

हिंदी केवल एक भाषा नहीं बल्कि हमारी राष्ट्रीय पहचान है।

ITI LIMITED

(A Govt. of India Undertaking)

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

Date: 14.11.2024



आईटीआई लिमिटेड

(भारत सरकार का उपक्रम)

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: Unaudited Financial Results (Standalone and Consolidated) for the Quarter and Half Year Ended 30th September 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 14th November 2024 approved the Unaudited Financial Results for the Quarter and Half Year Ended 30th September 2024.

Please find herewith the following documents: 1

1. Unaudited Consolidated Financial Results for the Quarter and Half-Year Ended 30th September 2024;
2. Consolidated Statement of Assets and Liabilities for the Half-Year Ended 30th September 2024;
3. Consolidated Cash Flow Statement for the Half-Year Ended 30th September 2024;
4. Limited Review Report on Consolidated Financial Results;
5. Unaudited Standalone Financial Results for the Quarter and Half-Year Ended 30th September 2024;
6. Standalone Statement of Assets and Liabilities for the Half-Year Ended 30th September 2024;
7. Standalone Cash Flow Statement for the Half-Year Ended 30th September 2024;
8. Limited Review Report on Standalone Financial Results.

The Board Meeting commenced at 11.30 am and concluded at 03.05 pm.

This is for your kind information and records please.

Thanking you

Yours faithfully
For ITI Limited

Rajeev Srivastava
Director Finance & CFO

Encl: as above

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

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

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

Email: cosecy_crp@itilttd.co.in, Website : www.itilttd.in

CIN : L32202KA1950GoI000640



ITI LIMITED

CIN No: L32202KA1950GOI000640

Registered & Corporate Office: ITI Bhavan, Doorvaninagar, Bengaluru-560016

Website: www.itiltd.in; Email: cosecy_crp@itiltd.co.in

Tel: +91 (80) 2561 7486; Fax: +91 (80) 2561 7525

Statement of Standalone Unaudited Financial Results for the Quarter and Half Year Ended 30th September 2024

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2024	30-06-2024	30-09-2023	30-09-2024	30-09-2023	31-03-2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from Operations	1,01,620	51,998	24,647	1,53,618	40,351	1,26,363
	Other Income	1,467	1,504	961	2,971	2,260	4,450
	Total Revenue	1,03,087	53,502	25,608	1,56,589	42,611	1,30,813
2	Expenses						
	(a) Cost of Materials Consumed & Services	23,661	18,418	17,154	42,079	25,172	80,212
	(b) Purchase of stock-in-trade	75,029	28,545	1,798	1,03,574	5,487	35,637
	(d) Changes in inventories of finished goods, work-in-progress and traded goods	(3,490)	(604)	1,171	(4,094)	2,511	2,526
	(e) Employee benefits expense	4,201	4,587	6,570	8,788	11,408	23,180
	(f) Finance costs	6,156	5,315	6,930	11,471	12,392	24,139
	(g) Depreciation and amortisation expense	1,373	1,388	1,332	2,761	2,535	5,312
	(h) Other expenses	3,077	2,314	3,233	5,391	5,946	16,713
	Total Expenses	1,10,007	59,963	38,188	1,69,970	65,451	1,87,719
3	Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)	(6,920)	(6,461)	(12,580)	(13,381)	(22,840)	(56,906)
4	Prior period Items	-	-	-	-	-	-
5	Profit / (Loss) before exceptional, extraordinary items and tax (3 + 4)	(6,920)	(6,461)	(12,580)	(13,381)	(22,840)	(56,906)
6	Exceptional Items	(91)	(2,647)	-	(2,738)	-	-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)	(7,011)	(9,108)	(12,580)	(16,119)	(22,840)	(56,906)
8	Extraordinary items	-	-	-	-	-	-
9	Profit / (Loss) before tax (7 + 8)	(7,011)	(9,108)	(12,580)	(16,119)	(22,840)	(56,906)
10	Tax Expense:						
	(1) Current Tax	-	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-	-
11	Profit / (Loss) for the period (9 - 10)	(7,011)	(9,108)	(12,580)	(16,119)	(22,840)	(56,906)
12	Other comprehensive Income/(Loss)						
	Items not to be reclassified to Profit or Loss in subsequent period	530	(530)	(1,520)	-	(3,040)	(2,121)
	Other comprehensive Income/(Loss) for the period	530	(530)	(1,520)	-	(3,040)	(2,121)
13	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (11+12)	(6,481)	(9,638)	(14,100)	(16,119)	(25,880)	(59,027)
14	Paid up equity share capital (Face value of ₹10/- each)	96,089	96,089	96,089	96,089	96,089	96,089
15	i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):						
	(a) Basic	(0.73)	(0.95)	(1.31)	(1.68)	(2.38)	(5.93)
	(b) Diluted	(0.73)	(0.95)	(1.31)	(1.68)	(2.38)	(5.93)
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):						
	(a) Basic	(0.73)	(0.95)	(1.31)	(1.68)	(2.38)	(5.93)
	(b) Diluted**	(0.73)	(0.95)	(1.31)	(1.68)	(2.38)	(5.93)
	See accompanying note to the Financial Results						

**Diluted EPS is equal to Basic EPS since company is in loss and diluted EPS is anti-dilutive.



राजीव श्रीवास्तव / Rajeev Srivastava

निदेशक- वित्त / Director - Finance

आईटीआई लिमिटेड / ITI Limited

पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office

आईटीआई भवन, दूरवाणीनगर / ITI Bhavan, Doorvaninagar

बैंगलूरु -560016 / BANGALORE - 560 016



CIN L32202KA1950GOI000640

Standalone Balance Sheet as at September 30, 2024

₹ in Lakhs

Particulars	As at	As at
	30.09.2024	31.03.2024
	Unaudited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant & Equipment	2,66,236	2,66,379
(b) Capital work-in-progress	12,643	14,228
(c) Investment Property	6,812	6,818
(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	11,529
(iii) Loans	0	-
(iv) Others	3	3
(i) Deferred Tax Assets (net)	-	-
(j) Other non current assets	1	1
TOTAL	2,97,265	2,98,999
(2) Current assets		
(a) Inventories	27,289	22,220
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade receivables	3,49,007	2,44,081
(iii) Cash and cash equivalents	1,459	10,526
(iv) Bank Balances other than (iii) above	54,965	72,716
(v) Loans	84,245	79,958
(vi) Others	1,82,242	2,18,180
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	8,854	9,638
Sub Total	7,08,061	6,57,319
TOTAL ASSETS	10,05,326	9,56,318
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	96,089	96,089
(b) Other Equity	62,739	78,858
Sub Total	1,58,828	1,74,947
Liabilities		
(1) Non-Current Liabilities		
(a) Government Grants Unutilised	4,496	4,496
(b) Financial Liabilities	-	-
(i) Borrowings	12,000	12,000
(ia) Lease Liabilities	23	43
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises	-	-
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	8,671	10,912
(iii) Others	6,522	7,933
(c) Provisions	5,109	5,364
(d) Deferred Tax Liabilities	-	-
(e) Other Non current Liabilities	-	-
Sub Total	36,821	40,748
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,58,073	1,67,546
(ia) Lease Liabilities	-	17
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises	428	8,398
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	2,49,054	1,47,348
(iii) Others	1,97,308	2,00,980
(b) Other current liabilities	1,90,171	2,00,638
(c) Provisions	14,643	15,696
(d) Current Tax Liabilities	0	-
Sub Total	8,09,677	7,40,623
TOTAL LIABILITIES	10,05,326	9,56,318



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

बैंगलूरु - 560016 / BANGALORE - 560 016

ITI LIMITED

Standalone Cash Flow Statement for the half year ended 30.09.2024

₹ in Lakhs

Particulars	For the half year ended 30.09.2024	For the half year ended 30.09.2023
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT/(LOSS) BEFORE TAX		
Adjustment For :	(16,119)	(22,840)
Depreciation		
Financing Charges	2,761	2,535
Profit On Sale Of Investments	11,471	12,392
Interest/Dividend Received	-	-
Loss On Sale Of Asset	(1,250)	(183)
Profit On Sale Of Asset	-	-
Transfer From Grant-In-Aid	-	-
Transfer From Grant-In-Aid	-	-
Other Comprehensive Income	-	-
Non-Cash Expenditure	-	(3,040)
OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	(1,307)	(2,992)
Adjustment For:		
Trade And Other Receivables		
Inventories	(69,490)	41,375
Trade Payables	(5,070)	749
CASH GENERATED FROM OPERATIONS	75,922	(20,758)
Direct Taxes Paid	(3,002)	7,237
CASH FLOW FROM OPERATING ACTIVITIES	(3,002)	(2,474)
(B) CASH FLOW FROM INVESTING ACTIVITIES:	(6,084)	4,763
Purchase Of Fixed Assets Including:		
Capital Work-In-Progress		
Sale Of Fixed Assets	(1,003)	(2,360)
Investments	-	-
Interest Received	-	-
Proceeds from maturity/Deposit of Other Bank Balances	1,250	183
Dividend Received	17,751	3,068
NET CASH USED IN INVESTING ACTIVITIES [B]	-	-
(C) CASH FLOW FROM FINANCING ACTIVITIES	17,998	892
Proceeds From Short Term Borrowings		
Share Application Money	(9,510)	6,409
Adjustment with surplus	-	-
Grant-In-Aid Received	-	-
Financing Expenses	-	-
NET CASH USED IN FINANCING ACTIVITIES [C]	(11,471)	(12,392)
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	(20,981)	(5,983)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	10,526	936
	1,459	607

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 : 14.11.2024

For & On Behalf of Board of Directors

RAJEEV SRIVASTAVA

Director Finance / Chief Financial Officer

निदेशक- वित्त / Director - Finance
 आईटीआई लिमिटेड / ITI Limited

पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office
 आईटीआई भवन, दूरवाणीनगर / ITI Bhavan, Dooravaninagar
 बेंगलूरु 560016 / BANGALORE - 560 016

RAJESH RAI

Chairman & Managing Director



CIN L32202KA1950GOI000640

NOTES:

1	The above financial results for the period ended 30.09.2024 were reviewed by the Audit Committee on 14.11.2024 and upon its recommendations, were approved by the Board of Directors at their meeting held on 14.11.2024																																										
2	These financial results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.																																										
3	A Limited Review of the above Unaudited Financial Results for the quarter ended 30.09.2024 has been carried out by the Statutory Auditors of the Company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.																																										
4	By virtue of being engaged in Defence Production, the company is exempt from the necessity of segment reporting, according to the MCA's Notification dated February 23, 2018.																																										
5	The Company is currently under a revival plan after it was referred to the BIFR and declared a sick company. The Cabinet Committee on Economic Affairs (CCEA) approved the revival plan based on the recommendations of the Board for Reconstruction of Public Sector Enterprise (BRPSE) which involves financial assistance of Rs. 4,15,679 lakhs, of which the Company as of date has received Rs.3,02,535 lakhs.																																										
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	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 realisable in the ordinary course of business. MSME vendors are identified to major extent and the process of further identification is in progress.																																										
8	The due amount of property tax pertaining to K.R. Puram Land & Building Properties [from FY 2008-09 to FY 2023-24] has been settled by the Company in full with the payment of Rs. 2647.22 lakhs to BBMP during July, 2024, under One Time Settlement (OTS) scheme.																																										
9	Finance Cost includes interest on outstanding statutory dues of provident fund.																																										
10	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.																																										
11	Corresponding Quarter figures have been regrouped/restated wherever necessary to conform with the current period's classification																																										
12	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. The project timeline has been revised upto Dec 2025.																																										
13	The management is of the opinion that going concern basis of accounting is appropriate in view of the high value of existing Order Book of Rs. 11,12,429 lakhs under execution with adequate margin and also additional Order Book of Rs.29,104 lakhs. expected conversion of unbilled revenue of Rs. 18,11,115 lakhs 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.																																										
14	<table border="1"> <thead> <tr> <th colspan="3">₹ in Lakhs</th> </tr> <tr> <th></th> <th>Quarter ended</th> <th>Half Year Ended</th> </tr> <tr> <th></th> <th>30.09.2024</th> <th>30.09.2024</th> </tr> </thead> <tbody> <tr> <td>EPS calculation:</td> <td></td> <td></td> </tr> <tr> <td>Losses</td> <td>(7,011)</td> <td>(16,119)</td> </tr> <tr> <td>Less:</td> <td></td> <td></td> </tr> <tr> <td> Preference Dividend</td> <td>-</td> <td>-</td> </tr> <tr> <td> Dividend tax</td> <td>-</td> <td>-</td> </tr> <tr> <td>Losses</td> <td>(7,011)</td> <td>(16,119)</td> </tr> <tr> <td>No. of Shares at beginning of the period</td> <td>960886938</td> <td>960886938</td> </tr> <tr> <td>No. of Shares issued during the period.</td> <td>0</td> <td>0</td> </tr> <tr> <td>No. of Shares at the end of the period.</td> <td>960886938</td> <td>960886938</td> </tr> <tr> <td>Weighted average no of shares during the period</td> <td>960886938</td> <td>96,08,86,938</td> </tr> <tr> <td>Earning per equity share (for continuing operation): Basic & Diluted(in ₹)</td> <td>(0.73)</td> <td>(1.68)</td> </tr> </tbody> </table>	₹ in Lakhs				Quarter ended	Half Year Ended		30.09.2024	30.09.2024	EPS calculation:			Losses	(7,011)	(16,119)	Less:			Preference Dividend	-	-	Dividend tax	-	-	Losses	(7,011)	(16,119)	No. of Shares at beginning of the period	960886938	960886938	No. of Shares issued during the period.	0	0	No. of Shares at the end of the period.	960886938	960886938	Weighted average no of shares during the period	960886938	96,08,86,938	Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	(0.73)	(1.68)
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15	Investor Complaints are Nil for the half ended September 2024																																										
16	The above results are available at www.itild.in and website of stock exchanges at www.bseindia.com and nseindia.com.																																										

As per our report of even date

For: B.K.Ramadhyani & Co. LLP

Chartered Accountants

Firm Reg No.: 002878S/S200021

Vasuki H S

Partner

M. No.. 212013

Place: Bengaluru

Date : November 14, 2024



राजीव श्रीवास्तव / Rajesh Srivastava

निदेशक- वित्त / Director Finance

आईटीआई लिमिटेड / ITI Limited

पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office

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बैंगलूरु - 560016 / BANGALORE - 560 016

By Order of Board

For ITI LIMITED

Rajesh Rai
Chairman & Managing Director

B K Ramadhyani & Co LLP

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

Independent Auditor's Review Report on Review of Standalone Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
ITI Limited
Bengaluru

1. Introduction:

We were engaged to review the accompanying statement of Standalone unaudited financial results ("the Statement") of **ITI Limited** ("the Company") for the quarter and half year ended September 30, 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. Management Responsibility

This Statement, which is the responsibility of the Company's management and approved by Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India.

3. Auditors Responsibility

Our responsibility is to express a conclusion on the Statement based on our review. However, because of the matters described in "Basis for Disclaimer of conclusion", we were not able to obtain sufficient appropriate evidence to provide a basis of our conclusion on the Statement.

We are independent of the Company in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Company.



B K Ramadhyani & Co LLP

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

4. Scope of Review

We conducted our review of Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under section 143(10) of the Act. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance With Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit and accordingly, we do not express audit opinion.

5. Basis of Disclaimer of Conclusion

- a. Reference is drawn to the Standalone independent audit report dated July 31, 2024 issued by us, matters described therein in the paragraph 'Basis for Disclaimer of Opinion' section and its effect on the results for the quarter and half year ended September 30, 2024 are not quantified and effect on the said financial information as furnished by the management not ascertained.
- b. Company has entered into certain contracts with certain customers for planning, engineering, supply, installation, testing, commissioning and annual maintenance, where in supply of materials to the customers are recognised as revenue in respect of dispatches of goods transferred to the customers since it believes that control on such goods are transferred to the customers even though certain services like erection, commissioning and installation of such goods at the designated sites were still in progress / partly completed pending customer approvals. The Company has not provided us with the requisite documentation indicating/substantiating the compliance of performance obligations as required in terms of IndAS 115 based on the contracts entered by the Company and hence unable to obtain sufficient appropriate audit evidence to validate such revenue recognition. Accordingly effect on the said Statement is not ascertained at this stage.
- c. Company in process of obtaining confirmation of balances from certain Banks (including current accounts, term deposits, borrowings, non fund based limits utilised) and certain pending review/reconciliations/confirmations as detailed in note 7 to the Statement as at September 30, 2024. Accordingly, we are unable to ascertain if there are any adjustments required to be made in the books of accounts for the said period under review.



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Bangalore - 560 055

- d. Company has not carried out any actuarial valuation of gratuity and leave encashment as at the period end and accordingly adjustments as required in the said statement are not ascertained.
- e. Reference is drawn to the branch auditors review report issued for the Palakkad unit, Naini unit and Raebareli Plant unit dated November 11, 2024, November 8, 2024 and November 11, 2024 respectively issued by M/s. Balaram and Nandakumar, Chartered Accountants, Vinay Kumar & Co, Chartered Accountants and M/s Chandnani Singh & Associates, Chartered Accountants, whose matters described as below and its effect on the results for the quarter and half year ended September 30, 2024 are not quantified for some of the matters described and effect on the said financial information as furnished by the management not ascertained.
As per the review report issued by M/s Balaram & Nandakumar, Chartered Accountants dated November 11, 2024
- i. Accounts receivable comprising of amounts receivable from various customers, including the Government of India/Public Sector Undertakings amounting to Rs. 25,716 lakhs which is overdue for more than 3 years as of the reporting date. As against these overdue debts, the management has provided for only Rs. 573 lakhs as provision for expected credit losses. The Management of the Unit has explained that they are in the process of putting up a collection plan for speedy collection of these overdue debts. We are however not in a position to comment as of September 30, 2024, if any further adjustments may be required to the carrying value of these amounts totalling to Rs 25,716 lakhs which predominantly representing overdue debts from Government of India/Public Sector Undertakings.
- ii. The Company's inventories include old inventory, and it is in the process of an assessment of the ageing, usefulness, and serviceability of the inventories held at various units to ascertain the quantum of obsolete inventory. Consequently, we are unable to comment on whether the valuation of the inventories is at the lower of cost and net realisable value, which constitutes a departure from the requirements of Ind AS 2.
- iii. The Company's process for identifying suppliers covered by the Micro, Small and Medium Enterprises Development Act of 2006 and the payment of interest in cases of delays in payment appears to be inadequate and unverifiable. As a result, we are unable to verify whether the provision for interest on delayed payments is complete and comment on MSMED Act 2006 compliance or correctness of disclosure made by the Company under Schedule III of the Act.
- iv. Other current assets include an amount of Rs 427 lakhs representing unbilled revenue with regards to certain revenues recognized by the Company in earlier



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years. These have not been subsequently billed by the Company to the customers until the date of this report and thus we are not in a position to comment about the possibilities of realizing these amounts from the customers. If such amounts are not received from the customers, the losses of the Company as of September 30, 2024 will increase by Rs 427 lakhs.

- v. The Unit calculates depreciation in a method which is not in accordance with the applicable accounting standards which typically require that depreciation be recognized on a pro-rata basis depending on the actual usage of the asset during the reporting period. As a result, the depreciation expense recognized in the financial statements may not accurately reflect the true expense for the period, and this may lead to a material misstatement of both the company's profit or loss and the carrying value of its assets- Consequently, we are unable to determine whether any adjustments to these amounts are necessary as on the reporting date
- vi The unit applies a standard 1% ad hoc fee on the purchase value of inventory as a freight cost, irrespective of the actual freight expenses incurred This approach to accounting for freight cost may lead to potential distortions in inventory valuation, cost of goods sold, and the Unit's reponed profitability. As a result, there is a risk that financial statements may not accurately present the true value of inventory at the period-end. We are unable to quantify the specific impact of this approach on the inventory valuation, cost of goods sold, and profitability of the unit.

As per the review report issued by M/s Vinay Kumar & Co, Chartered Accountants dated November 8, 2024 on Naini Unit.

- i. Balances relating to old and discontinued business activity under the head Trade Receivables and Claims & Expenses Recoverable amounting to Rs. 129 lakhs and Rs, 443,33 lakhs respectively are not verifiable with party wise balance, have been considered good. These balances do not have signs of realization or recovery. Thus, need for appropriate provision for loss. The above provision has the effect of an increase in loss by Rs. 572 lakhs
- ii. The Inventory includes Raw Materials; Production and Non-Production Work in Process; Manufactured Components; Finished Goods and Stock Reconciliation Balance relating to old and discontinued business activities valued at cost, but net of provision, at Rs, 1705 lakhs. The said valuation is not in conformity with the accounting policy of the company according to which the valuation to be done at lower of the cost or net realizable value. Provision for the loss in value has been done on estimated basis in earlier years and is continuing to be the same. The adequacy of the existing provision, in absence of proper assessment of realizable value and possible loss, is not determinable at unit level. The effect of the said loss on the results of the unit under review cannot be determined.



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As per the review report issued by M/s Chandnani Singh & Associates, Chartered Accountants, dated November 11, 2024 on RaeBareli Unit.

- i. Other Expenses includes Corporate Allocated Expenses amounting to Rs. 112 Lacs for 06-month period ending on September 30, 2024 on basis of Corporate Office Advice.
 - ii. Unbilled Revenue balance is Rs. 158 crore as on September 30, 2024 pertains to last years, still unbilled in current year.
 - iii. Balances in the accounts of Trade Payables from suppliers, claims recoverable, loans & advances, deposits, other payables/receivables being under confirmation
 - iv. As on the date of Balance Sheet, TDS on Salary for the month of August & September 2024 have not been paid.
 - v. Lease agreement with NIFT has expired in the month of November 2018, and renewal lease agreement has not been entered. Due to non realization of rent from NIFT huge burden of GST bear by ITI -RaeBareli Unit on accrual Rent. The company has intimated that the matter has been referred to the administrative mechanism for resolving the same on priority
 - vi. According to ITI Limited UPPCL has shown excess reading of electricity bill, which has been decided by Consumer Forum in favor of ITI Limited (order copy required), but still Rs.5,15,33,738.50/- is being shown as arrear of UPPCL in their bill, there is immediate need for proper action regarding this issue.
 - vii. Inventory is not maintaining on Tally ERP and it is maintaining on Oracle software. Hence process of valuation may not be verified. We cannot comment whether inventories have been valued as per principles laid down in Ind AS 2 on Valuation of inventories and whether provisions thereon are made in accordance with principles laid in Ind AS 37 on Provisions, contingent liabilities and contingent assets
- f. The Company did not have the requisite number of independent directors and hence could not comply with applicable regulations of Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 in as much as the strength of Independent Directors less than 50% of the total strength of the Board of Directors of the Company.

6. Disclaimer of Conclusion:

Based on the review conducted and procedures performed and because of the substantive nature and significance of the matters described in "Basis for Disclaimer of conclusion" and based on the consideration of the review reports of other auditors referred to in "Other matters", we have not been able to obtain sufficient appropriate evidence to provide our basis of our conclusion, as to whether the accompanying Statement of Standalone unaudited financial results prepared in accordance with applicable Accounting Standards i.e., Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the



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information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Material Uncertainty on Going Concern

Reference is drawn to note 13 to the Statement where in the Company incurred a net loss of Rs. 56,906 lakhs during the year ended March 31, 2024 and Rs. 16,119 lakhs for six months ended September 30, 2024 under review. 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 contract milestones within next 12 months, step-up the recovery processes to collect the billed dues as mentioned in the said note. Our conclusion is not modified in respect of this matter. Also, reference is drawn to comments under para 19 of Annexure – A of Standalone Independent Auditor's report issued vide dated July 31, 2024.

8. Emphasis of Matter:

Reference is drawn to the standalone independent auditor's report dated July 31, 2024 issued by us, in respect of matters described in the "Emphasis of Matter" paragraph, audit conclusion is not modified in the said matters.

9. Other Matters:

We did not review the interim financial results of the Palakkad, Raebareli, Naini, Mankapur and Srinagar branches included in the Statement, whose results reflect the total net loss (after tax) of Rs. 10,086 lakhs and total comprehensive loss of Rs. 10,086 lakhs for the six months ended September 30, 2024 (excluding inter-unit transactions) respectively, as considered in the standalone unaudited interim financial information of the Company. The interim financial information of these branches has been reviewed by the branch auditors whose reports have been furnished to us and our conclusion in so far it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and the procedures performed by us as stated in Paragraph 4 above. Our conclusion on the Statement is not modified in respect of the above matters.



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10. A copy of the unaudited quarter and six months ended financial results of the Company, which formed the basis of our limited review, duly initialled by us for the purpose of identification is enclosed to this report.

For B K Ramadhyani & Co. LLP
Chartered Accountants

FRN: 002878S/ 5200021



Vasuki H S
Partner

Membership No: 212013

Place: Bengaluru

Date: November 14, 2024



ITI LIMITED

CIN No: L32202KA1950GOI000640

Registered & Corporate Office: ITI Bhavan, Doorvaninagar, Bengaluru-560016

Website: www.itiltd.in; Email: cosecy_crp@itiltd.co.in

Tel: +91 (80) 2561 7486; Fax: +91 (80) 2561 7525

Statement of Consolidated Unaudited Financial Results for the Quarter and Half Year Ended 30th September 2024

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2024	30-06-2024	30-09-2023	30-09-2024	30-09-2023	31-03-2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from Operations	1,01,620	51,998	24,647	1,53,618	40,351	1,26,363
	Other Income	1,467	1,504	961	2,971	2,260	4,450
	Total Revenue	1,03,087	53,502	25,608	1,56,589	42,611	1,30,813
2	Expenses						
	(a) Cost of Materials Consumed & Services	23,661	18,418	17,154	42,079	25,172	80,212
	(b) Purchase of stock-in-trade	75,029	28,545	1,798	1,03,574	5,487	35,637
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(3,490)	(604)	1,171	(4,094)	2,511	2,526
	(d) Employee benefits expense	4,201	4,587	6,570	8,788	11,408	23,180
	(e) Finance costs	6,156	5,315	6,930	11,471	12,392	24,139
	(f) Depreciation and amortisation expense	1,373	1,388	1,332	2,761	2,535	5,312
	(g) Other expenses	3,077	2,314	3,233	5,391	5,946	16,713
	Total Expenses	1,10,007	59,963	38,188	1,69,970	65,451	1,87,719
3	Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)	(6,920)	(6,461)	(12,580)	(13,381)	(22,840)	(56,906)
4	Prior period Items	-	-	-	-	-	-
5	Profit / (Loss) before exceptional, extraordinary items and tax (3 + 4)	(6,920)	(6,461)	(12,580)	(13,381)	(22,840)	(56,906)
6	Exceptional Items	(91)	(2,647)	-	(2,738)	-	-
7	Share of Profit of Associate under Equity Method	(22)	(23)	(21)	(45)	(42)	14
8	Profit / (Loss) before extraordinary items and tax (5+6+7)	(7,033)	(9,131)	(12,601)	(16,164)	(22,882)	(56,892)
9	Extraordinary items	-	-	-	-	-	-
10	Profit / (Loss) before tax (8+9)	(7,033)	(9,131)	(12,601)	(16,164)	(22,882)	(56,892)
11	Tax Expense:						
	(1) Current Tax	-	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-	-
12	Profit / (Loss) for the period (10-11)	(7,033)	(9,131)	(12,601)	(16,164)	(22,882)	(56,892)
13	Other comprehensive Income/(Loss)						
	Items not to be reclassified to Profit or Loss in subsequent period	530	(530)	(1,520)	-	(3,040)	(2,121)
	Other comprehensive Income/(Loss) for the period	530	(530)	(1,520)	-	(3,040)	(2,121)
14	Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (12+13)	(6,503)	(9,661)	(14,121)	(16,164)	(25,922)	(59,013)
15	Paid up equity share capital (Face value of ₹10/- each)	96,089	96,089	96,089	96,089	96,089	96,089
16	i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):						
	(a) Basic	(0.73)	(0.95)	(1.31)	(1.68)	(2.39)	(5.93)
	(b) Diluted	(0.73)	(0.95)	(1.31)	(1.68)	(2.39)	(5.93)
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):						
	(a) Basic	(0.73)	(0.95)	(1.31)	(1.68)	(2.39)	(5.93)
	(b) Diluted**	(0.73)	(0.95)	(1.31)	(1.68)	(2.39)	(5.93)
	See accompanying note to the Financial Results						

**Diluted EPS is equal to Basic EPS since company is in loss and diluted EPS is anti-dilutive.



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



CIN L32202KA1950GOI000640

Consolidated Balance Sheet as at September 30, 2024

₹ in Lakhs

Particulars	As at 30.09.2024	As at
	Unaudited	31.03.2024 Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant & Equipment	2,66,236	2,66,379
(b) Capital work-in-progress	12,643	14,228
(c) Investment Property	6,812	6,818
(d) Goodwill	-	-
(e) Other Intangible assets	-	-
(f) Intangible assets under development	-	-
(g) Biological Assets other than bearer plants	-	-
(h) Financial Assets	-	-
(i) Investments	3,483	3,528
(ii) Trade receivables	11,529	11,529
(iii) Loans	0	-
(iv) Others	3	3
(i) Deferred Tax Assets (net)	-	-
(j) Other non current assets	1	1
TOTAL	3,00,707	3,02,486
(2) Current assets		
(a) Inventories	27,289	22,220
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade receivables	3,49,007	2,44,081
(iii) Cash and cash equivalents	1,459	10,526
(iv) Bank Balances other than (iii) above	54,965	72,716
(v) Loans	84,245	79,958
(vii) Others	1,82,242	2,18,180
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	8,855	9,638
Sub Total	7,08,062	6,57,319
TOTAL ASSETS	10,08,769	9,59,805
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	96,089	96,089
(b) Other Equity	66,182	82,346
Sub Total	1,62,271	1,78,434
Liabilities		
(1) Non-Current Liabilities		
(a) Government Grants Unutilised	4,496	4,496
(b) Financial Liabilities	-	-
(i) Borrowings	12,000	12,000
(i) Lease Liabilities	23	43
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises	-	-
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	8,671	10,912
(iii) Others	6,522	7,933
(c) Provisions	5,109	5,364
(d) Deferred Tax Liabilities	-	-
(e) Other Non current Liabilities	-	-
Sub Total	36,821	40,748
(2) Current Liabilities		
(a) Financial Liabilities	-	-
(i) Borrowings	1,58,073	1,67,546
(i) Lease Liabilities	-	17
(ii) Trade Payables	-	-
(A) Total outstanding dues of Micro Enterprises & Small Enterprises	428	8,398
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	2,49,054	1,47,348
(iii) Others	1,97,308	2,00,980
(b) Other current liabilities	1,90,171	2,00,638
(c) Provisions	14,643	15,696
(d) Current Tax Liabilities	0	-
Sub Total	8,09,677	7,40,623
TOTAL LIABILITIES	10,08,769	9,59,805



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
बैंगलूर - 560016 / BANGALORE - 560 016

ITI LIMITED
Consolidated Cash Flow Statement for the year ended 30.09.2024

₹ in Lakhs

Particulars	For the half year ended 30.09.2024	For the half year ended 30.09.2023
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT/(LOSS) BEFORE TAX		
Adjustment For :	(16,164)	(22,882)
Depreciation	2,761	2,535
Financing Charges	11,471	12,392
Profit On Sale Of Investments	-	-
Interest/Dividend Received	-	-
Loss On Sale Of Asset	(1,250)	(183)
Profit On Sale Of Asset	-	-
Transfer From Grant-In-Aid	-	-
Transfer From Grant-In-Aid	-	-
Other Comprehensive Income	-	-
Non-Cash Expenditure	-	(3,040)
	(1,307)	(2,992)
OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	11,675	8,712
Adjustment For:	(4,489)	(14,170)
Trade And Other Receivables	(69,490)	41,374
Inventories	(5,070)	748
Trade Payables	75,922	(20,758)
CASH GENERATED FROM OPERATIONS	1,362	21,364
Direct Taxes Paid	(3,127)	7,194
	(3,002)	(2,474)
CASH FLOW FROM OPERATING ACTIVITIES	(6,129)	4,720
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase Of Fixed Assets Including:		
Capital Work-In-Progress	(1,003)	(2,360)
Sale Of Fixed Assets	-	-
Investments	45	42
Interest Received	1,250	184
Proceeds from maturity/Deposit of Other Bank Balances	17,751	3,068
Dividend Received	-	-
NET CASH USED IN INVESTING ACTIVITIES [B]	18,043	934
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Short Term Borrowings	(9,510)	6,409
Share Application Money	-	-
Adjustment with surplus	-	-
Grant-In-Aid Received	-	-
Financing Expenses	(11,471)	(12,392)
NET CASH USED IN FINANCING ACTIVITIES [C]	(20,981)	(5,983)
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	(9,067)	(329)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	10,526	936
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	1,459	607

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.

Vasuki H S
Partner

M. No. 212013

Place: Bengaluru
Date : 14.11.2024

For & On Behalf of Board of Directors

RAJEEV SRIVASTAVA
Director Finance / Chief
Financial Officer

RAJESH RAI
Chairman & Managing Director

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



CIN L32202KA1950GOI000640

NOTES:

1	The above financial results for the period ended 30.09.2024 were reviewed by the Audit Committee on 14.11.2024 and upon its recommendations, were approved by the Board of Directors at their meeting held on 14.11.2024																																			
2	These financial results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.																																			
3	A Limited Review of the above Unaudited Financial Results for the quarter ended 30.09.2024 has been carried out by the Statutory Auditors of the Company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.																																			
4	By virtue of being engaged in Defence Production, the company is exempt from the necessity of segment reporting, according to the MCA's Notification dated February 23, 2018.																																			
5	The Company is currently under a revival plan after it was referred to the BIFR and declared a sick company. The Cabinet Committee on Economic Affairs (CCEA) approved the revival plan based on the recommendations of the Board for Reconstruction of Public Sector Enterprise (BRPSE) which involves financial assistance of Rs. 4,15,679 lakhs, of which the Company as of date has received Rs.3,02,535 lakhs.																																			
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	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 realisable in the ordinary course of business. MSME vendors are identified to major extent and the process of further identification is in progress.																																			
8	The due amount of property tax pertaining to K.R. Puram Land & Building Properties [from FY 2008-09 to FY 2023-24] has been settled by the Company in full with the payment of Rs. 2647.22 lakhs to BBMP during July, 2024, under One Time Settlement (OTS) scheme.																																			
9	Finance Cost includes interest on outstanding statutory dues of provident fund.																																			
10	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.																																			
11	Corresponding Quarter figures have been regrouped/restated wherever necessary to conform with the current period's classification																																			
12	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. The project timeline has been revised upto Dec 2025.																																			
13	The management is of the opinion that going concern basis of accounting is appropriate in view of the high value of existing Order Book of Rs. 11,12,429 lakhs under execution with adequate margin and also additional Order Book of Rs.29,104 lakhs. expected conversion of unbilled revenue of Rs. 18,11,15 lakhs 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																																			
14	ITI has invested 49.06 % of Equity share capital of its Joint Venture ISL and hence ITI's share of Net Loss is shown in Statement of Profit and Loss as Share of net profit/Loss of associates and Joint Venture.																																			
15	<table border="1"> <thead> <tr> <th rowspan="2">EPS calculation:</th> <th>Quarter ended</th> <th>Half Year Ended</th> </tr> <tr> <th>30-09-2024</th> <th>30-09-2024</th> </tr> </thead> <tbody> <tr> <td>Profit After Tax</td> <td>(7,033)</td> <td>(16,164)</td> </tr> <tr> <td>Less:</td> <td></td> <td></td> </tr> <tr> <td> Preference Dividend</td> <td>-</td> <td>-</td> </tr> <tr> <td> Dividend tax</td> <td>-</td> <td>-</td> </tr> <tr> <td>Profit available to equity shareholders</td> <td>(7,033)</td> <td>(16,164)</td> </tr> <tr> <td>No. of Shares at beginning of the period</td> <td>960886938</td> <td>960886938</td> </tr> <tr> <td>No. of Shares issued during the period.</td> <td>0</td> <td>0</td> </tr> <tr> <td>No. of Shares at the end of the period.</td> <td>960886938</td> <td>960886938</td> </tr> <tr> <td>Weighted average no of shares during the period</td> <td>960886938</td> <td>960886938</td> </tr> <tr> <td>Earning per equity share (for continuing operation): Basic & Diluted(in ₹)</td> <td>(0.73)</td> <td>(1.68)</td> </tr> </tbody> </table>	EPS calculation:	Quarter ended	Half Year Ended	30-09-2024	30-09-2024	Profit After Tax	(7,033)	(16,164)	Less:			Preference Dividend	-	-	Dividend tax	-	-	Profit available to equity shareholders	(7,033)	(16,164)	No. of Shares at beginning of the period	960886938	960886938	No. of Shares issued during the period.	0	0	No. of Shares at the end of the period.	960886938	960886938	Weighted average no of shares during the period	960886938	960886938	Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	(0.73)	(1.68)
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Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	(0.73)	(1.68)																																		
16	Investor Complaints are Nil for the half ended September 2024																																			
17	The above results are available at www.itiltltd.in and website of stock exchanges at www.bseindia.com and nseindia.com.																																			

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

Vasuki H S
Vasuki H S

Partner
M. No.: 212013
Place: Bengaluru
Date : November 14, 2024



Rajeev Srivastava

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

By Order of Board
For ITI LIMITED

Rajesh Rai

Chairman & Managing Director

B K Ramadhyani & Co LLP

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

**Independent Auditor's Review Report on Review of Consolidated Unaudited
Quarterly Financial Results of the Company pursuant to the Regulation 33 of
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,
The Board of Directors
ITI Limited
Bengaluru

1. Introduction:

We were engaged to review the accompanying statement of Consolidated unaudited financial results ("the Statement") of **ITI Limited** ("the Company") for the quarter and half year ended September 30, 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. Management Responsibility

This Statement, which is the responsibility of the Company's management and approved by Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India.

3. Auditors Responsibility

Our responsibility is to express a conclusion on the Statement based on our review. However, because of the matters described in "Basis for Disclaimer of conclusion", we were not able to obtain sufficient appropriate evidence to provide a basis of our conclusion on the Statement.

We are independent of the Company in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Company.



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4. Scope of Review

We conducted our review of Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under section 143(10) of the Act. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance With Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit and accordingly, we do not express audit opinion.

5. Basis of Disclaimer of Conclusion

- a. Reference is drawn to the Consolidated independent audit report dated July 31, 2024 issued by us, matters described therein in the paragraph 'Basis for Disclaimer of Opinion' section and its effect on the results for the quarter and half year ended September 30, 2024 are not quantified and effect on the said financial information as furnished by the management are not ascertained.
- b. The Company has entered into certain comprehensive contracts with certain customers for planning, engineering, supply, installation, testing, commissioning and annual maintenance, where in supply of materials to the customers are recognised as revenue in respect of dispatches of goods as the performance obligation is completed and it believes that control on such goods are transferred to the customers even though certain service obligation like erection, commissioning and installation of such goods at the designated sites were still in progress / partly completed, pending customer approvals. The Company has not provided us with the requisite documentation indicating/substantiating the compliance of performance obligations as required in terms of Ind AS 115 based on the contracts entered by the Company and hence, we are unable to obtain sufficient appropriate audit evidence to validate such revenue recognition. Accordingly, effect on the said Statement is not ascertainable.
- c. Company in process of obtaining confirmation of balances from certain Banks (including current accounts, term deposits, borrowings, non fund based limits utilised) and certain pending review/reconciliations/confirmations as detailed in note 7 to the Statement as at September 30, 2024. Accordingly, we are unable to ascertain if there are any adjustments required to be made in the books of accounts for the said period under review.



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- d. Company has not carried out any actuarial valuation of gratuity and leave encashment as at the period end and accordingly adjustments as required in the said statement are not ascertained.
- e. Reference is drawn to the branch auditors review report issued for the Palakkad unit, Naini unit and Raebareli Plant unit dated November 11, 2024, November 8, 2024 and November 11, 2024 respectively issued by M/s. Balaram and Nandakumar, Chartered Accountants, Vinay Kumar & Co, Chartered Accountants and M/s Chandnani Singh & Associates, Chartered Accountants, whose matters described as below and its effect on the results for the quarter and half year ended September 30, 2024 are not quantified for some of the matters described and effect on the said financial information as furnished by the management not ascertained.
As per the review report issued by M/s Balaram & Nandakumar, Chartered Accountants dated November 11, 2024 on Palakkad Unit
- i. Accounts receivable comprising of amounts receivable from various customers, including the Government of India/Public Sector Undertakings amounting to Rs. 25,716 lakhs which is overdue for more than 3 years as of the reporting date. As against these overdue debts, the management has provided for only Rs. 573 lakhs as provision for expected credit losses. The Management of the Unit has explained that they are in the process of putting up a collection plan for speedy collection of these overdue debts. We are however not in a position to comment as of September 30, 2024, if any further adjustments may be required to the carrying value of these amounts totalling to Rs 25,716 lakhs which predominantly representing overdue debts from Government of India/Public Sector Undertakings.
- ii. The Company's inventories include old inventory, and it is in the process of an assessment of the ageing, usefulness, and serviceability of the inventories held at various units to ascertain the quantum of obsolete inventory. Consequently, we are unable to comment on whether the valuation of the inventories is at the lower of cost and net realisable value, which constitutes a departure from the requirements of Ind AS 2.
- iii. The Company's process for identifying suppliers covered by the Micro, Small and Medium Enterprises Development Act of 2006 and the payment of interest in cases of delays in payment appears to be inadequate and unverifiable. As a result, we are unable to verify whether the provision for interest on delayed payments is complete and comment on MSMED Act 2006 compliance or correctness of disclosure made by the Company under Schedule III of the Act.



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- iv. Other current assets include an amount of Rs 427 lakhs representing unbilled revenue with regards to certain revenues recognized by the Company in earlier years. These have not been subsequently billed by the Company to the customers until the date of this report and thus we are not in a position to comment about the possibilities of realizing these amounts from the customers. If such amounts are not received from the customers, the losses of the Company as of September 30, 2024 will increase by Rs 427 lakhs.
- v. The Unit calculates depreciation in a method which is not in accordance with the applicable accounting standards which typically require that depreciation be recognized on a pro-rata basis depending on the actual usage of the asset during the reporting period. As a result, the depreciation expense recognized in the financial statements may not accurately reflect the true expense for the period, and this may lead to a material misstatement of both the company's profit or loss and the carrying value of its assets- Consequently, we are unable to determine whether any adjustments to these amounts are necessary as on the reporting date
- vi. The unit applies a standard 1% ad hoc fee on the purchase value of inventory as a freight cost, irrespective of the actual freight expenses incurred This approach to accounting for freight cost may lead to potential distortions in inventory valuation, cost of goods sold, and the Unit's reponed profitability. As a result, there is a risk that financial statements may not accurately present the true value of inventory at the period-end. We are unable to quantify the specific impact of this approach on the inventory valuation, cost of goods sold, and profitability of the unit.

As per the review report issued by M/s Vinay Kumar & Co, Chartered Accountants dated November 8, 2024 on Naini Unit

- i. Balances relating to old and discontinued business activity under the head Trade Receivables and Claims & Expenses Recoverable amounting to Rs. 129 lakhs and Rs, 443 lakhs respectively are not verifiable with party wise balance, have been considered good. These balances do not have signs of realization or recovery. Thus, need for appropriate provision for loss. The above provision has the effect of an increase in loss by Rs. 572 lakhs
- ii. The Inventory includes Raw Materials; Production and Non-Production Work in Process; Manufactured Components; Finished Goods and Stock Reconciliation Balance relating to old and discontinued business activities valued at cost, but net of provision, at Rs, 1705 lakhs. The said valuation is not in conformity with the accounting policy of the company according to which the valuation to be done at lower of the cost or net realizable value. Provision for the loss in value has been done on estimated basis in earlier years and is continuing to be the same. The adequacy of the existing provision, in absence of proper assessment



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of realizable value and possible loss, is not determinable at unit level. The effect of the said loss on the results of the unit under review cannot be determined.

As per the review report issued by M/s Chandnani Singh & Associates, Chartered Accountants, dated November 11, 2024 on RaeBareli Unit

- i. Other Expenses includes Corporate Allocated Expenses amounting to Rs. 112 Lacs for 06-month period ending on September 30, 2024 on basis of Corporate Office Advice.
 - ii. Unbilled Revenue balance is Rs. 158 crores as on September 30, 2024 pertains to last years, still unbilled in current year.
 - iii. Balances in the accounts of Trade Payables from suppliers, claims recoverable, loans & advances, deposits, other payables/receivables being under confirmation.
 - iv. As on the date of Balance Sheet, TDS on Salary for the month of August & September 2024 have not been paid.
 - v. Lease agreement with NIFT has expired in the month of November 2018, and renewal lease agreement has not been entered. Due to non realization of rent from NIFT huge burden of GST bear by ITI -RaeBareli Unit on accrual Rent. The company has intimated that the matter has been referred to the administrative mechanism for resolving the same on priority.
 - vi. According to ITI Limited UPPCL has shown excess reading of electricity bill, which has been decided by Consumer Forum in favor of ITI Limited (order copy required), but still Rs.5,15,33,738.50/- is being shown as arrear of UPPCL in their bill, there is immediate need for proper action regarding this issue.
 - vii. Inventory is not maintaining on Tally ERP and it is maintaining on Oracle software. Hence process of valuation may not be verified. We cannot comment whether inventories have been valued as per principles laid down in Ind AS 2 on Valuation of inventories and whether provisions thereon are made in accordance with principles laid in Ind AS 37 on Provisions, contingent liabilities and contingent assets
- f. The Company did not have the requisite number of independent directors and hence could not comply with applicable regulations of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 in as much as the strength of Independent Directors less than 50% of the total strength of the Board of Directors of the Company.

6. Disclaimer of Conclusion:

Based on the review conducted and procedures performed and because of the substantive nature and significance of the matters described in "Basis for Disclaimer of conclusion" and based on the consideration of the review reports of other auditors referred to in "Other matters", we have not been able to obtain sufficient appropriate evidence to provide our basis of our conclusion, as to whether the accompanying Statement of Consolidated unaudited financial results prepared in accordance with applicable Accounting Standards i.e., Indian Accounting Standards ('Ind AS')



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prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Material Uncertainty on Going Concern

Reference is drawn to note 13 to the Statement where in the Company incurred a net loss of Rs. 56,892 lakhs during the year ended March 31, 2024 and Rs. 16,164 lakhs for six months ended September 30, 2024 under review. 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 contract milestones within next 12 months, step-up the recovery processes to collect the billed dues as mentioned in the said note. Our conclusion is not modified in respect of this matter. Also, reference is drawn to comments under para 19 of Annexure – A of Consolidated Independent Auditor's report issued vide dated July 31, 2024.

8. Emphasis of Matter:

Reference is drawn to the Consolidated independent auditor's report dated July 31, 2024 issued by us, in respect of matters described in the "Emphasis of Matter" paragraph, audit conclusion is not modified in the said matters.

9. The Statement includes the unaudited financial results of India Satcom Limited – Associate

10. Other Matters:

- a) We did not review the interim financial results of the Palakkad, Raebareli, Naini, Mankapur and Srinagar units included in the Statement, whose results reflect the total net loss (after tax) of Rs. 10,086 lakhs and total comprehensive loss of Rs. 10,086 lakhs for the six months ended September 30, 2024 (excluding inter-unit transactions) respectively, as considered in the Consolidated unaudited interim financial information of the Company. The interim financial information of these branches has been reviewed by the branch auditors whose reports have been furnished to us and our conclusion in so far it relates to the amounts and disclosures included in respect of these



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branches, is based solely on the report of such branch auditors and the procedures performed by us as stated in Paragraph 4 above. Our conclusion on the Statement is not modified in respect of the above matters.

- b) We did not review the unaudited financial results of the associate considered in the preparation of this statement, which constitute share of loss for the quarter ended September 30, 2024 Rs. 22 lakhs and for the half year ended September 30, 2024 Rs. 45 lakhs. The unaudited financial results and other financial information in respect of an associate is based on management certification and our opinion on the statement, to the extent they have been derived from such financial result is solely on the basis of the said management certification. Our review report is not modified in respect of this matter.

11. A copy of the unaudited quarter and six months ended financial results of the Company, which formed the basis of our limited review, duly initialled by us for the purpose of identification is enclosed to this report.

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



Vasuki H S

Vasuki H S
Partner

Membership No: 212013

Place: Bengaluru

Date: November 14, 2024