

हिंदी केवल एक भाषा नहीं बल्कि हमारी राष्ट्रीय पहचान है।

ITI LIMITED
(A Govt. of India Undertaking)



आईटीआई लिमिटेड
(भारत सरकार का उपक्रम)

Ref: K/NSE&BSE/BM/2020
Date: 28.09.2020

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

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

Dear Sir/Madam,

Sub: Earnings update release on un-audited consolidated financial results for quarter ended 30th June 2020
Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the captioned subject, please find enclosed Earnings Update Release regarding announcement of un-audited consolidated financial results for quarter ended 30th June 2020.

This is for your kind information and records please.

Thanking you

Yours faithfully
For ITI Limited

S Shanmuga Priya
Company Secretary

Encl: as above

Earnings Update Release

Total Income stood at Rs. 165 crore – 56% contribution from services and balance 42% from turnkey projects

Turnkey projects like Bharatnet, NFS continue to remain high on performance matrix

Focus remains on increasing contribution from Product segment

Evolving from a project execution expert to solutions provider

The Company developed need of the hour COVID 19 products at Bangalore and Mankapur plants

Total order book including Advance Purchase orders as on 1st September 2020, stands at over Rs. 11,000 crore

Bengaluru, 28th September 2020: ITI Limited (NSE: ITI, BSE: 523610), a public sector undertaking in the telecommunications technology segment providing communications products/solutions and telecom turnkey solutions with customized support services, announced its un-audited consolidated financial results for the first quarter ended June 30th, 2020. These financials are as per the IND-AS guidelines.

Management Comment:

Commenting on the performance, **Mr. Rakesh Mohan Agarwal, Chairman & Managing Director of ITI Ltd. said:** *“Like every other industry and sector, our Company also faced headwinds from the nationwide lockdown during most of this quarter due to the COVID-19 pandemic. Our factories were under a complete lockdown for the first 20 days of the quarter. But our determination to make the best use of the situation has yielded positive results. We signed a number of MoUs with market pioneers to venture into new avenues of sustainability and growth.*

I am very glad to announce that we have signed a MoU with Tech Mahindra for creation of next generation wireless network. The synergistic benefits which will be derived from this collaboration will help India to become self-sufficient in the area of telecommunications. A similar collaboration with TCS enables ITI to provide various IT enabled services to its customers. More such strategic tie-ups are in the pipeline which will enable ITI to become an icon in Telecom segment. A PSU joining hands with two giant Private sector leading companies shows our commitment towards the Aatma Nirbhar Bharat initiative of Government of India.

I would like to take this opportunity to announce that we have received a letter of intent and order from Bharti Airtel Limited for fibre to the home (FTTH) roll-out in eight circles in the country, intra-city as well as inter-city. The level of confidence shown by a private sector titan in us is truly humbling and makes our efforts more meaningful. We wish to continue to make strides in this direction and take our Company to new heights of success.

However, the COVID-19 virus has presented the world with unprecedented health and economic challenges. Our PM's "Vocal for Local" initiative in these turbulent times has helped local businesses heave a sigh of relief. Local products, local manufacturing units and local supply chains have gained special importance. Being present in the system since a long time and having a deep penetration, we are aiding the development and evolution of this local supply chain. As our contribution to our country who has given us everything, we are happy to announce that Company has signed a transfer of technology (ToT) agreement with Defence Research & Development Organization (DRDO) to manufacture portable ventilators at its manufacturing plants. The prototypes are ready for testing and once these are cleared by DEBEL, we intend to mass manufacture ventilators which will be supplied to Defence forces, other hospitals, and similar institution in the country. The Company has also started manufacturing of Face Shields at its Bengaluru unit. We have already supplied one million face shields and expect to enhance production in the coming months.

We reached out to help as many number of our local community, to extend our help to as many number of people as possible and serve our beloved nation. I am proud to announce that our Company has adopted 1,000 families our neighborhood communities at Ambedkar Nagar colony, Bengaluru and distributed 3,000 kits of ration to the needy people of area as a CSR measure or to say it better - Giving back to our Society and our Nation!

We have also contributed Rs. 1.09 crore to the Prime Minister's citizen assistance and relief in emergency situation fund (PM- CARES fund) that includes Rs. 45 lakhs which is a one-day salary contribution from all employees of ITI Limited. I am truly humbled once again to see the continued

commitment, sincerity, and hard work of our teams towards the well-being of the society during the crisis.

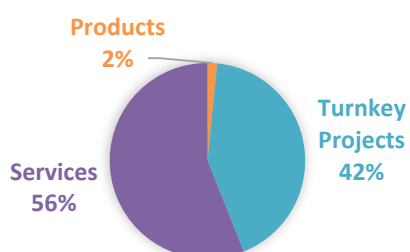
With a strong year behind us, we look forward to a sustainable and rewarding year ahead. The Company is well placed to tap into new opportunities effectively and build further on our roadmap for growth. I would like to thank the entire team at ITI Ltd for the hard work, sincerity and dedication with which they move this Company forward, as well as all the stakeholders, whose support helps us to set and achieve higher benchmarks.”

Performance Highlights for the quarter ended June 30, 2020:

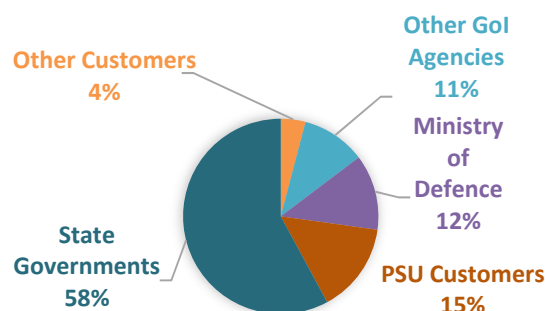
- **Total Income** for the quarter was **Rs. 165.01 crore** in Q1 FY21, as against Rs. 160.95 crore in Q1 FY20, a **YoY increase of 2.52%**. The COVID 19 pandemic hampered the production and operations of the Company. Operations resumed partially in the latter half of the quarter but at a reduced capacity. The Mahanet Project contributed 41.32%, GSM AMC South 8.56%, ASCON AMC 11.19%. Contribution from Other Products was 38.93%.
- **EBITDA (without other income)** was at **Rs. (59.84) crore** in Q1 FY21 as against Rs. (27.66 crore) in Q1 FY20. This was mainly on account of higher employee costs and higher fixed expenses.
- **Net Profit/(Loss)** is **Rs. (102.29) crore** in Q1 FY21 compared to Rs. (61.04) crore in Q1 FY20
- The Total Order Book including advance purchase orders as on 01.09.2020 stands at **Rs. 11,010.64 Cr.**
Purchase Order – Rs 3,915.29 Cr; Advance Purchase order – Rs 7,095.35 Cr

Revenue Details-

% OF REVENUE AS PER BUSINESS SEGMENTS



% OF REVENUE AS PER CUSTOMER TYPE



Recent Key Developments:

- ITI has signed a Memorandum of Understanding (MoU) with Tech Mahindra, a leading provider of digital transformation, consulting, business reengineering services & solutions, to work together in the areas of 4G & Wireless Technology, Equipment Manufacturing, Smart Cities, Health Care services. The initiative is to build local competence by synergizing the offerings of ITI & Tech Mahindra to create a next generation wireless network. The Company with state-of-art facilities and capabilities for manufacturing Telecom equipment plans to manufacture eNodeB in its various plants. ITI is gearing up to participate in the 4G tender expected to be floated by BSNL.
- ITI has signed MoU with Tata Consultancy Services (TCS), a leading IT and ITeS services organization, to work in different IT Projects and solutions.
- ITI has signed a Memorandum of Understanding (MoU) with Ilantus Technologies to deliver Make-in-India, world-class Identity and Access Management (IAM) solution to government agencies, defence and public sector undertakings to address concerns of cyber threats in the country. Under the MoU, ITI and Ilantus will address the challenges of today's fragmented identity landscape through Identity and Access Management Solution, which is the only solution in the world with all features inside one single product.
- To strengthen the objective of Government of India's Aatma Nirbhar Bharat Abhiyan and to contribute towards the fight against this pandemic, the Company has signed a transfer of technology (ToT) agreement with Defence Research & Development Organization (DRDO) to manufacture portable ventilator. The prototypes are ready for testing and once these are cleared by DEBEL, the Company intends to mass manufacture ventilators which will be supplied to Defence forces and other hospitals and similar institutions.
- To further the fight against COVID 19 pandemic, ITI Limited has started manufacturing face shields at its Bengaluru-based unit. The face shield provides protection to the facial area including eyes, nose and mouth from sprays and droplets. ITI has received orders from various agencies for 16.70 lakhs face shields and the supplies are under progress.
- ITI is also manufacturing in its Mankapur unit face masks, face mask vending machine, face mask disposal machine, automatic hand sanitizer and manual sanitizer dispenser- a foot operated hand sanitizer fully adjustable for various bottle types.

- ITI has signed TOT agreement with M/s. Laser Science and Technology Centre (LASTEC), DRDO for “UV Disinfection system” named UV Blaster for manufacturing at Mankapur Plant. UV disinfection system is a mobile UV tower for rapid and chemical free disinfection of frequently touched and exposed surfaces. The Company is in process of developing and testing of UV disinfection systems and intends to mass manufacture once tests are cleared.
- The Company has received Letter of Intent (LoI) from Bharti Airtel Limited for fibre to the home (FTTH) roll-out in eight circles in the country, intra-city as well as inter-city. The work involves laying of optical fibre cable for providing broadband connectivity.
- The Company has signed an MOU with National Mineral Development Corporation (NMDC) for implementation of IT infrastructure for ERP and other Digital initiatives at NMDC.
- The Company is Project Implementation Agency for Army Static Switched Communication Network (“ASCON”) project (Phase I, II, III) and was declared as L1 bidder, in the mega tender of ASCON Phase IV project. The Ministry of Defence has communicated that necessary approval has been obtained for the project and that the contract will be signed shortly. The order involves deployment and maintenance of communication network across India for the defence forces. This includes civil works for the infrastructure and optical fiber network, installation, commissioning and maintenance of equipment such as IP MPLS routers, Microwave Radio, Satellite terminals, NMS and testing tools.
- ITI has also plans to manufacture secure IP/MPLS routers which are very essential for secure data transfer in the defense network as well as for the networks of TSPs. For this ITI has already entered into Technology Collaboration Agreement with a Bangalore based leading start-up company in this area. On the similar lines, ITI is also planning to tie up for manufacturing of E/V band Radios.
- ITI has initiated to bring up a Global Electronics Manufacturing Hub in Bengaluru plant and for this purpose, ITI has ear marked 200 acres of land in the first phase. With this venture ITI plans for creation of world class infrastructure for manufacturing, including common facilities, for attracting major global electronics manufacturers along with their supply chain to set up units in the country.
- ITI is also foraying into Cyber Security Sector and is in discussion with potential Partners.
- ITI in collaboration with DOT and TEC, is in the process of establishing 4 testing labs like EMI/EMC, Safety, SAR and Security Labs for testing various telecom products at ITI Bangalore plant. EMI/EMC lab and Safety labs are already commissioned.

Company Overview

ITI Limited is a public sector undertaking in the telecommunications technology segment established as a departmental factory in 1948. The Company has state of art manufacturing facilities in Bengaluru, Naini, Rae Bareli, Mankapur and Palakkad along with an R&D centre in Bengaluru. It is operating a skill development centre at its Srinagar unit apart from all other units and 24 Marketing, Services & Projects (MSP) centers Pan India.

The Company operates a data centre at Bengaluru and currently expanding the same to offer cloud - based services to government institutions/departments, banks etc. ITI's state-of-the-art Data Centre is currently spread over more than 2,00,000 Sq. ft. with world class facilities in its Bengaluru plant since 2009. Various services like Colocation (hosting), Managed Bandwidth, and e-mailing services are provided to PSU, GOI organizations, Banking, Corporate and private as well as Start-up customers, under highly secured and stable environment. Company is further expanding the Data Centre with establishment of another 1000 racks capacity. In addition to the existing services, secured cloud services like SaaS, PaaS and IaaS are also offered.

The Company has a diverse suite of products including manufactured products like Gigabit Passive Optical Network (GPON), Managed Leased Line Network (MLLN) products, Stand Alone Signaling Transfer Point(SSTP), Wi-Fi Access Point, Defence products like multi-capacity encryption units, Bulk encryption Units (BEU), Terminal End Secrecy Devices (TESD), Passive infrastructure products such as Optical Fiber Cable, HDPE duct, Antenna, diversified products such as smart energy meters, smart cards, mini personal computers, Wi-Fi Hot Spot, Data Centre services (Cloud Services, SaaS, Aadhaar based authentication Services etc.), Products / solutions under IOT verticals, Component screening, manufacturing and supply of avionics modules for ISRO, Switch Mode Power Supply (SMPS), 3D Printing Services, EMI/EMC, Safety & Security Lab services, Sanitary Napkin Vending Machine (SNVM), Smart Parcel Delivery Systems. The Company is also into manufacturing of Solar LED streetlights, solar panels.

The proportion of manufactured products of ITI like HDPE, OFC, Solar Panels being used for supply against turnkey projects is gradually increasing. This has enabled the Company to earn higher margins by reducing the cost of the projects. At the same time, the Company is also getting enquiries for contract manufacturing of certain products like PCBs, mechanical fabrication, SMT assembly from PSUs and some of the most respectable industry pioneers. The focus on adopting technology and development of high-end products has enabled the Company to increase its manufacturing foot hold in the country. This has led to an evolution in terms of perception from a project execution expert to a solutions provider.

ITI Ltd undertakes telecom turnkey projects of national importance such as Government of India's flagship project "BharatNet", which is aiming to provide high-speed broadband connectivity to cover

2.5 Lakhs of Gram Panchayats in India. ITI is executing the orders received from Gujarat Fibre Grid Network Limited (GFGNL) and Maharashtra Information Technology Corporation Limited (MITCL) under Bharatnet Phase II Project, for implementation and maintenance of Broad Band Connectivity solutions across the states of Gujarat and Maharashtra respectively. Third Party Audit Services (TPA) for implementation of the Broad Band Connectivity solutions across the states of Odhisha and Jharkand under the BharatnetPhase II project is also undertaken by the Company.

Another important project currently being executed is the NFS (Network for Spectrum) project for the defence forces of India which involves supply, trenching, laying, installation, testing and maintenance of optical fiber cable, HDPE PLB duct and accessories for the construction of exclusive optical NLD backbone and optical access routes on turnkey basis in the Eastern and North Eastern region of the country.

On the Defence front, the Company is L1 in the mega tender of Army Static Switched Communication Network (ASCON) Phase IV project. The order from the Ministry of Defence (MoD) is to deploy and maintain Phase IV of the Army's modern communication network across India for the defence forces. The project includes civil works for the infrastructure and optical fiber network, installation, commissioning and maintenance of equipment such as IP MPLS routers, Microwave Radio, Satellite terminals, NMS and testing tools.

Besides offering the telecom turnkey solutions and customized support, ITI has a dedicated Network System Unit for executing turnkey projects for installation and commissioning of telecommunication networks. The Company intends to upgrade and invest in the technology, through the acquisition of technology from strategic partners with a specific focus on high growth industry segments.

As part of Start-up India mission of Govt. of India, ITI is establishing 1000-seater start-up hub- "VINYAS" at Bengaluru plant for encouraging start-ups in the related technology domain in the country. Start-up hub customers can also utilize our manufacturing facilities like PCB, SMT, Fabrication, Telecom testing labs and 3D printing to enhance their operations from this facility. 125-seater Start-up hub, having amenities like dedicated corporate hub meeting room, demo room, highly secure Wi-Fi connectivity, is already functional. Currently 61 Start-ups in Technology domains like Consumer Electronics, Aeronautics, Medical Electronics, Additive Manufacturing and IOT are working from VINYAS.

To supplement country's requirement of self-reliance in the area of Telecommunication, ITI Ltd & Tech Mahindra, a leading provider of digital transformation have signed a Memorandum of Understanding (MoU) to work together in the areas of 4G networks, Smart Cities and Health Care services. ITI and Tech Mahindra will collaborate to create "Make in India" stack as part of this MoU for the upcoming 4G opportunities in India. ITI Limited will manufacture the 4G Radio Access Network & related equipment in line with government's initiative of Aatma Nirbhar Bharat. Tech Mahindra will be responsible for providing the software IPs, implementation and integration services, operations and maintenance services. This partnership intends to jointly build a framework that will provide solutions of the upcoming wireless technologies to different telecom service providers in the country and also

address business opportunities globally. Similarly, ITI has also signed MoU with Tata Consultancy Services (TCS), a leading IT and ITeS services organization to work in different IT Projects and solutions.

To strengthen the objective of Government of India's Aatma Nirbhar Bharat Abhiyan, Company has recently signed a transfer of technology (ToT) agreement with Defence Research & Development Organization (DRDO) to manufacture portable ventilators at its manufacturing plants. The Company has already started manufacturing of Face Shields at its Bengaluru unit.

For more details please visit: www.itiltd.in

For further information please contact:

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Note: *Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*