Ref: K/953/NSE&BSE/2026-27

Date: 13.08.2026

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: Outcome of Board Meeting under 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 13th August 2026 approved the Unaudited Financial Results for the Quarter ended 30th June 2026.

Please find herewith following documents:

1. Unaudited Financial Results (Consolidated & Standalone) for the Quarter ended 30th June 2026;
2. Limited Review Report of Statutory Auditors on Financial Results (Consolidated & Standalone) for the Quarter ended 30th June 2026.

The Board Meeting commenced on 13th August 2026 at 3:45 P.m. and concluded at 4:45 P.m.

This is for your kind information and records please.

Thanking you

Yours faithfully
For ITI Limited

Y Sathyan
Digitally signed by Y Sathyan
Date: 2026.08.13 18:04:35 +05'30'

Y Sathyan
Company Secretary & Compliance Officer

I T I 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 Ended June 30, 2026

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Year Ended	
		30-06-2026	31-03-2026	30-06-2025	31-03-2026	31-03-2025
		Unaudited	Audited	Unaudited	Audited	Audited
1	**Income**					
	Revenue from Operations	42,503	62,765	49,801	2,18,372	3,61,642
	Other Income	837	1,324	1,304	5,340	8,520
	Total Revenue	43,340	64,089	51,105	2,23,712	3,70,162
2	**Expenses**					
	(a) Cost of Materials Consumed & Services	3,644	5,143	693	10,855	1,06,919
	(b) Purchase of stock-in-trade	34,192	43,318	44,337	1,72,878	2,34,634
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(915)	(817)	(113)	172	(2,505)
	(d) Employee benefits expense	3,404	2,991	3,899	14,601	19,185
	(e) Finance costs	2,998	4,543	5,087	19,693	22,430
	(f) Depreciation and amortisation expense	1,252	1,775	1,455	5,645	6,920
	(g) Other expenses	1,998	9,449	1,718	15,504	9,398
	Total Expenses	46,573	66,402	57,076	2,39,348	3,96,981
3	**Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)**	(3,233)	(2,313)	(5,971)	(15,636)	(26,819)
4	Prior period Items	-	-	-	-	-
5	**Profit / (Loss) before exceptional/extraordinary items and tax (3 + 4)**	(3,233)	(2,313)	(5,971)	(15,636)	(26,819)
6	**Exceptional Items (Refer Note 8)**	(14)	45,904	(361)	44,915	3,504
7	**Share of Profit of Associate under Equity Method**	22	19	(29)	4	1,826
8	**Profit / (Loss) before extraordinary items and tax (5+6+7)**	(3,225)	43,610	(6,361)	29,283	(21,489)
9	**Extraordinary items**	-	-	-	-	-
10	**Profit / (Loss) before tax (8+9)**	(3,225)	43,610	(6,361)	29,283	(21,489)
11	**Tax Expense:**					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
12	**Profit / (Loss) for the period (10-11)**	(3,225)	43,610	(6,361)	29,283	(21,489)
13	**Other comprehensive Income/(Loss)**					
	Items not to be reclassified to Profit or Loss in subsequent period	-	(849)	-	(849)	(392)
	Other comprehensive Income/(Loss) for the period	-	(849)	-	(849)	(392)
14	**Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (12+13)**	(3,225)	42,761	(6,361)	28,434	(21,881)
15	**Paid up equity share capital (Face value of ₹10/- each)**	96,285	96,285	96,089	96,285	96,089
16	**i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):**					
	(a) Basic	(0.33)	4.53	(0.66)	3.04	(2.24)
	(b) Diluted	(0.33)	4.53	(0.66)	3.04	(2.24)
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(0.33)	4.53	(0.66)	3.04	(2.24)
	(b) Diluted**	(0.33)	4.53	(0.66)	3.04	(2.24)
	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.

सी.वी.रमण बाबू / C.V. Ramana Babu
निदेशक – वित्त / Director- Finance
आईटीआई लिमिटेड / ITI Limited
पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office
आईटीआई भवन, दूरवाणीनगर / ITI Bhavan, Dooravaninagar,
बेंगलूरु / BENGALURU - 560 016

B K RAMADHYANI CO. LLP
BANGALORE-55
Chartered Accountants

ITI

NOTES:

1	The above financial results for the quarter ended June 30, 2026 were reviewed by the Audit Committee on August 13, 2026 and upon its recommendations, were approved by the Board of Directors at their meeting held on August 13, 2026.
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	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.3,08,435 lakhs.
4	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 dated.February 23, 2018 has exempted companies engaged in the Defence production from the requirement of Segment Reporting.
5	SEBI's requirement of 25% public shareholding requirements are currently under consideration by the Company where in current promoter shareholding in the Company is 90.02% (including holding of Government of Karnataka of 0.03%) and public shareholding at 9.98% (including holding of Special Investment Fund of 7.90%). Ministry of Finance vide notification date July 19,2024 granted extention to comply with the said requirement till August 2026. Company requested DoT regarding manner of achieving the minimum public shareholding of 25% and is currently under consideration.
6	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 progess.
7	Finance Cost includes interest on outstanding statutory dues of provident fund and other taxes.
8	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.
9	The Company has signed a contract on October,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 is expected to be completed by December, 31 2026.
10	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. 13,88,281 lakhs, expected conversion of unbilled revenue of Rs. 2,34,615 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 and the company's plans of land monetization.
11	ITI has Invested 49.06 % of Equity share capital of its Joint Venture India Satcom Limited 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.
12	Following are the list of Exceptional Items

Exceptional Items

Particulars	Amount in lakhs
Interest on Gratuity & PL and others	14.16
Total	**14.16**

13	The consolidated figures for the quarter ended March 31, 2026, as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to December 31, 2025, of financial year 2025-26. The figures up to the end of the December 31, 2025, had only been reviewed and not subjected to audit.

सी.वी. रमण बाबू / C.V. Ramana Babu
निदेशक – वित्त / Director- Finance
आईटीआई लिमिटेड / ITI Limited
पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office
आईटीआई भवन, दूरवाणीनगर / ITI Bhavan, Dooravaninagar,
बेंगलूरु / BENGALURU - 560 016

14	Corresponding Quarter/ year figures have been regrouped/restated wherever necessary to conform with the current year's classificiation.	
15	**EPS calculation:**	Quarter ended 30-06-2026
	Profit After Tax	(3,225)
	Less:	
	Preference Dividend	-
	Dividend tax	-
	Profit available to equity shareholders	(3,225)
	No. of Shares at beginning of the period	962851967
	No. of Shares issued during the period.	-
	No. of Shares at the end of the period.	962851967
	Weighted average no of shares during the period	962851967
	Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	(0.33)
16	The above results are available at www.itiltd.in and website of stock exchanges at www.bseindia.com and www.nseindia.com.	

Particulars	Quarter ended 30-06-2026
INVESTOR COMPLAINTS:	
Pending at the beginning of the quarter	Nil
Received during the quarter	-
Disposed of during the quarter	-
Remaining unresolved at the end of the quarter	Nil

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

Vasuki H S
Partner
M. No.212013
Place: Bengaluru
Date : August 13, 2026

B K RAMADHYANI & CO. LLP
CHARTERED ACCO...
No. 68, # 4-B, Ch...
8th Main, 15th Cros...

By Order of Board
For ITI LIMITED

C V Ramana Babu
Director Finance & CFO
DIN: 10478320

Rajesh Rai
Digitally signed by Rajesh Rai
Date: 2026.08.13 18:05:40 +05'30'

Rajesh Rai
Chairman & Managing Director
DIN: 10052045

सी.वी.रमण बाबू / C.V. Ramana Babu
निदेशक – वित्त / Director- Finance
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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 of ITI Limited ('the Company') including its associate 'India Satcom Limited' collectively referred as 'Consolidated Statement' for the three months ended June 30, 2026, 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 Consolidated 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. Our responsibility is to issue a report on the Consolidated Statement based on our review.

3. **Auditors Responsibility**

   Our responsibility is to express a conclusion on the Consolidated 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 Consolidated 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 Consolidated 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 our Independent Auditor's Report dated May 29, 2026 on the consolidated financial statements of the Company for the year ended March 31, 2026, wherein we had disclaimed our opinion for the reasons set out in the "Basis for Disclaimer of Opinion" section of that report. The said matters continues to affect the results for the quarter ended June 30, 2026. The Management has neither quantified nor ascertained the effect of the said matter on the Consolidated Statement, and we are also unable to quantify the same.

Consequently, we are unable to obtain sufficient appropriate evidence to form a conclusion on the Consolidated Statement on account of the potential interaction of the above matter with multiple possible misstatements, if any, and our inability to assess their individual and cumulative effect, which may be both material and pervasive.

b. The Company did not have adequate internal financial controls with reference to its financial statements as required by section 134 of the Companies Act, 2013 (the Act'), which may in turn result in errors and misstatements therein which may remain undetected and have a material impact thereof on the Consolidated Statement. This includes non-establishment of a sound information systems security policy and general controls inter alia with adequate controls, safeguards and oversight over access, use of passwords, change management, modifications/edits made to data through the application or to the database/backend changes, with adequate audit trails and periodical reviews of the same.

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c. The Company entered into multiple composite contracts with certain customers for planning, engineering, construction, upgradation, supply, installation, commissioning, testing and annual maintenance, involving substantial amounts. In these cases, the Company has recognized revenue (including unbilled portions) for the supply of goods to customers based on dispatches and for services rendered, wherever completed by it, as at the period end and unbilled portions of revenue recognised based on assessment of work completed and corresponding costs incurred. The Company has not furnished us with the requisite documentation substantiating compliance with the preconditions for recognizing revenue including unbilled portion in terms of Ind AS 115-Revenue from Contracts with Customers and passing of controls to the latter over the goods and services. The Company has also not assessed probable losses which it might incur on account of cost overruns, liquidated damages, warranty expenses and additional cost to be incurred in the completion of services, requiring recognition. Effect on the Consolidated Statement not ascertained.

d. The Company is in the process of assessing certain changes in various terms of certain select contracts involving procurement of goods and services. Pending such exercise, and finalisation of the said matters/ entering into revised contracts/ issuing amendments of purchase orders, effects on costs, incurred or to be incurred in respect of each such contracts/ amendments/ revised purchase orders are not assessed at this stage. Further, the Company has not furnished clear details/ breakups of unbilled payables recorded in the books of accounts. Due to such matters, effect on the Consolidated statement, if any, could not be ascertained.

e. Direct balance confirmations from the banks were not received in respect of certain banks. We have relied on bank statements and books of accounts furnished to us.

f. The Company is in the process of updating its books of accounts up to the date of issue of this report. Accordingly, we could not perform subsequent events review and relied on certain management representations.

g. The Company follows the process of recording interunit transactions which are identified manually, and we have relied on the entries passed in the books of accounts. There are inherent limitations in identifying and tracing such entries in the books of accounts with actual transactions happened during the

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period. Accordingly, we are unable to independently assess the correctness and completeness of such transactions.

h. Reference is drawn to our audit report dated May 29, 2026 in respect of audited consolidated financial statements as at March 31, 2026 to observation 15 of 'Basis for disclaimer of opinion' paragraph the reported observation continues. No data was received in respect of inventories and materials consumed in raw materials and work in progress categories during the quarter ended June 30, 2026 in the absence of which we are unable to do any review procedures in respect of 'Cost of Materials Consumed & Services', 'Purchase of stock-in-trade' and 'Changes in inventories of finished goods, work-in-progress and traded goods' and relied on the data furnished by the Company.

i. The Company has reported certain non-compliances with various provisions of the SEBI Listing Regulations/the Act interalia in respect of quorum for board meetings, non-compliance with the constitution of audit and risk management committees, specified proportion number of independent directors. Consequential non-compliance of such provisions and its effect on the Results for the quarter ended June 30, 2026 is not known including non-provision for penalty and interest liability there on.

j. The Company has classified certain items as Exceptional Items which are not in accordance with the IndAS 1 Presentation of Financial Statements. In the absence of adequate information and documentation we are unable to comment on the correctness of the amounts reported therein.

k. Reference is drawn to the branch auditors review report issued for the Palakkad unit, Naini unit, Raebareli Plant, Mankapur unit and Srinagar unit dated August 11, 2026, August 10, 2026, August 08, 2026, August 11, 2026 and August 07, 2026, respectively, issued by M/s. Balaram and Nandakumar, Chartered Accountants, Vinay Kumar & Co, Chartered Accountants, M/s Chandnani Singh & Associates, Chartered Accountants, M/s PNG & Co. and M/s USA & Company, Chartered Accountants whose matters described as below and its effect on the results for the quarter and three months ended June 30, 2026 are not quantified for some of the matters described and effect on the said financial information as furnished by the management not ascertained.

B K RAMADHYANI & CO. LLP BANGALORE Chartered Accountants

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As per the review report issued by M/s Balaram & Nandakumar, Chartered Accountants dated August 11, 2026

i. Accounts receivable comprise of amounts receivable from various customers, including the Government of India/ Public Sector Undertakings amounting to Rs. 8,986.69 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. 331.07 lakhs as provision for expected credit losses. The Management of the Unit has explained to us 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 June 30, 2026 if any further adjustments may be required to the carrying value of these amounts totalling to Rs. 8,655.62 lakhs which predominantly represents overdue debts from the 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. We are also not in a position to determine if any adjustments may be required to the carrying value of inventory as of June 30, 2026.

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.

iv. We are not in a position to verify the accuracy of the account balances pertaining to "Bank Guarantee, Letter of Credit, Provision for Gratuity, Provision for leave salary, Finance Charges (Corporate Allocation), Other expenses (Corporate Allocation), Retained earnings and inter unit balances as the necessary information / documentation are not with the unit. We are also not in a position to verify the status of pending litigations against the company and the adequacy of provisions, if any required to be made in the books of account of the unit. We understand from the unit accounts team that the requisite details are available only at the head office level and may thus be verified by the Central Audit Team at the Head Office.

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v. Other current assets included unbilled revenue amounting to Rs. 1,165.86 lakhs out of which Rs. 427.17 pertains to revenue from earlier years, which have not been billed to customers till the date of this report. We are unable obtain sufficient and appropriate audit evidence regarding recoverability of these amounts and consequential impact, if any on the financial statements.

vi. The unit has entered into certain contracts with customers for planning, engineering, supply, installation, testing, commissioning, and annual maintenance, of optical fibre net. During the quarter ended June 30, 2026 the company has not recognized any revenue in the statement of profit and loss. However, an expense amounting to Rs. 89.39 Lakhs has been recorded which are pertaining to these contracts. Revenue Recognition under Ind AS 115 "Revenue from contract with customers" may require revenue to be recognised over a period of time upon identification and satisfaction of performance obligation with respect to these specific contracts. In the absence of relevant data and contract-wise analysis, we were unable to determine the impact of this matter on the revenue and related balances recognised in these accompanying financial statements.

As per the review report issued by M/s Vinay Kumar & Co, Chartered Accountants dated August 10, 2026, on Naini Unit.

i. 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. 1,541.37 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 many 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.

ii. The unit has provided interest on interest on provident fund Rs. 38.17 lakh during the quarter.

iii. Provision for proportionate liability for Gratuity, Paid Leave, Sick Leave and Leave Travel Concession have not been made in Unit Accounts under review.

B K RAMADHYANI CO. LLP BANGALORE Chartered Accountants

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As per the review report issued by M/s PNG & Co, Chartered Accountants, dated August 11, 2026, on Mankapur Unit.

i. The expenditure debited to the profit and loss account of the units include interest on loans amounting to Rs. 1,07.96 lakhs allocated by the corporate office irrespective of the amount of cash credit actually availed by the unit.

ii. Inventories with a book value of Rs. 2,844.18 lakhs include several old items stored at various sites and warehouses. However, the Net Realizable Value (NRV) as of June 30, 2026, was not provided. The unit's inventory contains aged items, but no assessment has been conducted to determine their ageing, usefulness, or serviceability, raising concerns about potential obsolescence. Additionally, the unit did not provide physical verification reports, which were reportedly conducted. In the absence of a readily available excess/shortage list, we were unable to verify whether any adjustments were required in the books of account.

iii. During the review of records at ITI Mankapur, it was observed that the entity defaulted on the payment of employer and employee contributions to the PF Trust, resulting in a total outstanding liability of Rs. 2,721.43 lakhs. Consequently, a late payment interest charge of Rs. 52.18 lakhs was incurred. Additionally, interest on the delayed payment of gratuity and privilege leave (PL) amounted to Rs. 13.36 lakhs recorded under exceptional item.

As per the review report issued by M/s Chandnani Singh & Associates, Chartered Accountants, dated August 08, 2026, on Rae Bareli Unit.

i. Finance cost includes corporate allocated expenses amounting to Rs. 174.03 lakhs for three-month period ending on June 30, 2026, on basis of corporate office advice.

ii. Unbilled revenue balance is Rs. 146.88 crores as on June 30, 2026, pertains to last years, still unbilled in current year.

iii. 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 -Rae Bareli Unit on accrual Rent. The

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Company has intimated that the matter has been referred to the administrative mechanism for resolving the same on priority.

iv. 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

v. Goods under inspection amounting to Rs. 57.99 lakhs as on June 30, 2026, are still pending for inspection related to Last year.

vi. Rent Recoverable RS. 28.35 crore is still pending from tenants. Out of these Rs. 16.07 crore pertaining to NIFT Building rent, which is under discussion & consideration with Ministry of Textiles and has been communicated to DOT to resolve this issue. Further tax invoice has not been issued by ITI Ltd. to NIFT for Q1 FY 2026-27.

vii. Under Revenue Purchase Advance -Inland Rs. 13.11 crore pertains to more than 3 years before and advance Purchase Revenue-Foreign Rs. 3.71 Crore pertains to more than 3 years. Further no provisions made in the books against these advances.

viii. Claim inland in assets side RS. 6.65 Crore balance exists more than 3 years, further no provisions made in the books against these claims.

ix. Under capital WIP amounting to Rs. 0.11 crore pertaining to separate feeder pending from approx 15 years.

x. Long balances pending in some ledgers ;
   - Mobile show room stocks balances
   - Mobile show room cash balances
   - NIFT Bank balances
   - Escrow account balances in Bank of Baroda account number 24, 26 and 75.

xi. No details provided for shop rent.

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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 Statement 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 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 10 to the Consolidated Statement and Company had incurred a net loss of Rs. 3,225 lakhs during the quarter ended June 30, 2026 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 Consolidated Independent Auditor's report issued vide dated May 29, 2026.

8. **Other Matters:**

a) We did not review the interim financial results of the Palakkad, Raebareli, Naini, Mankapur and Srinagar units included in the Consolidated Statement, whose results reflect the total net loss of Rs. 2,891.35 lakhs and total comprehensive loss of Rs. 2,891.35 lakhs for the three months ended June 30, 2026 respectively, as considered in the consolidated unaudited interim financial information of the Company. The interim financial information of these units have been reviewed by the unit 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 units, is based solely on the report of such unit auditors. Our conclusion is not modified in respect of the above matter.

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b) We did not review the unaudited financial results of the associate considered in the preparation of this Consolidated Statement, which constitute share of profit for the quarter ended June 30, 2026, of Rs. 22.40 lakhs. The unaudited financial results and other financial information in respect of an associate is based on limited review conducted by the auditors of the associate K. V. Narasimhan & Co. and our opinion on the consolidated statement, to the extent they have been derived from such financial result is solely on the basis of the said unaudited financial results. Our conclusion on the Consolidated Statement is not modified in respect of the above matters.

9. Attention is drawn to the note 13 of the financial results that the consolidated figures for the quarter ended March 31, 2026, as reported in the Consolidated Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to December 31, 2025, of financial year 2025-26. The figures up to the end of the December 31, 2025, had only been reviewed and not subjected to audit.

10. A copy of the unaudited quarter 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. HS.

Vasuki H S
Partner
Membership No: 212013
UDIN: 26212013MHRXOA4050

Place: Bengaluru
Date: August 13, 2026

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, # 4-B, Chitrapur Bhavan,
h Main, 15th Cross, Mall
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I T I 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 Ended June 30, 2026

₹ in Lakhs except per share data

SL No	Particulars	Quarter Ended			Year Ended	
		30-06-2026	31-03-2026	30-06-2025	31-03-2026	31-03-2025
		Unaudited	Audited	Unaudited	Audited	Audited
1	**Income**					
	Revenue from Operations	42,503	62,765	49,801	2,18,372	3,61,642
	Other Income	837	1,324	1,304	5,340	8,520
	Total Revenue	43,340	64,089	51,105	2,23,712	3,70,162
2	**Expenses**					
	(a) Cost of Materials Consumed & Services	3,644	5,143	693	10,855	1,06,919
	(b) Purchase of stock-in-trade	34,192	43,318	44,337	1,72,878	2,34,634
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	(915)	(817)	(113)	172	(2,505)
	(d) Employee benefits expense	3,404	2,991	3,899	14,601	19,185
	(e) Finance costs	2,998	4,543	5,087	19,693	22,430
	(f) Depreciation and amortisation expense	1,252	1,775	1,455	5,645	6,920
	(g) Other expenses	1,998	9,449	1,718	15,504	9,398
	Total Expenses	46,573	66,402	57,076	2,39,348	3,96,981
3	**Profit / (Loss) before exceptional, Prior period and extraordinary items and tax (1 - 2)**	(3,233)	(2,313)	(5,971)	(15,636)	(26,819)
4	Prior period Items	-	-	-	-	-
5	**Profit / (Loss) before exceptional/extraordinary items and tax (3 + 4)**	(3,233)	(2,313)	(5,971)	(15,636)	(26,819)
6	**Exceptional Items (Refer Note 8)**	(14)	45,904	(361)	44,915	3,504
7	**Profit / (Loss) before extraordinary items and tax (5 + 6)**	(3,247)	43,591	(6,332)	29,279	(23,315)
8	**Extraordinary items**	-	-	-	-	-
9	**Profit / (Loss) before tax (7 + 8)**	(3,247)	43,591	(6,332)	29,279	(23,315)
10	**Tax Expense:**					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
11	**Profit / (Loss) for the period (9 - 10)**	(3,247)	43,591	(6,332)	29,279	(23,315)
12	**Other comprehensive Income/(Loss)**					
	Items not to be reclassified to Profit or Loss in subsequent period	-	(849)		(849)	(392)
	Other comprehensive Income/(Loss) for the period	-	(849)	-	(849)	(392)
13	**Total comprehensive Income for the period (comprising profit/Loss) and other comprehensive Income for the period (11+12)**	(3,247)	42,742	(6,332)	28,430	(23,707)
14	**Paid up equity share capital (Face value of ₹10/- each)**	96,285	96,285	96,089	96,285	96,089
15	**i) Earnings Per Share (before extraordinary items and prior period Items) (of ₹10/- each):**					
	(a) Basic	(0.34)	4.53	(0.65)	3.04	(2.43)
	(b) Diluted	(0.34)	4.53	(0.65)	3.04	(2.43)
	ii) Earnings Per Share (after extraordinary items and prior period Items) (of ₹10/- each):					
	(a) Basic	(0.34)	4.53	(0.65)	3.04	(2.43)
	(b) Diluted**	(0.34)	4.53	(0.65)	3.04	(2.43)
	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.

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निदेशक – वित्त / Director- Finance
आईटीआई लिमिटेड / ITI Limited
पंजीकृत एवं निगमित कार्यालय / Regd. & Corporate Office
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B K RAMADHYANI & CO. LLP
BANGALORE-56
Chartered Accountants

NOTES:

1 The above financial results for the quarter ended June 30, 2026 were reviewed by the Audit Committee on August 13, 2026 and upon its recommendations, were approved by the Board of Directors at their meeting held on August 13, 2026.

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 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.3,08,435 lakhs.

4 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 dated.February 23, 2018 has exempted companies engaged in the Defence production from the requirement of Segment Reporting.

5 SEBI's requirement of 25% public shareholding requirements are currently under consideration by the Company where in current promoter shareholding in the Company is 90.02% (including holding of Government of Karnataka of 0.03%) and public shareholding at 9.98% (including holding of Special Investment Fund of 7.90%). Ministry of Finance vide notification date July 19,2024 granted extention to comply with the said requirement till August 2026. Company requested DoT regarding manner of achieving the minimum public shareholding of 25% and is currently under consideration.

6 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 progess.

7 Finance Cost includes interest on outstanding statutory dues of provident fund and other taxes.

8 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.

9 The Company has signed a contract on October,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 is expected to be completed by December, 31 2026.

10 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. 13,88,281 lakhs, expected conversion of unbilled revenue of Rs. 2,34,615 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 and the company's plans of land monetization.

11 Following are the list of Exceptional Items

Exceptional Items	
Particulars	**Amount in lakhs**
Interest on Gratuity & PL and others	14.16
Total	**14.16**

12 The standalone figures for the quarter ended March 31, 2026, as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to December 31, 2025, of financial year 2025-26. The figures up to the end of the December 31, 2025, had only been reviewed and not subjected to audit.

13 Corresponding Quarter/ year figures have been regrouped/restated wherever necessary to conform with the current year's classificiation.

सी.वी.रमण बाबू / C.V. Ramana Babu
निदेशक – वित्त / Director- Finance
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Bangalore-56
Chartered Accountants

14	**EPS calculation:**	Quarter ended
	Profit After Tax	30-06-2026
	Less:	(3,247)
	Preference Dividend	
	Dividend tax	-
	Profit available to equity shareholders	-
	No. of Shares at beginning of the period	(3,247)
	No. of Shares issued during the period.	962851967
	No. of Shares at the end of the period.	-
	Weighted average no of shares during the period	962851967
	Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	962851967
		(0.34)
15	The above results are available at www.itiltd.in and website of stock exchanges at www.bseindia.com and www.nseindia.com.	

Particulars	Quarter ended 30-06-2026
INVESTOR COMPLAINTS:	
Pending at the beginning of the quarter	Nil
Received during the quarter	-
Disposed of during the quarter	-
Remaining unresolved at the end of the quarter	Nil

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

Vasuki H S

Vasuki H S
Partner
M. No.212013
Place: Bengaluru
Date : August 13, 2026

C V Ramana Babu
Director Finance & CFO
DIN: 10478320

By Order of Board
For ITI LIMITED

Rajesh Rai
Digitally signed by Rajesh Rai
Date: 2026.08.13 18:06:21 +05'30'

Rajesh Rai
Chairman & Managing Director
DIN: 10052045

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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 of ITI Limited ("the Company") for the three months ended June 30, 2026 ("the Statement"), 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. Our responsibility is to issue a report on the Statement based on our review.

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 our Independent Auditor's Report dated May 29, 2026 on the standalone financial statements of the Company for the year ended March 31, 2026, wherein we had disclaimed our opinion for the reasons set out in the "Basis for Disclaimer of Opinion" section of that report. The said matters continues to affect the results for the quarter ended June 30, 2026. The Management has neither quantified nor ascertained the effect of the said matter on the Statement, and we are also unable to quantify the same.

Consequently, we are unable to obtain sufficient appropriate evidence to form a conclusion on the Statement on account of the potential interaction of the above matter with multiple possible misstatements, if any, and our inability to assess their individual and cumulative effect, which may be both material and pervasive.

b. The Company did not have adequate internal financial controls with reference to its financial statements as required by section 134 of the Companies Act, 2013 (the Act'), which may in turn result in errors and misstatements therein which may remain undetected and have a material impact thereof on the Statement. This includes non-establishment of a sound information systems security policy and general controls inter alia with adequate controls, safeguards and oversight over access, use of passwords, change management, modifications/edits made to data through the application or to the database/backend changes, with adequate audit trails and periodical reviews of the same.

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c. The Company entered into multiple composite contracts with certain customers for planning, engineering, construction, upgradation, supply, installation, commissioning, testing and annual maintenance, involving substantial amounts. In these cases, the Company has recognized revenue (including unbilled portions) for the supply of goods to customers based on dispatches and for services rendered, wherever completed by it, as at the period end and unbilled portions of revenue recognised based on assessment of work completed and corresponding costs incurred. The Company has not furnished us with the requisite documentation substantiating compliance with the preconditions for recognizing revenue including unbilled portion in terms of Ind AS 115-Revenue from Contracts with Customers and passing of controls to the latter over the goods and services. The Company has also not assessed probable losses which it might incur on account of cost overruns, liquidated damages, warranty expenses and additional cost to be incurred in the completion of services, requiring recognition. Effect on the Statement not ascertained.

d. The Company is in the process of assessing certain changes in various terms of certain select contracts involving procurement of goods and services. Pending such exercise, and finalisation of the said matters/ entering into revised contracts/ issuing amendments of purchase orders, effects on costs, incurred or to be incurred in respect of each such contracts/ amendments/ revised purchase orders are not assessed at this stage. Further, the Company has not furnished clear details/ breakups of unbilled payables recorded in the books of accounts. Due to such matters, effect on the statement, if any, could not be ascertained.

e. Direct balance confirmations from the banks were not received in respect of certain banks. We have relied on bank statements and books of accounts furnished to us.

f. The Company is in the process of updating its books of accounts up to the date of issue of this report. Accordingly, we could not perform subsequent events review and relied on certain management representations.

g. The Company follows the process of recording interunit transactions which are identified manually, and we have relied on the entries passed in the books of accounts. There are inherent limitations in identifying and tracing such entries in the books of accounts with actual transactions happened during the

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period. Accordingly, we are unable to independently assess the correctness and completeness of such transactions.

h. Reference is drawn to our audit report dated May 29, 2026 in respect of audited financial statements as at March 31, 2026 to observation 15 of 'Basis for disclaimer of opinion' paragraph the reported observation continues. No data was received in respect of inventories and materials consumed in raw materials and work in progress categories during the quarter ended June 30, 2026 in the absence of which we are unable to do any review procedures in respect of 'Cost of Materials Consumed & Services', 'Purchase of stock-in-trade' and 'Changes in inventories of finished goods, work-in-progress and traded goods' and relied on the data furnished by the Company.

i. The Company has reported certain non-compliances with various provisions of the SEBI Listing Regulations/the Act interalia in respect of quorum for board meetings, non-compliance with the constitution of audit and risk management committees, specified proportion number of independent directors. Consequential non-compliance of such provisions and its effect on the Results for the quarter ended June 30, 2026 is not known including non-provision for penalty and interest liability there on.

j. The Company has classified certain items as Exceptional Items which are not in accordance with the IndAS 1 Presentation of Financial Statements. In the absence of adequate information and documentation we are unable to comment on the correctness of the amounts reported therein.

k. Reference is drawn to the branch auditors review report issued for the Palakkad unit, Naini unit Raebareli Plant, Mankapur unit and Srinagar unit dated August 11, 2026, August 10, 2026, August 08, 2026, August 11, 2026 and August 07, 2026, respectively, issued by M/s. Balaram and Nandakumar, Chartered Accountants, Vinay Kumar & Co, Chartered Accountants, M/s Chandnani Singh & Associates, Chartered Accountants, M/s PNG & Co. and M/s USA & Company, Chartered Accountants whose matters described as below and its effect on the results for the quarter and three months ended June 30, 2026 are not quantified for some of the matters described and effect on the said financial information as furnished by the management not ascertained.

B K RAMADHYANI & CO LLP BANGALORE Chartered Accountants

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As per the review report issued by M/s Balaram & Nandakumar, Chartered Accountants dated August 11, 2026

i. Accounts receivable comprise of amounts receivable from various customers, including the Government of India/ Public Sector Undertakings amounting to Rs. 8,986.69 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. 331.07 lakhs as provision for expected credit losses. The Management of the Unit has explained to us 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 June 30, 2026 if any further adjustments may be required to the carrying value of these amounts totalling to Rs. 8,655.62 lakhs which predominantly represents overdue debts from the 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. We are also not in a position to determine if any adjustments may be required to the carrying value of inventory as of June 30, 2026.

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.

iv. We are not in a position to verify the accuracy of the account balances pertaining to "Bank Guarantee, Letter of Credit, Provision for Gratuity, Provision for leave salary, Finance Charges (Corporate Allocation), Other expenses (Corporate Allocation), Retained earnings and inter unit balances as the necessary information / documentation are not with the unit. We are also not in a position to verify the status of pending litigations against the company and the adequacy of provisions, if any required to be made in the books of account of the unit. We understand from the unit accounts team that the requisite details are available only at the head office level and may thus be verified by the Central Audit Team at the Head Office.

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v. Other current assets included unbilled revenue amounting to Rs. 1,165.86 lakhs out of which Rs. 427.17 pertains to revenue from earlier years, which have not been billed to customers till the date of this report. We are unable obtain sufficient and appropriate audit evidence regarding recoverability of these amounts and consequential impact, if any on the financial statements.

vi. The unit has entered into certain contracts with customers for planning, engineering, supply, installation, testing, commissioning, and annual maintenance, of optical fibre net. During the quarter ended June 30, 2026 the company has not recognized any revenue in the statement of profit and loss. However, an expense amounting to Rs. 89.39 Lakhs has been recorded which are pertaining to these contracts. Revenue Recognition under Ind AS 115 "Revenue from contract with customers" may require revenue to be recognised over a period of time upon identification and satisfaction of performance obligation with respect to these specific contracts. In the absence of relevant data and contract-wise analysis, we were unable to determine the impact of this matter on the revenue and related balances recognised in these accompanying financial statements.

As per the review report issued by M/s Vinay Kumar & Co, Chartered Accountants dated August 10, 2026, on Naini Unit.

i. 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. 1,541.37 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 many 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.

ii. The unit has provided interest on interest on provident fund Rs. 38.17 lakh during the quarter.

iii. Provision for proportionate liability for Gratuity, Paid Leave, Sick Leave and Leave Travel Concession have not been made in Unit Accounts under review.

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As per the review report issued by M/s PNG & Co, Chartered Accountants, dated August 11, 2026, on Mankapur Unit.

i. The expenditure debited to the profit and loss account of the units include interest on loans amounting to Rs. 1,07.96 lakhs allocated by the corporate office irrespective of the amount of cash credit actually availed by the unit.

ii. Inventories with a book value of Rs. 2,844.18 lakhs include several old items stored at various sites and warehouses. However, the Net Realizable Value (NRV) as of June 30, 2026, was not provided. The unit's inventory contains aged items, but no assessment has been conducted to determine their ageing, usefulness, or serviceability, raising concerns about potential obsolescence. Additionally, the unit did not provide physical verification reports, which were reportedly conducted. In the absence of a readily available excess/shortage list, we were unable to verify whether any adjustments were required in the books of account.

iii. During the review of records at ITI Mankapur, it was observed that the entity defaulted on the payment of employer and employee contributions to the PF Trust, resulting in a total outstanding liability of Rs. 2,721.43 lakhs. Consequently, a late payment interest charge of Rs. 52.18 lakhs was incurred. Additionally, interest on the delayed payment of gratuity and privilege leave (PL) amounted to Rs. 13.36 lakhs recorded under exceptional item.

As per the review report issued by M/s Chandnani Singh & Associates, Chartered Accountants, dated August 08, 2026, on RaeBareli Unit.

i. Finance cost includes corporate allocated expenses amounting to Rs. 174.03 lakhs for three-month period ending on June 30, 2026, on basis of corporate office advice.

ii. Unbilled revenue balance is Rs. 146.88 crores as on June 30, 2026, pertains to last years, still unbilled in current year.

iii. 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 -Rae Bareli Unit on accrual Rent. The Company has intimated that the matter has been referred to the administrative mechanism for resolving the same on priority.

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iv. 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

v. Goods under inspection amounting to Rs. 57.99 lakhs as on June 30, 2026, are still pending for inspection related to Last year.

vi. Rent Recoverable RS. 28.35 crore is still pending from tenants. Out of these Rs. 16.07 crore pertaining to NIFT Building rent, which is under discussion & consideration with Ministry of Textiles and has been communicated to DOT to resolve this issue. Further tax invoice has not been issued by ITI Ltd. to NIFT for Q1 FY 2026-27.

vii. Under Revenue Purchase Advance -Inland Rs. 13.11 crore pertains to more than 3 years before and advance Purchase Revenue-Foreign Rs. 3.71 Crore pertains to more than 3 years. Further no provisions made in the books against these advances.

viii. Claim inland in assets side RS. 6.65 Crore balance exists more than 3 years, further no provisions made in the books against these claims.

ix. Under capital WIP amounting to Rs. 0.11 crore pertaining to separate feeder pending from approx 15 years.

x. Long balances pending in some ledgers ;
   - Mobile show room stocks balances
   - Mobile show room cash balances
   - NIFT Bank balances
   - Escrow account balances in Bank of Baroda account number 24, 26 and 75.

xi. No details provided for shop rent.

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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 Statement 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 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 10 to the Statement and Company had incurred a net loss of Rs. 3,247 lakhs during the quarter ended June 30, 2026 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 Standalone Independent Auditor's report issued vide dated May 29, 2026.

8. **Other Matters:**

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 of Rs. 2,891.35 lakhs and total comprehensive loss of Rs. 2,891.35 lakhs for the three months ended June 30, 2026, as considered in the Statement. The interim financial information of these units have been reviewed by the unit 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 units, is based solely on the report of such unit auditors. Our conclusion is not modified in respect of the above matter.

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9. Attention is drawn to the note 12 of the financial results that the standalone figures for the quarter ended March 31, 2026, as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to December 31, 2025, of financial year 2025-26. The figures up to the end of the December 31, 2025, had only been reviewed and not subjected to audit.

10. A copy of the unaudited quarter 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 HS.

Vasuki H S
Partner
Membership No: 212013
UDIN: 26212013JYJRON1601

Place: Bengaluru
Date: August 13, 2026

B K RAMADHYANI & CO. LLP
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