

Sundar Srini & Sridhar

Chartered Accountants

Limited Review Report

The Board of Directors
ITI Limited.
ITI Bhavan, Doorvaninagar,
Bangalore – 560 016.

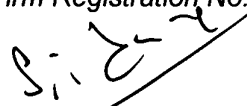
We have reviewed the accompanying statement of unaudited financial results of **ITI Limited ("the Company") for the quarter and Six Months ended September 30, 2014 ("the statement")**. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on the information provided to us, the company has continued to charge depreciation based on the estimated useful life of the assets as assessed by the management in the previous years as against the useful life of assets as prescribed under Part C of Schedule II to the Companies Act, 2013 which came into effect from April 1, 2014. The impact, if any, on the financial results if Schedule II had been followed for depreciation workings could not be quantified.

Based on our review conducted as above, *with the exception of the matter specified in the preceding paragraph*, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Sundar Srini & Sridhar
Chartered Accountants
Firm Registration No. 004201S


S. Sridhar
Partner
Membership No. 025504
Place: New Delhi
Date: November 13, 2014





ITI LIMITED

Reg. & Corporate Office,

ITI Bhavan, Doorvaninagar, Bangalore-560016

Website: www.italtd-india.com

Email Address: "cosacy_crp@italtd.co.in"

CIN No: L32202KA1950GOI00640

PART I

Rs. In Lakhs except Per share data

Statement of Standalone Unaudited Financial Results for the Quarter and half year ended September 30, 2014

Sl. No.	Particulars	Quarter ended (30/09/2014)	Quarter ended (30/06/2014)	Quarter ended (30/09/2013)	Half Year ended (30/09/2014)	Half Year ended (30/09/2013)	Year ended (31/03/2014)
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
(a)	Net sales/income from operations (Net of excise duty & Service Tax)	12,377	9,696	15,829	22,073	27,602	70,546
(b)	Other operating income	30	2	16	32	27	326
	Total income from operations (net)	12,407	9,698	15,845	22,105	27,629	70,872
2	Expenses						
(a)	Cost of materials and Services	6,249	4,823	6,478	11,072	14,584	46,077
(b)	Purchases of stock-in-trade	3,303	1,085	5,180	4,388	6,890	5,771
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	51	179	(314)	230	16	198
(d)	Employee benefits expense	9,091	9,122	10,083	18,213	20,146	33,732
(e)	Depreciation and amortisation expense	433	428	461	861	903	1,722
(f)	Other expenses	1,505	1,440	1,566	2,945	3,127	9,478
	Total expenses	20,632	17,077	23,444	37,709	45,666	96,978
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(8,225)	(7,379)	(7,599)	(15,604)	(18,037)	(26,108)
4	Other income	993	530	575	1,523	1,289	3,706
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(7,232)	(6,849)	(7,024)	(14,081)	(16,748)	(22,400)
6	Finance costs	3,791	3,516	2,882	7,307	6,310	12,231
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	(11,023)	(10,365)	(9,906)	(21,388)	(22,058)	(34,631)
8	Exceptional items	-	-	-	-	-	205
9	Profit / (Loss) from Ordinary Activities before Tax (7+8)	(11,023)	(10,365)	(9,906)	(21,388)	(22,058)	(34,426)
10	Tax expenses	-	-	-	-	-	-
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	(11,023)	(10,365)	(9,906)	(21,388)	(22,058)	(34,426)
12	Extraordinary Items (net of tax expense Rs Nil Lakhs)	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11 + 12)	(11,023)	(10,365)	(9,906)	(21,388)	(22,058)	(34,426)
14	Paid-up equity share capital (Face Value of Rs. 10 each)	28,800	28,800	28,800	28,800	28,800	28,800
15	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	-	-
16	Earnings per share (before extraordinary items) (of Rs.10 each) (not annualised):						
	Basic & Diluted (in Rs)	(4.06)	(3.83)	(3.67)	(7.89)	(8.12)	(12.88)
17	Earnings per share (after extraordinary items) (of Rs.10 each) (not annualised):						
	Basic & Diluted (in Rs)	(4.06)	(3.83)	(3.67)	(7.89)	(8.12)	(12.88)

PART II

A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of shares	2,88,00,000	2,88,00,000	2,88,00,000	2,88,00,000	2,88,00,000	2,88,00,000
	- Percentage of shareholding	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
2	Promoters and Promoter Group Shareholding						
a)	Pledged / Encumbered						
	-Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
	-Percentage of shares	NIL	NIL	NIL	NIL	NIL	NIL
	(as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL
	-Percentage of shares (as a % of the total share capital of the company)						
b)	Non - encumbered						
	-Number of shares	25,92,00,000	25,92,00,000	25,92,00,000	25,92,00,000	25,92,00,000	25,92,00,000
	-Percentage of shares	100	100	100	100	100	100
	(as a % of the total shareholding of promoter and promoter group)						
	-Percentage of shares (as a % of the total share capital of the company)	90	90	90	90	90	90



	Particulars	3 months ended (30.09.2014)
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

NOTES:

- The above unaudited financial results for the quarter ended 30.09.2014 were reviewed by the Audit Committee and upon its recommendations, were approved by the Board of Directors at their meeting held on 13/11/2014.
- A Limited Review of the above Financial Results has been carried out by Statutory Auditors of the company pursuant to clause 41 of the listing agreement.
- Previous year/ Quarter figures have been regrouped/restated wherever necessary.
- The Company is primarily engaged in the business of manufacturing, trading and servicing of telecommunication equipments and rendering other associated / ancillary services and there are no other reportable segments as per Accounting Standard (AS) 17 issued by the Institute of Chartered Accountants of India (ICAI).
- All mandatory Accounting Standards issued by ICAI have been followed in the finalisation of results for the quarter ended 30.09.2014.
- Figures for the preceding three months is the balancing figure between year to date published figures on 30.06.2014 & 30.09.2014.
- The Company is a sick company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of Rs.4156.79 crores in February 2014, for Revival of ITI under Rehabilitation Scheme.
- The Company has continued to charge depreciation on Straight Line Method as per the useful life of the assets as assessed by the Management in the previous years as against the useful life as prescribed under Part C of schedule - II to the Companies Act 2013 which came into effect from 1st April, 2014 and the Statutory Auditors have qualified the Review Report in this regard.

9 STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Particulars	Rs. in Lakhs	
	As at 30/09/2014	As at 31/03/2014
	(Unaudited)	(Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	58800	58800
(b) Reserves and surplus	666	23079
(c) Deferred tax liabilities (net)	0	0
Sub-total - Shareholders' funds	59466	81879
2 Share application money pending allotment	0	0
3 Non-current liabilities		
(a) Long-term borrowings	20000	0
(b) Other long-term liabilities	289	501
(c) Trade Payables	26556	25596
(d) Long-term provisions	10333	10438
Sub-total - Non-current liabilities	57178	36535
4 Current liabilities		
(a) Short-term borrowings	90909	87593
(b) Trade payables	199049	203443
(c) Other current liabilities	64980	66023
(d) Short-term provisions	36531	33285
Sub-total - Current liabilities	391469	390344
TOTAL - EQUITY AND LIABILITIES	508113	508758
B ASSETS		
1 Non-current assets		
(a) Fixed assets	246540	247401
(b) Non-current investments	41	41
(c) Deferred tax assets (net)	0	0
(d) Long-term loans and advances	199	195
(e) Trade receivables	21298	20811
Sub-total - Non-current assets	268078	268448
2 Current assets		
(a) Current investments	0	0
(b) Inventories	8732	9620
(c) Trade receivables	196132	194352
(d) Cash and cash equivalents	700	3234
(e) Short-term loans and advances	34436	33069
(f) Other current assets	35	35
Sub-total - Current assets	240035	240310
TOTAL - ASSETS	508113	508758

Per our report of even date
For SUNDAR SRINI & SRIDHAR
Chartered Accountants
FRN: 004201S

S. SRIDHAR
Partner
M. No.: 025504

Place: DELHI
Date: 13.11.2014



For ITI LIMITED

K.K. GUPTA
Director Production
DIN NO: 03092622