorily demonstrate its complete solution so as to bring out its capabilities vis-à-vis the requirements of the customer, which would be evaluated by the latter and form and essential part of the test bed evaluation process. We are informed for the reasons stated in the said note the test best approval is awaited as at March 31, 2024 which is expected upon completion of certain activities as detailed thereon. The Company has proceeded with part execution of the contract pending test bed final approval and in the opinion of the management of the company is not impacting the revenue already recognized up to March 31, 2024 to an aggregate extent of Rs. 1,48,144 lakhs. We have relied on the representations made by the Company and do not express any independent opinion on such revenue recognized.
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact is not applicable.

	(ii) If management is unable to estimate the impact, reasons for the same: The proof of concept will be expectedly complete by June 2024 and the revenue recognized under the said contract will be billed / realized during FY 2024-25. Hence, impact is not applicable.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not applicable.
II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>w. Details of Audit Qualification:</p> <p>The Company has entered into contracts with a customer for implementation of a network within a specified area at an aggregate consideration (excluding O&M and taxes) of Rs. 2,48,954.87 lakhs. As against this, the Company has recognized revenue to an extent of Rs. 2,36,701.57 lakhs although the contract is not complete. In the absence of the percentage completion, we are unable to obtain sufficient appropriate audit evidence in support of the revenue recognition.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process is initiated to obtain the supporting documents for revenue recognition. However, Impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>x. Details of Audit Qualification:</p> <p>The Company's system of revenue recognition is based upon the percentage of completion method. The Company had inadequate documentation to support reassessment of total costs of each contract and costs yet to be incurred on every reporting date, backed by customer attested data of work</p>

	milestone, and the estimate of likely costs of rework/ modifications that is to be incurred in the process of achieving certification. Accordingly, we could not obtain sufficient appropriate audit evidence of revenue recognized.
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification : Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :
	(i) Management's estimation on the impact of audit qualification : Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same : Steps initiated to formulate appropriate procedure to reliably estimate the total project costs at reasonable intervals as required by percentage of completion method. However, Impact is not ascertainable at this stage
	(iii) Auditors' Comments on (i) or (ii) above : Impact not ascertainable

Signatories:	
• Chairman & Managing Director	
• DF & CFO	
• Audit Committee chairperson	
• Statutory Auditor	
Place: Bangalore	
Date: May 28, 2024	

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March				
31, 03.2024				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in lakhs	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	130,813	Not ascertainable (*)
	2.	Total Expenditure	187,719	Not ascertainable (*)
	3.	Net Profit/(Loss)	(56,904)	Not ascertainable (*)
	4.	Earnings Per Share	(5.93)	Not ascertainable (*)
	5.	Total Assets	956,318	Not ascertainable (*)
	6.	Total Liabilities	956,318	Not ascertainable (*)
	7.	Net Worth	174,947	Not ascertainable (*)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	Not ascertainable (*)
<i>Refer our audit report in terms of regulation 33 on the Standalone Financial Results – Disclaimer of Opinion Paragraph</i>				
II	<u>Audit Qualification (each audit qualification separately):</u>			
	a.	Details of Audit Qualification: The Financial Statements and the Standalone result sheets of the Company for the year ended March 31, 2023 as approved by the Board of Directors on May 29, 2023 was reported upon by the earlier auditor M/s GRSM & Associates, Chartered Accountants vide their report issued on the same date. Vide this report, they had qualified their opinion on the said Financial Statements and the Standalone result sheets due to the significance of the matters described in the 'Basis for qualified opinion' section of their report and their inability to quantify/ascertain the impact of the items on the Financial Statements and the Standalone result sheets for the said financial year. Their qualifications and observations may continue to impact the Financial Statements and the Standalone result sheets for the current year. Management has not provided us any quantification of the effect of these items on the current years' Financial Statements and the Standalone result sheets and are accordingly unable to comment on the same		
	b.	Type of Audit Qualification : Disclaimer of Opinion		

	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification: impact not ascertainable</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: Company has initiated action plan for necessary compliance. However, impact is not ascertainable at this stage.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable</p>
II	<p><u>Audit Qualification (each audit qualification separately):</u></p>
	<p>b. Details of Audit Qualification: In terms of SA 510 - Initial Audit Engagements -Opening Balances issued by the Institute of Chartered Accountants of India ('ICAI'), we sought details and current status of certain items of assets and liabilities reflected in the Standalone Financial Results as at March 31, 2024. Management did not furnish us requisite breakup and current status of cumulative debit and credit balances aggregating to Rs. 3,563.55 lakhs & 10,601.99 lakhs respectively carried forward from the said Balance Sheet and reflecting debit and credit balances in the same accounts aggregating to Rs. 3,690.45 lakhs & Rs. 15,500.23 lakhs respectively as at March 31, 2024.</p>
	<p>b. Type of Audit Qualification : Disclaimer of Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification: impact not ascertainable at this stage</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: The details are being reviewed for necessary compliance, which is in process, to ascertain the impact.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable</p>

II	<u>Audit Qualification (each audit qualification separately):</u>
	<p>c. Details of Audit Qualification: The land (Freehold/leasehold) records maintained by the Company and detailed records held by the civil engineering department ('Civil') could not be correlated, in the absence of an appropriate coding/cross-referencing system. All the deficiencies in documentation to the extent identified and other matters have been based on the records maintained by Civil. Attention of the members is invited to paragraph 1(c) of our audit report on matters required to be dealt with in terms of The Companies (Auditors' Report) Order, 2020 ("the Order"), wherein we have expressed our inability to comprehensively identify land not in the name of the Company. Many of these deficiencies have significant bearing on the title of the Company to such properties.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing Repetitive</p>
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: impact not ascertainable.
	(ii) If management is unable to estimate the impact, reasons for the same: An appropriate coding/cross-referencing system is in the process of development to enable proper correlation between records. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II	<u>Audit Qualification (each audit qualification separately):</u>
	<p>d. Details of Audit Qualification: Property tax payable in respect of land and buildings being recognized either being based on estimates or not determined at all in the absence of demands from the revenue authorities and/or pending updations/reconciliations of land records as per asset records with records of Civil. Due to non-availability of proper records, adequacy / completeness / correctness of provisions recognized, its impact on Standalone Financial Results could not be ascertained.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time</p>

	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: The details / records are being ascertained from Units and would be furnished for proper assessment and the process is on. Hence, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II	<u>Audit Qualification (each audit qualification separately):</u>
	e. Details of Audit Qualification: Requisite details of certain land and buildings owned by the Company/taken on lease (sale/lease deed, location, purpose for which property is put to use, categorization between Property, Plant, & Equipment ('PPE') and Investment property (IP), whether any amortization of the same is required, income derived therefrom, etc.) were not furnished to us. The original cost and written down value of such assets as at March 31, 2024 aggregated to Rs. 7,657.03 lakhs & Rs. 7,592.54 lakhs respectively. The Company has recognized income to an extent of Rs. 334.91 lakhs on certain items of land and buildings although the relevant leases had expired and to the best of our knowledge, are yet to be renewed. Further, the Company has also not furnished the fair values of its IPs, the basis of determining its fair value, rental income derived from such properties and direct operating expenses (including repairs and maintenance) arising from IP that generated rental income during the year etc, in accordance with IndAS 40 – Investment Property
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process is noted for compliance and the details are being ascertained in this regard in comprehensive manner for detailed review and assessment. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II	<u>Audit Qualification (each audit qualification separately):</u>
	<p>f. Details of Audit Qualification: In terms of the Material Significant Accounting Policies, the Company has not provided any documentation as to the evaluation carried out to test for any impairment of assets in compliance with IndAS 36 'Impairment of Assets'.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Noted for compliance and required evaluation would be carried out. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II	<u>Audit Qualification (each audit qualification separately):</u>						
	<p>g. Details of Audit Qualification: Capital work in progress as at March 31, 2024 at Bangalore unit (BGP) included the following assets, which to the best of our knowledge has been put to use, but continued therein ostensibly for want of certain documents. We are unable to validate the carrying value with the relevant documents</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Description of asset</th> <th style="text-align: center;">Carrying value as at March 31, 2024 (Rs. In lakhs)</th> </tr> </thead> <tbody> <tr> <td>New Data Center</td> <td style="text-align: right;">2,669.45</td> </tr> <tr> <td>Other Capital Work in Progress</td> <td style="text-align: right;">3,923.39</td> </tr> </tbody> </table>	Description of asset	Carrying value as at March 31, 2024 (Rs. In lakhs)	New Data Center	2,669.45	Other Capital Work in Progress	3,923.39
Description of asset	Carrying value as at March 31, 2024 (Rs. In lakhs)						
New Data Center	2,669.45						
Other Capital Work in Progress	3,923.39						
	b. Type of Audit Qualification : Disclaimer of Opinion						
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time						
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:						

	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Planned to be regularized in forthcoming period, to assess the impact for respective accounting. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>h. Details of Audit Qualification: The Company has not identified lease contracts entered into by it as a lessee/lessor within the meaning of IndAS 116 – Leases and has not consequently adopted the principles of recognition, measurement and disclosure contemplated therein, contrary to accounting policy but has expensed off/taken to income from/to rent payable/receivable to the statement of profit and loss as per contractual terms. Security deposits paid/received thereon not recognized in the Statement of Profit or Loss in accordance with Ind AS 109 – Financial Instruments</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process is initiated to identify such contracts and would be complied accordingly. However, impact is not ascertainable at this stage
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>i. Details of Audit Qualification: The Company did not have a system of appropriating payments received against specific bills raised in Tally Prime software (books of accounts) and only maintains a running account of bills raised and payments received. Consequently, the Company has certain</p>

	<p>excel workings based on which the age-wise data in respect of trade receivables as specified in Schedule III of the Companies Act, 2013 are furnished. We could not independently validate the aging data so furnished with the books of accounts and have relied on such excel workings. Further, the Company has also not obtained confirmation of balances / statements of account / reconciliation with books of accounts. The data furnished in note 4(b) and 7 to the Financial Statements could not be validated by us. Current trade receivable includes Rs. 18,099.63 lakhs & Rs. 1,95,310.44 lakhs representing debts exceeding 6 months but less than one year and debts exceeding one year and ranging upto beyond three years. The Company has not assessed and recognized the quantum of expected credit loss in terms of IndAS 109 - 'Financial Instruments' and has not furnished the requisite disclosures required in respect thereof.</p>
	<p>b. Type of Audit Qualification : Disclaimer of Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification: Impact not ascertainable</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: Process would be followed for required compliance and for the respective accounting accordingly. However, impact is not ascertainable at this stage</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable</p>

II.	<p>Audit Qualification (each audit qualification separately):</p>
	<p>j. Details of Audit Qualification:</p> <p>1. The Company has not made provision for credit losses in respect of the following items included under Current Assets - Financial Assets, which are doubtful of recovery:</p> <p>a) Rs 5,847.90 lakhs, receivable from C-DOT towards rent from premises leased out to them for the period from 2005-06 to 2010-11.</p> <p>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.</p> <p>c) Recoverable from Himachal Futuristic Communications Ltd of Rs 1,049.41 lakhs towards Liquidated Damages.</p> <p>d) Receivable from Mindarray towards encashment of letter of credit of Rs 1,023.00</p>

	<p>lakhs.</p> <p>e) Receivable from South Western Railway of Rs. 2,908.02 lakhs towards consideration receivable for sale of land.</p> <p>f) Amounts receivable held under the head Claims and Expenses recoverable Inland amounting to Rs. 344.48 lakhs (breakup not available) 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 12,863.01 lakhs.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification : Whether appeared first time / repetitive / since how long continuing Repetitive
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :
	(i) Management's estimation on the impact of audit qualification : Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same : Matters are pending for finalization / settlement. Hence, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above : Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	k. Details of Audit Qualification : The company had received soft loan from the Government of India (GoI) in the financial year 2014-15 of Rs. 30,000 lakhs carrying interest at the rate of 1%. This loan was not recognized at fair value after considering the market borrowing rate. The Company has not identified financial assets and financial liabilities within the meaning of IndAS 109 and not consequently adopted the principles of recognition, measurement and disclosure contemplated therein.
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification : Whether appeared first time / repetitive / since how long continuing Repetitive
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :

	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process would be followed for required compliance. However, impact is not ascertainable at this stage
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>i. Details of Audit Qualification: Inventories with book value of Rs. 22,220.13 lakhs, included several old items lying in the various site/stores for which NRV as at March 31, 2024 was not made available. The Company's inventories included old inventory and has not performed any ageing, usefulness and serviceability assessment held at various units to ascertain obsolete inventory. Company did not furnish the physical verification reports which was reportedly conducted as explained to us and in the absence of any excess/shortage list readily available we could not verify if there were any adjustments required to be made to the books of account. A ready list of inventories were not furnished to confirm the bifurcation of raw materials & production stores, materials issued against fabrication contracts, non-production stores, work in process/installation, manufactured components, finished goods, stock reconciliation account and goods pending inspection. We have relied on such list furnished in various excel sheets and could not independently validate the stock records and its aging as furnished in note 6 to the audited financial statements. In the absence of full data, we are unable to obtain sufficient appropriate audit evidence regarding the valuation of such stores and spares and whether the same is in accordance with IndAS 2 – Inventories.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing Repetitive
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process is

	initiated for the required assessment of ageing, usefulness and serviceability for the required valuation. However, impact is not ascertainable at this stage
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>m. Details of Audit Qualification:</p> <p>Regarding disclosure of information pertaining to vendors under Micro, Small and Medium Enterprises Development Act, 2006, pending identification of such vendors and consequential non-provision for interest, if any, in terms of section 23 of the said act, consequent effect on FS not ascertained.</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing first time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: The required information / confirmation would be obtained for ensuring the necessary compliance. However, impact is not ascertainable at this stage
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>n. Details of Audit Qualification:</p> <p>The Company has not carried-out any fair valuation as was required in terms of the IndAS 109 'Financial Instruments' in respect of all financial assets and liabilities which are receivable/payable beyond a period of 12 months from the date of initial recognition (examples: certain employee receivables, retention money payable, security deposits accepted/paid, etc.) for the purposes of determination of amortized costs and amortization/recognition of expenses/income of the differential between amortized cost and contractual amounts payable/receivable</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time

	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: The required process would be carried out to determine the amortized costs and amortization/recognition of expenses/income of the differential between amortized cost and contractual amounts payable/receivable. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	o. Details of Audit Qualification: The Company's contribution to ITI Employees Provident Fund Trust ('PF Trust') as detailed in point 22(e) of the Material Accounting Policies has been considered as a defined contribution plan and not that to a defined benefit plan both for the current year and prior years. Accordingly, the liability to the trust should have been evaluated actuarially and recognized rather than 12% of the eligible salaries to be made over during the year. Consequent disclosures required in terms of IndAS 19 – Employee Benefits have not been furnished.
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: The process would be initiated for necessary requirements. However, impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II.	<u>Audit Qualification (each audit qualification separately):</u>
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	<p>p. Details of Audit Qualification:</p> <p>18. The Company has not reconciled its books of accounts with its GST returns filed across all its units/divisions/corporate office (turnover, exempt turnover, taxes payable, input tax credit available and availed and tax deducted at source) in the absence of which we are unable to ascertain any effect on the FS. Company to examine the advances received by it and identify the goods and service portion of the respective advances received based on respective contracts and ensure GST remittance on such service portion of advances received. Matter may be examined by the Company regarding such compliance and appropriate action be taken. Pending such bifurcation of goods and service portion we are unable to ascertain if there are GST liability on advances and consequent interest provision thereon in the books of accounts. The Company has not filed its annual return of reconciliation of turnover between books and returns for certain registrations pertaining to financial years 2021-22 and 2022-23 respectively, contrary to rule 80 of the CGST Rules, 2016.</p>
	<p>b. Type of Audit Qualification : Disclaimer of Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification: Impact not ascertainable</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: Noted for the required compliance/reconciliation. However, Impact is not ascertainable at this stage.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable</p>
II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>q. Details of Audit Qualification:</p> <p>The Company has not reconciled the entries in Form 26AS and AIS in the Income Tax portal website with the books. Due to lack of adequate ready data/reconciliation, we are unable to independently validate the entries in Form 26AS / AIS / TIS and consequent disclosures in the financial statements of advance tax/refunds/disputed taxes, if any.</p>
	<p>b. Type of Audit Qualification : Disclaimer of Opinion</p>

	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: The process is initiated for the required reconciliation. However, Impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

II.	Audit Qualification (each audit qualification separately):
	r. Details of Audit Qualification: The Company has reported to the extent ascertained in respect of contingent liabilities and capital commitments as detailed in note 31 to financial statements. In the absence of full and comprehensive list across all divisions of the Company with testing of the probability of the liability devolving with appropriate legal advice wherever required, we are unable to ascertain the completeness/accuracy of the values reported in the said note and any provisions that may be required in this respect.
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Process is initiated for obtaining comprehensive list across all divisions of the Company and submission of the same for the required assessment. However, impact is not ascertainable at this stage.

	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>s. Details of Audit Qualification:</p> <p>The Company has not identified warranty obligations as a distinct performance obligation within the meaning of IndAS 115 – Revenue from contracts with customers and recognizes the same as and when obligations arise on the plea that it generally has a back-to-back claims against its vendors. The company has not provided us with the requisite documentation indicating such rights in each and every contract entered into by it</p>
	b. Type of Audit Qualification : Disclaimer of Opinion
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>First Time</p>
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: The process is initiated for obtaining the requisite information / documentation, for necessary assessment. However, Impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable



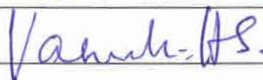
II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>t. Details of Audit Qualification:</p> <p>Palakkad Unit has received an amount of Rs 51 lakhs from certain customers as of March 31, 2024 which have not been accounted for in the books of account since the management is unable to map these receipts with the specific invoices raised by it. Accordingly, the bank balances of the Company are understated to the tune of Rs 51 lakhs as of March 31, 2024, and the Accounts receivable balances are overstated to the same extent. (As per the audit report issued by Balaram & Nandakumar, Chartered Accountants dated May 24, 2024)</p>
	b. Type of Audit Qualification : Disclaimer of Opinion

	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time</p>						
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>						
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>						
	<p>(i) Management's estimation on the impact of audit qualification: The required accounting will be ensured to set right the Bank balance and accounts receivable to the extent of Rs. 51 Lakhs.</p>						
	<p>(ii) If management is unable to estimate the impact, reasons for the same: NA</p>						
	<p>(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable</p>						
II.	<u>Audit Qualification (each audit qualification separately):</u>						
	<p>u. Details of Audit Qualification: Company has not compiled and disclosed the requisite data detailed below in terms of Schedule III, division II to the Act.</p> <table border="1" data-bbox="443 936 1433 1064"> <thead> <tr> <th>Sl.No</th> <th>Requisite disclosures not furnished</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Fair value of investment property</td> </tr> <tr> <td>2.</td> <td>Relationship with Struck off Companies</td> </tr> </tbody> </table>	Sl.No	Requisite disclosures not furnished	1.	Fair value of investment property	2.	Relationship with Struck off Companies
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1.	Fair value of investment property						
2.	Relationship with Struck off Companies						
	<p>b. Type of Audit Qualification : Disclaimer of Opinion</p>						
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time</p>						
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>						
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	<p>(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable</p>						
II.	<u>Audit Qualification (each audit qualification separately):</u>						

	<p>v. Details of Audit Qualification:</p> <p>The Company has enumerated the status of a contract with Ministry of Defence, GoI, for supply and establishment of Army Static Switched Communication Network (ASCON) at an agreed consideration. In terms of the said contract, the Company was to mandatorily demonstrate its complete solution so as to bring out its capabilities vis-à-vis the requirements of the customer, which would be evaluated by the latter and form and essential part of the test bed evaluation process. We are informed for the reasons stated in the said note the test best approval is awaited as at March 31, 2024 which is expected upon completion of certain activities as detailed thereon. The Company has proceeded with part execution of the contract pending test bed final approval and in the opinion of the management of the company is not impacting the revenue already recognized up to March 31, 2024 to an aggregate extent of Rs. 1,48,144 lakhs. We have relied on the representations made by the Company and do not express any independent opinion on such revenue recognized.</p>
	<p>b. Type of Audit Qualification : Disclaimer of Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing First Time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification: Impact is not applicable.</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: The proof of concept will be expectedly complete by June 2024 and the revenue recognized under the said contract will be billed / realized during FY 2024-25. Hence, impact is not applicable.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: Impact not applicable.</p>
II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>w. Details of Audit Qualification:</p> <p>The Company has entered into contracts with a customer for implementation of a network within a specified area at an aggregate consideration (excluding O&M and taxes) of Rs. 2,48,954.87 lakhs. As against this, the Company has recognized revenue to an extent of Rs. 2,36,701.57 lakhs although the contract is not complete. In the absence of the percentage completion, we</p>

	are unable to obtain sufficient appropriate audit evidence in support of the revenue recognition.
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification : Whether appeared first time / repetitive / since how long continuing First Time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :
	e. For Audit Qualification(s) where the impact is not quantified by the auditor :
	(i) Management's estimation on the impact of audit qualification : Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same : Process is initiated to obtain the supporting documents for revenue recognition. However, Impact is not ascertainable at this stage.
	(iii) Auditors' Comments on (i) or (ii) above : Impact not ascertainable
II.	<u>Audit Qualification (each audit qualification separately)</u> :
	x. Details of Audit Qualification : The Company's system of revenue recognition is based upon the percentage of completion method. The Company had inadequate documentation to support reassessment of total costs of each contract and costs yet to be incurred on every reporting date, backed by customer attested data of work completed and certified, work completed but yet to be certified and internal assessment of cost incurred in respect of work in progress. The Company has also recognized unbilled revenues to an aggregate extent of Rs. Rs. 2,17,467.63 lakhs as at year end. This includes unbilled revenue recognized upto March 31, 2023 and yet to be billed to the customer as at March 31, 2024 upon certification of the work. The Company has not furnished us an analysis of unbilled revenue identifying the milestones to be achieved before the same can be billed, the further costs yet to be incurred to achieve such milestone, and the estimate of likely costs of rework/ modifications that is to be incurred in the process of achieving certification. Accordingly, we could not obtain sufficient appropriate audit evidence of revenue recognized.
	b. Type of Audit Qualification : Disclaimer of Opinion
	c. Frequency of qualification : Whether appeared first time / repetitive / since how long continuing First Time

	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Impact not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Steps initiated to formulate appropriate procedure to reliably estimate the total project costs at reasonable intervals as required by percentage of completion method. However, Impact is not ascertainable at this stage
	(iii) Auditors' Comments on (i) or (ii) above: Impact not ascertainable

Signatories:	
• Chairman & Managing Director	
• DF & CFO	
• Audit Committee chairperson	
• Statutory Auditor	
Place: Bangalore	
Date: May 28, 2024	