हिंदी केवल एक भाषा नहीं बल्कि हमारी राष्ट्रीय पहचान है ।

आईटीआई लिमिटेड
पंजीकृत एवं निगमित कार्यालय
आईटीआई भवन, दूरवाणीनगर,
बेंगलूरु - 560 016 भारत
फोन : +91 (80) 2561 4466
फैक्स : +91 (80) 2561 7525
वेबसाइट : www.itiltd-india.com
सी आई एन : L32202KA1950GoI000640

ITI LIMITED
Registered & Corporate Office
ITI Bhavan, Dooravaninagar,
Bengaluru - 560 016, India
Phone : +91 (80) 2561 4466
Fax : +91 (80) 2561 7525
Website : www.itiltd-india.com
CIN : L32202KA1950GoI000640

26.07.2018

The National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

BSE Limited
Department of Corporate Services
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Security ID: ITI

Security code no.: 523610

Dear Sir/ Madam,

Sub.: Disclosure pursuant to Regulations 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations")

In terms of Regulation 30 (read with Part A of Schedule III) of the SEBI Listing Regulations, this is to inform you that the board of directors of ITI Limited (the "**Company**"), have pursuant to a resolution dated 25.07.2018, approved the restated audited consolidated and standalone financial statements for the year ended March 31, 2018, for the purpose of FPO, which are attached herewith and disseminate the said information on your websites

The board meeting of the Company commenced on 25.07.2018 at 3.10 P.M and ended at 5.30 P.M.

We request you to take this on record and that the same be treated as compliance under Regulation 30 of the SEBI Listing Regulations.

Thanking you,

Yours faithfully,

For **ITI Limited**

S. Priya

Company Secretary

INDEPENDENT AUDITORS' REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 26 OF COMPANIES ACT, 2013, READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

To
The Board of Directors,
ITI Limited
Regd & Corporate Office,
ITI Bhavan, Dooravaninagar
Bengaluru -560 016

Dear Sirs,

1) We have examined the attached Restated Standalone Financial Information of ITI Limited (the "Company"), which comprises of the Restated Standalone Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Standalone Statement of changes in equity for the each of the years ended March 31, 2018, 2017, 2016 and 2015, the Restated Standalone Statements of Profit and Loss for the years ending March 31, 2018, 2017, 2016, 2015 and 2014 and the Restated Standalone Statement of Cash Flows for each of the years ended March 31, 2018, 2017, 2016, 2015, and 2014 respectively, and the Summary of Significant Accounting Policies (collectively, the "Restated Standalone Financial Information") as approved by the Board of Directors of the Company prepared in terms of the requirements of :

   a. Sub-clauses (i) and (iii) of clause (b) sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");
   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") and
   c. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

2) The preparation of the Restated Standalone Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 11 below. The Company's Board of Directors is responsible with respect to the preparation of these Restated Standalone Financial Information in accordance with the accounting principles generally accepted in India complies with the Act, Rules, ICDR Regulations and the Guidance Note about the presentation of the Restated Standalone Financial Information. This responsibility includes maintenance of adequate records and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the records relevant to the preparation and presentation of the Restated Standalone Financial Information are free from material misstatement, whether due to fraud or error.

3) Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information complies with the requirements of the Act, the Rules, the ICDR Regulations and the Guidance Note.

4) We have examined such Restated Standalone Financial Information taking into consideration:
   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 13th February 2018 in connection with the proposed Follow-on Public Offer through Offer for Sale by President of India acting through Ministry of Telecommunications ("FPO") of the Company;
   b. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI; and
   c. The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Information. This

Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

5) These Restated Standalone Financial Information have been compiled by the management from the;

a. Audited financial statements of the Company as at March 31, 2018 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2017, prepared in accordance with the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 which has been approved by the Board of directors at their meeting held on May 19, 2018.

b. Audited financial statements of the Company as at March 31, 2017 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2016, prepared in accordance with the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 which has been approved by the Board of directors at their meeting held on August 22, 2017.

c. The Restated Standalone Financial Information as at and for the years ended 31 March 2016 has been extracted from the audited standalone statements of the company as at and for the years ended 31 March 2016 prepared in accordance with Accounting Standards prescribed under Section 133 of Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014, and the other relevant provisions of the act and which are approved by the board of directors at their meeting held on 20 May 2016. These audited standalone financial statements have been adjusted for the differences in the accounting principles adopted by the company on Transition to Ind AS, which have been examined by us.

d. Audited financial statements of the Company as at and for the year ended March 31, 2014, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, ("Indian GAAP") which have been approved by the Board of directors at their meetings held on July 2, 2014

e. The audit for the year ended March 31, 2018 has been conducted by us. Whereas the audit for the Financial Years ended March 31, 2017, 2016, 2015 and 2014, was conducted by previous auditors, M/s. Sundar Srini & Sridhar, Bangalore, Chartered Accountants, Bangalore. Accordingly, reliance has been placed on the financial information examined by them for the said years. The financial report included for these years, i.e., March 31, 2017, 2016, 2015 and 2014, are based solely on the report submitted by M/s. Sundar Srini & Sridhar, Chartered Accountants Bangalore.

f. The Restated Standalone Financial Information also contains the Proforma Ind AS financial statements as at and for the year ended March 31, 2015. These Proforma Ind AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2015 which have been approved by the Board of directors at their meeting held on 25th July 2018 as described in B.3, B. 6, and B.9 of Annexure VI(a)

Based on the above, we report that in our opinion and according to the information and explanations are given to us, the above financial information are in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable and financial information is presented with the Restated Financial Information appropriately.

6) Based on our examination, we report that:

a. The proforma financial information as at and for the year ended March 31, 2015, is prepared after making proforma adjustments as mentioned in B.3, B. 6, and B.9 of Annexure VI(a).

b. The Restated Standalone Statement of Assets and Liabilities of the Company, as at and for the year ended March 31, 2018, and for the years ended March 31, 2017, 2016 and 2015 under Ind AS, as set out in

Annexure- I(a) and as at and for the year ended March 31, 2014 under Indian GAAP, as set out in Annexure-I(b) to this report.

c. The Restated Standalone Statement of Profit and Loss (including other comprehensive income) of the Company, for year ended March 31, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-III(a) and The Restated Statement of Profit and Loss for the year ended March 31, 2014 under Indian GAAP, as set out in Annexure-II(b) to this report are after making adjustments and regrouping/ reclassifications as in our opinion were appropriate and more fully described in Annexures-VI(a)./ Standalone Restated statement of Material Adjustments and Regroupings

d. The Restated Standalone Statement of changes in equity of the Company, for the year ended March 31, 2018, and for the years ended March 31, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-II(a) to this report.

e. The Restated Standalone Statement of Cash Flows of the Company, for the year ended March 31, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-IV(a) and for the year ended March 31, 2014 under Indian GAAP, as set out in Annexure-III (b) to this report.

f. Based on the above and according to the information and explanations given to us, we further report that the Restated Financial Information:

   i. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
   ii. has been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
   iii. do not contain any extraordinary items that need to be disclosed separately in the Restated Financial Information and do not contain any qualification requiring adjustments.
   iv. there are no qualifications in the auditors' reports on the audited standalone financial statements of the Company as at and for the years ended 31 March 2018, 2017, 2016,2015 and 2014, which require any adjustments to the Restated Standalone Financial Information except for the following qualifications included in the respective auditor's report on the standalone financial statements for the years ended 31st March 2018, 2017, 2016, 2015 and 2014. The impact of such adjustments is given as Standalone Restated statement of Material Adjustments and Regroupings as detailed in B10 of Annexure VI (a). In respect of qualifications which are quantifiable, no adjustment is made in these Restated Standalone Financial Information as detailed in Note 12 of Annexure VI (c)

As at and for the year ended 31st March 2018: -

- No provision for the permanent diminution in the value of the Investment of Rs 4.06 Million in the unquoted equity shares of a Joint Venture(JV) Company has been ascertained as required by Accounting Standard 13 on 'Accounting for Investments' read with in the Significant Accounting Policy No.5, in view of the negative net worth and Statutory Auditors of the JV in their Report for the year ended 31.03.2018 have expressed their inability to comment on the going concern concept adopted by the said JV.

- Non-provision of Rs 584.79 Million towards claims doubtful of recovery, being rent receivable from premises leased out to C-DOT up to the period ended 31.3.2011 and no rental income for the period after 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (Refer Note No.31.22 of audited financial statements);

As at and for the year ended 31st March 2017: -

- Non-provision of Rs. 885.36 million towards claims doubtful of recovery comprising of:

  - rent receivable of Rs 584.79 Million on a premise leased out up to the period ended 31.3.2011 and no rental income for the period after 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (Refer Note No.40.23 of audited financial statements);

  - Liquidated Damages (LD) of Rs 104.94 Million on a supplier claimed by Bangalore Plant, rejected by the Arbitral Tribunal and the matter is pending before High Court of Delhi. However, in the absence of adequate information to support that the claims are sustainable, we are unable to comment on the carrying value of this claim and the shortfall, if any, on the amount that would be ultimately realized by the Company;

  - LD claimed by Mankapur Unit from MTNL Delhi and MTNL Mumbai for Rs. 18.32 Million and Rs. 8.29 Million respectively;
  - Amount recoverable to an extent of Rs. 169.02 Million from HCL Info Systems Limited by Mankapur Unit towards conditional reimbursement as per the agreement between Company and HCL Info Systems Limited.

As at and for the year ended 31st March 2016

- Non-provision of Rs. 885.36 Million towards claims doubtful of recovery comprising of
  - rent receivable of Rs 584.79 Million on a premise leased out up to the period ended 31.3.2011 and no rental income for the period after 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (Refer Note No.40.23 of audited financial statements);

  - Liquidated Damages (LD) of Rs 104.94 Million on a supplier claimed by Bangalore Plant, rejected by the Arbitral Tribunal and the matter is pending before High Court of Delhi. However, in the absence of adequate information to support that the claims are sustainable, we are unable to comment on the carrying value of this claim and the shortfall, if any, on the amount that would be ultimately realized by the Company;

  - LD claimed by Mankapur Unit from MTNL Delhi and MTNL Mumbai for Rs. 18.32 Million and Rs. 8.29 Million respectively

  - Amount recoverable to an extent of Rs. 169.02 Million from HCL Info Systems Limited by Mankapur Unit towards conditional reimbursement as per the agreement between Company and HCL Info Systems Limited.

- Reversal of provisions created for certain items of expenditure amounting to Rs 200.79 Million have been made in the books of Mankapur Unit. In absence of adequate information and reconciliation supporting that provisions are no longer required; the auditors of the said unit have issued a modified opinion.

As at and for the year ended 31st March 2015

- Non-provision of Rs 689.73 Million towards claims doubtful of recovery comprising of (i) rent receivable of Rs 584.79 Million on a premise leased out up to the period ended 31.3.2011, rent from 1.4.2011 for the same premises being deferred for recognition on accrual basis due to uncertainty of realization (Refer Note No.40.23 of audited financial statements); (ii) liquidated damages of Rs 1049.41 Million on a supplier, rejected by the Arbitral Tribunal. Had the said amounts been provided

in the accounts, loss for the year would have been higher by Rs 689.73 Million and consequently reserves & surplus and current assets would be lower by similar amount,

- Provision of Rs.31.60 Million for work in progress Inventories in respect of the items pertaining to phased out projects and not usable, has not been made which has resulted in the understatement of the Loss by Rs.31.60 Million and overstatement of current assets to a same extent,

- Amount spent for the creation and maintenance of data enrolment centre for MORD for NPR project totalling to Rs. 117.1 Million is treated as revenue expenditure and no depreciation is provided as expenditure is not capitalised resulting in overstatement of loss to that extent (Net)

As at and for the year ended 31st March 2015

- Non-provision of Rs 689.73 Million towards claims doubtful of recovery comprising of
  - rent receivable of Rs 584.79 Million on a premise leased out up to the period ended 31.3.2011, rent from 1.4.2011 for the same premises being deferred for recognition on accrual basis due to uncertainty of realization (Refer Note No.40.21 of audited financial statements);

  - liquidated damages of Rs 104.94 Million on a supplier, rejected by the Arbitral Tribunal. Had the said amounts been provided in the accounts, loss for the year would have been higher by Rs 689.73 Million and consequently reserves & surplus and current assets would be lower by similar amount,

- Provision of Rs.17.66 Million for work in progress Inventories in respect of the items pertaining to phased out projects and not usable, has not been made which has resulted in the understatement of the Loss by Rs.17.66 Million and overstatement of current assets to the same extent,

v. Emphasis of Matter included in the auditor's reports on the audit standalone financial statement as at and for the year ended 31st March 2018, 2017, 2016,2015 and 2014, which do not require any further corrective adjustment in the Restated Standalone Financial Information, are as follows:

As at and for the year ended 31st March 2018

- The profit for the year has been arrived at after adjusting for the following items:
  - Write-back of liabilities of earlier years amounting to Rs 1121.45 Million. -Refer Note No. 12 (c) of audited financial statements.
  - Rs 921.15 Million being the difference between the compensation received from KIADB for surrender of land and its original cost. -Refer Note No.12(b) of audited financial statements.
  - Rs 799.80 Million representing grants received related to previous years towards salaries, PF and Gratuity has been credited to Other Income. Refer Note No.12 (d) of audited financial statements
  - Rs 15.40 Million being the profit recognised in Rae Bareli unit regarding transaction of earlier years.

- Further the Branch auditors of Rae Bareli Unit has reported that from FY 2012-13 onwards till 31st July 2017 based on provisional invoices for GPON AMC services rendered by a service provider to BSNL for a total amount of Rs. 615.10 Million as the turnover based on the provisional invoice and included under the head "Revenue from Operations" and the same has been included under the head "Unbilled revenue" under the head Current Assets" in the financial statements. -Refer Note No.12 (e) of audited financial statements.

- Formal conveyance/lease deeds in respect of lands, excepting part of lands at Bangalore and Mankapur, are yet to be executed by the respective State Governments - Refer Note No.1 of audited financial

statements;

- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable – (Refer Note No. 31.17 of audited financial statements);

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, sub-contractors/others, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, Income Tax, GST, TDS, etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation and we are unable to comment on the impact of the same on the accounts of the company (Refer Note 31.4 of audited financial statements);

- The Company is 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 (Refer Note No. 31.15 of audited financial statements)
- Lease agreement with ESIC has expired in the month of July 2016 and renewal lease agreement has not been entered. (Refer Note 31.19 of audited financial statements)

- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the balance sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 31.20 of audited financial statements)

As at and for the year ended 31st March 2017

- Cumulative Redeemable Preference Shares amounting to Rs 3000.00 Million overdue for redemption continued to be shown under Share Capital since the redemption is part of the BIFR package envisaged for the Company (Refer Note No. 1 of audited financial statements);

- Formal conveyance/lease deeds in respect of lands, excepting part of lands at Bangalore and Mankapur, are yet to be executed by the respective State Governments (Refer Note No. 13 of audited financial statements);

- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable (Refer Note No. 40.18 of audited financial statements);

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, materials with fabricators, sub-contractors/others, material in transit, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, TDS etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation. (Refer Note 40.4 of audited financial statements);

- Penalty of Rs. 268.50 Million for non-payment of guarantee fee to the Government of India, having not been provided for, since the Ministry of Communications and IT has agreed in principle to waive the same as part of Company revival package (Refer Note No. 40.9 of audited financial statements);

- The Company is Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of Rs. 41,567.9 Million in February 2014, for Revival of ITI under Rehabilitation Scheme (Refer Note No. 40.16 of audited financial statements)

- No lease agreement has been entered with ESIC for the additional land occupied by the Corporation to an extent of 229 sq.mt. (Refer Note 40.20 of audited financial statements)

- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the balance sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 40.21 of audited financial statements)

- Validity of Claims recoverable from DoT towards loss incurred by Srinagar Unit. A sum of Rs. 34.40 Million and a sum of Rs. 22.35 Million is pending from DoT for the loss incurred by the said unit in FY 2015-16 and for FY 2016-17 respectively.

- The Statutory Auditors of Rae Bareli without qualifying their opinion have stated that on random checking of cash vouchers, payment of Rs. 0.09 Million were found unsupported. Possibility of more such vouchers could not be ruled out. Such payments prima-facie appears to be embezzlement which needs management attention.

As at and for the year ended 31st March 2016

- Cumulative Redeemable Preference Shares amounting to Rs 3000.00 Million overdue for redemption continued to be shown under Share Capital since the redemption is part of the BIFR package envisaged for the Company (Refer Note No. 1 of audited financial statements);

- Formal conveyance/lease deeds in respect of lands, excepting part of lands at Bangalore and Mankapur, are yet to be executed by the respective State Governments (Refer Note No. 13 of audited financial statements);

- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable (Refer Note No. 40.18 of audited financial statements);

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, materials with fabricators, sub-contractors/others, material in transit, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, TDS etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation. (Refer Note 40.4 of audited financial statements);

- Penalty of Rs 268.50 Million for non-payment of guarantee fee to the Government of India, having not been provided for, since the Ministry of Communications and IT has agreed in principle to waive the same as part of Company revival package (Refer Note No. 40.9 of audited financial statements);

- The Company is Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of Rs. 41,567.90 Million in February 2014, for Revival of ITI under Rehabilitation Scheme (Refer Note No. 40.16 of audited financial statements)

- No lease agreement has been entered with ESIC for the additional land occupied by the Corporation to an extent of 229 sq.mt. (Refer Note 40.20 of audited financial statements)

- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the Balance Sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 40.21 of audited financial statements)

- Validity of claims recoverable from DoT towards losses incurred by Srinagar Unit. A sum of 39.39 Million and sum of 26.70 Million is pending from DoT for the losses incurred by the said unit in FY 2013-14 and FY 2014-15 respectively

As at and for the year ended 31st March 2015

- Cumulative Redeemable Preference Shares amounting to Rs 3000.00 Million overdue for redemption continued to be shown under Share Capital since the redemption is part of the BIFR package envisaged for the Company (Refer Note No. 1 of audited financial statements);

- Formal conveyance/lease deeds in respect of lands, excepting part of lands at Bangalore and Mankapur, are yet to be executed by the respective State Governments (Refer Note No. 13 of audited financial statements);

- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable (Refer Note No. 40.18 of audited financial statements);

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, materials with fabricators, sub-contractors/others, material in transit, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, TDS etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation. (Refer Note 40.4 of audited financial statements);

- Penalty of Rs 2,68.50 Million for non-payment of guarantee fee to the Government of India, having not been provided for, since the Ministry of Communications and IT has agreed in principle to waive the same as part of Company revival package (Refer Note No. 40.9 of audited financial statements);

- Validity of Claims recoverable from MTNL Delhi & MTNL Mumbai Against LD Damages for Rs. 18.32 Million and Rs.8.29 Million respectively;

- The Company is Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of Rs. 41,567.90 Million in February 2014, for Revival of ITI under Rehabilitation Scheme (Refer Note No. 40.16 of audited financial statements)

- No lease agreement has been entered with ESIC for the additional land occupied by the Corporation to an extent of 229 sq.mt. (Refer Note 40.20 of audited financial statements)
- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the Balance Sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 40.21 of audited financial statements)

As at and for the year ended 31st March 2014

- Cumulative Redeemable Preference Shares amounting to Rs 3000 Million overdue for redemption continued to be shown under Share Capital since the redemption is part of the BIFR package envisaged for the Company (Refer Note No. 1 of audited financial statements);

- Dues to micro, small and medium enterprises being disclosed to the extent to which such enterprises are identified by the Company (Refer Note No. 10 of audited financial statements)

- Formal conveyance/lease deeds in respect of lands, excepting part of lands at Bangalore and Mankapur, are yet to be executed by the respective State Governments (Refer Note No. 13 of audited financial statements);

- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable (Refer Note No. 40.17 of audited financial statements);

- Wage arrears of Rs 1650 Million to the employees arising as per the Presidential directives and Tripartite agreement on wage settlement with the employees for the period 1.1.1997 to 31.3.2000 having not been provided in view of the same having to be paid by the Company in a phased manner on the improvement of profitability position and on declaration of the Company by the BIFR as a Sick Company and conditions for payment of arrears being not prevalent (Refer Note No. 40.3);

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, materials with fabricators, sub-contractors/others, material in transit, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, TDS etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation. (Refer Note 40.4 of audited financial statements);

- Penalty of Rs 268.50 Million for non-payment of guarantee fee to the Government of India, having not been provided for, since the Ministry of Communications and IT has agreed in principle to waive the same as part of Company revival package (Refer Note No. 40.9 of audited financial statements);

- Land measuring 5 acres being used by Karnataka Power Transmission Corporation Limited (KPTCL) has not been revalued (Refer Note 40.18 of audited financial statements);

- Validity of Claims recoverable from MTNL Delhi & MTNL Mumbai Against LD Damages for Rs. 18.32 Million and Rs.8.29 Million respectively;

- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the balance sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 40.19 of audited financial statements)

7) Other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2016, as applicable, on the financial statements for the years ended March 31, 2018, 2017 and 2016 which do not require any corrective adjustment in the restated Ind AS Summary Statements, are as follows:

a. As at and for the year ended March 31, 2018: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, GST, Value Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 1578.80 million pending as arrears pertaining to Provident Fund and a further sum of Rs 5.71 Million pending as arrears towards U.P. Trade Tax on Sales, which are not disputed and are

outstanding for a period of more than six months from the date they became payable. (Clause vii (a) of annexure A to the Auditors' Report)

ii. The Statutory Dues aggregating to Rs. 1772.60 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Clause vii (b) of annexure A to the Auditors' Report)

b. As at and for the year ended March 31, 2017: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 1578.80 million pending as arrears pertaining to Provident Fund and a further sum of Rs 5.71 Million pending as arrears towards U.P. Trade Tax on Sales, which are not disputed and are outstanding for a period of more than six months from the date they became payable. (Clause vii (a) of annexure A to the Auditors' Report)

ii. The Statutory Dues aggregating to Rs. 1762.37 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Clause vii (b) of annexure A to the Auditors' Report)

c. As at and for the year ended March 31, 2016: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 1515.47 million pending as arrears pertaining to Provident Fund and a further sum of Rs 11.77 Million pending as arrears towards U.P. Trade Tax on Sales, which are not disputed and are outstanding for a period of more than six months from the date they became payable. (Clause vii (a) of annexure A to the Auditors' Report)

ii. The Statutory Dues aggregating to Rs. 712.60 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Clause vii (b) of annexure A to the Auditors' Report)

d. As at and for the year ended March 31, 2015: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 475.99 million pending as arrears pertaining to Provident Fund, which are not disputed and are outstanding for a period of more than six months from the date they became payable. (Clause 7(a) of Annexure A to the Auditors' Report)

ii. The Statutory Dues aggregating to Rs. 707.91 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Clause 7(b) of Annexure A to the Auditors' Report)

e. As at and for the year ended March 31, 2014: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value

Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 901 million pending as arrears pertaining to Provident Fund, which are not disputed and are outstanding for a period of more than six months from the date they became payable. (Clause 9(a) of Annexure A to the Auditors' Report)

ii. The Statutory Dues aggregating to Rs. 910 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Clause 9(b) of Annexure A to the Auditors' Report)

8) We have also examined the following Restated Standalone financial information of the Company set out in the Annexures prepared by the management and approved by the Board of Directors on 1 July 2018 as at and for the year ended March 31, 2018, 2017, 2016 and 2015:

i. Summary of Significant Accounting Policies included in Annexure V(a)
ii. Restated Statement of Property, plant and equipment included in Note 1 to Annexure I(a)
iii. Restated Statement of Capital Work-In Progress included in Note 2 to Annexure I(a)
iv. Restated Statement of Investment Property included in Note 3 to Annexure I(a)
v. Restated Summary of Intangible Assets included in Note 3(a) of Annexure I(a)
vi. Restated Statement of Non-Current Financial Assets- Investments included in Note 4 to Annexure I(a)
vii. Restated Statement of Non-Current Financial Assets- Loans included in Note 5 to Annexure I(a)
viii. Restated Statement of Inventories included in Note 6 to Annexure I (a)
ix. Restated Statement of Trade Receivables included in Note 7 to Annexure I (a)
x. Restated Statement of Cash and Cash Equivalents included in Note 8 to Annexure I(a)
xi. Restated Statement of Bank Balances other than Cash and Cash Equivalents included in Note 8 to Annexure I(a)
xii. Restated Statement of Current Financial Assets- Loans included in Note 9 to Annexure I(a)
xiii. Restated Statement of Other Current Assets included in Note 10 to Annexure I(a)
xiv. Restated Statement of Equity Share Capital included in Note 11 to Annexure I(a)
xv. Restated Statement of Other Equity included in Note 12 to Annexure I(a)
xvi. Restated Statement of Non-Current Liabilities included in Note 13 to Annexure I(a)
xvii. Restated Statement of Non-Current Financial Liabilities- Loans included in Note 14 to Annexure I(a)
xviii. Restated Statement of Non-Current Financial Liabilities- Others included in Note 15 to Annexure I(a)
xix. Restated Statement of Non-Current Provisions included in Note 16 to Annexure I(a)
xx. Restated Statement of Current Borrowings in Note 17 to Annexure I(a)
xxi. Restated Statement of Current Financial Liabilities- Trade Payables included in Note 18 to Annexure I(a)
xxii. Restated Statement of Current Financial Liabilities- Others included in Note 19 to Annexure I(a)
xxiii. Restated Statement of Current Provisions included in Note 20 to Annexure I(a)
xxiv. Restated Statement of Other Current Liabilities included in Note 21 to Annexure I(a)
xxv. Restated Statement of Revenue from Operations included in Note 22 to Annexure III(a)
xxvi. Restated Statement of Other Income included in Note 23 to Annexure III(a)
xxvii. Restated Statement of Consumption of Raw Materials and Production Stores included in Note 24 to Annexure III(a)
xxviii. Restated Statement of Purchase of Stock-in-Trade included in Note 25 to Annexure III(a)
xxix. Restated Statement of Changes in Inventories of Finished Goods WIP and Stock-in-Trade included in Note 26 to Annexure III(a)
xxx. Restated Statement of Employee Benefit Expenses included in Note 27 to Annexure III(a)
xxxi. Restated Statement of Finance Costs included in Note 28 to Annexure III(a)
xxxii. Restated Statement of Depreciation and Amortization Expenses included in Note 29 to Annexure III(a)

xxxiii. Restated Statement of Other Expenditure included in Note 30 to Annexure III(a)
xxxiv. Restated Statement of Contingent Liabilities included in Note 31 to Annexure I(a)
xxxv. First time Adoption of IND AS included in Annexure VI(a)
xxxvi. Restated Statement of Accounting Ratios included in Annexure VII(a)
xxxvii. Restated Statement of Capitalisation included in Annexure VIII(a)
xxxviii. Restated Statement of Dividend Paid included in Annexure IX(a)
xxxix. Restated Statement of Tax Shelters included in Annexure X(a)

9) According to the information and explanations given to us, and as per the reliance placed on the reports for financial Years ended March 31, 2017, 2016 and 2015 submitted by previous auditors, M/s. Sundar Srini & Sridhar, Chartered Accountants Bangalore. In our opinion, the Restated Financial Information and the above restated financial information contained in Annexures I(b) to VII(b) accompanying this report read with Summary of Significant Accounting Policies as disclosed in Annexure-IV(b) have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note

10) We have also examined the following financial information of the Company set out in the Annexures prepared by the Management and approved by the Board of Directors on 25th July 2018 for the year ended March 31, 2014.

i. Summary of Significant Accounting Policies included in Annexure IV(b)
ii. Statement of Share Capital included in Note 1 to Annexure I(b)
iii. Statement of Reserves and Surplus included in Note 2 to Annexure I(b)
iv. Statement of Money Received Against Share Warrants included in Note 3 to Annexure I(b)
v. Statement of Share Application Money Pending Allotment included in Note 4 to Annexure I(b)
vi. Statement of Long-term borrowings included in Note 5 to Annexure I(b)
vii. Statement of Long Term Trade Payables included in Note 6 to Annexure I(b)
viii. Statement of Other Long-term Liabilities included in Note 7 to Annexure I(b)
ix. Statement of Long-term Provisions included in Note 8 to Annexure I(b)
x. Statement of Short-term Borrowings included in Note 9 to Annexure I(b)
xi. Statement of Short Term Trade Payables included in Note 10 to Annexure I(b)
xii. Statement of Other Current Liabilities included in Note 11 to Annexure I(b)
xiii. Statement of Short-term Provisions included in Note 12 to Annexure I(b)
xiv. Statement of Tangible Assets included in Note 13 to Annexure I(b)
xv. Statement of Intangible Assets included in Note 14 to Annexure I(b)
xvi. Statement of Capital Work-in-Progress included in Note 15 to Annexure I(b)
xvii. Statement of Intangible Assets under Development included in Note 16 to Annexure I(b)
xviii. Statement of Non-Current Investments included in Note 17 to Annexure I(b)
xix. Statement of Deferred-tax Assets included in Note 18 to Annexure I(b)
xx. Statement of Long-Term Loans and Advances included in Note 19 to Annexure I(b)
xxi. Statement of Non-Current Trade Receivables included in Note 20 to Annexure I(b)
xxii. Statement of Current Investments included in Note 21 to Annexure I(b)
xxiii. Statement of Inventories included in Note 22 to Annexure I(b)
xxiv. Statement of Short-term Trade Receivables included in Note 23 to Annexure I(b)
xxv. Statement of Other Cash and Cash Equivalents included in Note 24 to Annexure I(b)
xxvi. Statement of Short Term Loans and Advances included in Note 25 to Annexure I(b)
xxvii. Statement of Other Current Assets included in Note 26 to Annexure I(b)
xxviii. Statement of Revenue from Operations in Note 27 to Annexure II(b)
xxix. Statement of Other Income included in Note 28 to Annexure II(b)
xxx. Statement of Cost of Material Consumed included in Note 29to Annexure II(b)
xxxi. Statement of Purchase of Stock-in-Trade included in Note 30 to Annexure II(b)
xxxii. Statement of Changes in Inventory included in Note 31 to Annexure II(b)
xxxiii. Statement of Employee Benefit Expenses included in Note 32 to Annexure II(b)
xxxiv. Statement of Finance Costs in Note 33 Annexure II(b)
xxxv. Statement of Depreciation and Amortization Expenses in Note 34 Annexure II(b)
xxxvi. Statement of Other Expenses in Note 35 Annexure II(b)

xxxvii. Statement of Transfers to Capital Account in Note 36 Annexure II(b)
xxxviii. Statement of Prior Period Adjustments (Net) in Note 37 Annexure II(b)
xxxix. Statement of Exceptional Items in Note 38 Annexure II(b)
xl. Statement of Extraordinary Items in Note 39 Annexure II(b)
xli. Statement of Accounting Ratios included in Annexure VI(b)
xlii. Statement of Dividend Paid included in Annexure VII(b)
xliii. Statement of Tax Shelters included in Annexure VIII(b)

11) According to the information and explanations given to us, and as per the reliance placed on the reports for financial Years ended March 31, 2017, 2016, 2015 and 2014 submitted by previous auditors, M/s. Sundar Srini & Sridhar, Chartered Accountants, Bangalore. In our opinion, the Restated Standalone Financial Information and the above financial information contained in Annexures I(a) to X(a), I(b) to VIII(b) respectively accompanying this report read with Summary of Significant Accounting Policies as disclosed in Annexure- V(a) and IV(b) respectively are prepared after making adjustments and regroupings/reclassifications as considered appropriate [Refer Annexure-VI(a)] and have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

12) This report should not in any way be construed as issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14) Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, the concerned Stock Exchanges and Registrar of Companies, Karnataka at Bangalore in connection with the proposed FPO of the company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For SANKARAN & KRISHNAN
Chartered Accountants
Firm's Registration NO.03582S

Sd/-

V.V. Krishnamurthy
Partner
Membership Number: 027044

Place: Delhi
Date: 25th July 2018

ITI LIMITED

Annexure I(a)

Restated Financial Information of Standalone Assets and Liabilities

₹ In millions

Particulars	Note No.	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
I.ASSETS									
(1) Non-current assets									
(a) Property, Plant & Equipment	1	2805.38		1580.13		1040.09		629.70	
(b) Capital work-in-progress	2	1492.91		1015.94		916.83		330.19	
(c) Investment Property	3	0.57		0.58		0.60		0.62	
(d) Intangible assets	3(a)	0.00		0.00		0.00		0.00	
(e) Financial Assets									
(i) Investments	4	4.06		4.06		4.06		4.06	
(ii) Trade receivables		58.80		0.00		0.00		0.00	
(iii) Loans	5	1.77	4363.48	2.61	2603.32	2.30	1963.88	25.16	989.73
(2) Current assets									
(a) Inventories	6	1558.96		1422.86		1038.30		933.43	
(b) Financial Assets									
(i) Trade receivables	7	30799.36		21959.54		27431.71		22187.15	
(ii) Cash and cash equivalent	8	412.61		244.02		499.51		458.07	
(iii) Bank Blances other than	8(a)	2834.88		1419.10		712.41		2254.18	
(iii) Loans	9	3854.75		3334.81		2588.22		2691.75	
(iv) Unbilled Revenue		2372.41		366.66		212.93		0.00	
(c) Other current assets	10	488.25	42321.21	294.85	29041.84	357.46	32840.54	288.02	28812.59
TOTAL			46684.69		31645.16		34804.42		29802.32
II. EQUITY AND LIABILITIES									
Equity									
(a) Equity Share Capital	11	7600.00		5600.00		2880.00		2880.00	
(b) Other Equity	12	-14712.39	-7112.39	-18489.60	-12889.60	-19677.45	-16797.45	-22431.19	-19551.19
Liabilities									
(1) Non-Current Liabilities									
(a) Government Grants	13	1190.89		1228.93		25.68		72.65	
(b) Financial Liabilities									
(i) Borrowings	14	3000.00		3000.00		3000.00		3000.00	
(ii) Others	15	181.50		144.42		121.31		63.01	
(c) Provisions	16	680.04	5052.43	583.11	4956.46	839.08	3986.07	887.45	4023.10
(2) Current Liabilities									
(a) Financial Liabilities									
(i) Borrowings	17	9263.22		8791.69		8389.14		9208.31	
(ii) Trade payables	18	22616.49		19759.99		21053.30		22830.18	
(iii) Others	19	8241.43		7235.90		8091.46		8338.10	
(b) Provisions	20	1200.58		1483.70		2419.03		3525.27	
(c) Other current liabilities	21	7422.92	48744.65	2307.02	39578.30	7662.87	47615.80	1428.55	45330.41
TOTAL			46684.69		31645.16		34804.42		29802.32

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(a), First time Adoption of Ind AS Annexure-VI(a) Statement of Accounting Ratios in Annexure-VII(a), Statement of Capitalisation in Annexure-VIII(a) and Statement of Dividend Paid in Annexure-IX(a) & of Tax Shelters Annexure X(a)

The accounting policies & accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-
VV Krishnamurthy
Partner
M. No. 027044

sd/-
S Shanmuga Priya
Company Secretary

sd/-
MALATHY M
Chief Financial Officer

sd/-
CHITTARANJAN PRADHAN
Director-Finance

sd/-
ALAGESAN K
Chairman and Managing Director

Place: New Delhi
Date : 25-July-2018

ITI LIMITED

Annexure II(a)

Statement Of Standalone Changes In Equity

A. Equity Share Capital

In millions

Particulars	Amount
Balance as at 01.04.2014	**2880.00**
Changes during the Financial Year 14-15	0.00
Balance as at 31.03.2015	**2880.00**
Changes during the Financial Year 15-16	0.00
Balance as at 31.03.2016	**2880.00**
Changes during the Financial Year 16-17	2720.00
Balance as at 31.03.2017	**5600.00**
Changes during the Financial Year 2017-18	2000.00
Balance as at 31.03.2018	**7600.00**

B. Other Equity

₹ In millions

Particulars	Share application money pending allotment	Reserves and Surplus			Revaluation Surplus	Other items of Other Comprehensive Income	Total Other Equity with Revaluation Reserve	Revaluation Surplus	Other Equity excluding revaluation reserve
		Capital Reserve	Securities Premium	Retained Earnings					
Balance as at 01.04.2014	**1920.00**	**27129.53**	**2.96**	**-48691.11**	**23744.13**	**0.00**	**4105.51**	**23744.13**	**-19638.62**
Changes in accounting policy or prior period error	0.00	0.00	0.00	8.68	0.00	0.00	8.68	**0.00**	8.68
balance as at 01.04.2014	**1920.00**	**27129.53**	**2.96**	**-48682.43**	**23744.13**	**0.00**	**4114.19**	**23744.13**	**-19629.94**
Profit or Loss for the Year	0.00	0.00	0.00	-2979.95	0.00	0.00	-2979.95	0.00	-2979.95
Other Comprehensive income for the Year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants received during the year	0.00	178.70	0.00	0.00	0.00	0.00	178.70	0.00	178.70
Transfer to retained earning	0.00	0.00	0.00	0.00	-140.08	0.00	-140.08	-140.08	0.00
Any other change	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31.03.2015	**1920.00**	**27308.23**	**2.96**	**-51662.38**	**23604.06**	**0.00**	**1172.86**	**23604.06**	**-22431.19**
Changes in accounting policy or prior period error	0.00	0.00	0.00	-33.57	0.00	0.00	-33.57	0.00	-33.57
balance as at 01.04.2015	**1920.00**	**27308.23**	**2.96**	**-51695.95**	**23604.06**	**0.00**	**1139.29**	**23604.06**	**-22464.76**
Profit or Loss for the Year	0.00	0.00	0.00	2372.18	0.00	0.00	2372.18	0.00	2372.18
Other Comprehensive income for the Year	0.00	0.00	0.00	0.00	0.00	173.26	173.26	0.00	173.26
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants received during the year	0.00	181.50	0.00	0.00	0.00	0.00	181.50	0.00	181.50
Transfer to retained earning	0.00	0.00	0.00	0.00	-60.37	0.00	-60.37	-60.37	0.00
Any other change	0.00	0.00	0.00	60.37	0.00	0.00	60.37	0.00	60.37
Balance as at 31.03.2016	**1920.00**	**27489.73**	**2.96**	**-49263.40**	**23543.69**	**173.26**	**3866.24**	**23543.69**	**-19677.45**
Changes in accounting policy or prior period error	0.00	0.00	0.00	-2.37	0.00	0.00	-2.37	0.00	-2.37
balance as at 01.04.2016	**1920.00**	**27489.73**	**2.96**	**-49265.77**	**23543.69**	**173.26**	**3863.87**	**23543.69**	**-19679.82**
Profit or Loss for the Year	0.00	0.00	0.00	2663.91	0.00	0.00	2663.91	0.00	2663.91
Appropriations				-1.53			-1.53	0.00	-1.53
Other Comprehensive income for the Year	0.00	0.00	0.00	0.00	0.00	387.30	387.30	0.00	387.30
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants received during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earning	0.00	0.00	0.00	0.00	-60.54	0.00	-60.54	-60.54	0.00
Any other change	0.00	0.00	0.00	60.54	0.00	0.00	60.54	0.00	60.54
Transfer to Equity Share Capital	-1920.00	0.00	0.00	0.00	0.00	0.00	-1920.00	0.00	-1920.00
Balance as at 31.03.2017	**0.00**	**27489.73**	**2.96**	**-46542.86**	**23483.14**	**560.57**	**4993.54**	**23483.14**	**-18489.60**
Changes in accounting policy or prior period error	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**
balance as at 01.04.2017	**0.00**	**27489.73**	**2.96**	**-46542.86**	**23483.14**	**560.57**	**4993.54**	**23483.14**	**-18489.60**
Profit or Loss for the Year	0.00	0.00	0.00	2305.64	0.00	0.00	2305.64	0.00	2305.64
Other Comprehensive income for the Year	0.00	0.00	0.00	0.00	0.00	45.68	45.68	0.00	45.68
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants received during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earning	0.00	0.00	0.00	0.00	-92.35	0.00	-92.35	-92.35	0.00
Any other change	0.00	0.00	0.00	55.89	0.00	0.00	55.89	0.00	55.89
Share Application money received	3370.00						3370.00		3370.00
Transfer to Equity Share Capital	-2000.00	0.00	0.00	0.00	0.00	0.00	-2000.00	0.00	-2000.00
Balance as at 31.03.2018	**1370.00**	**27489.73**	**2.96**	**-44181.32**	**23390.80**	**606.24**	**8678.41**	**23390.80**	**-14712.39**

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(a), First time Adoption of Ind AS Annexure-VI(a) Statement of Accounting Ratios in Annexure-VII(a), Statement of Capitalisation in Annexure-VIII(a) and Statement of Dividend Paid in Annexure-IX(a)

The accounting policies & accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-
VV Krishnamurthy
Partner
M. No. 027044

sd/-
S Shanmuga Priya
Company Secretary

sd/-
MALATHY M
Chief Financial Officer

sd/-
CHITTARANJAN PRADHAN
Director-Finance

sd/-
ALAGESAN K
Chairman and Managing Director

Place: New Delhi
Date : 25-July-2018

ITI LIMITED

Annexure III(a)

Restated Financial Information of Standalone Profit and Loss

Particulars	Note No.	For the year ended 31.03.2018		For the year ended 31.03.2017		For the year ended 31.03.2016		For the year ended 31.03.2015(Proforma)	
									₹ In millions
INCOME									
I. Revenue from operations	22	14841.62		15481.37		11933.46		5791.12	
II. Other Income	23	3274.54		5405.79		5969.65		849.17	
III. Total Revenue (I +II)			18116.17		20887.16		17903.11		6640.29
IV.EXPENSES:									
Cost of materials consumed	24	3134.44		925.75		413.33		430.27	
Purchase of Stock-in-Trade	25	2319.76		5121.91		6282.47		1420.59	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	117.65		-176.22		4.38		20.56	
Installation & Maintenance Charges		5260.73		6420.79		3180.55		2138.76	
Employee benefit expense	27	2255.04		3008.72		3324.59		3211.89	
Finance costs	28	1534.11		1526.15		1571.55		1572.54	
Depreciation and amortization expense	29	248.55		169.45		129.02		153.24	
Other expenses	30	940.24		1226.70		625.04		672.40	
Total Expenses*			15810.52		18223.25		15530.93		9620.24
V.Profit/(Loss) before exceptional items and tax (III-IV)			2305.64		2663.91		2372.18		-2979.95
VI. Exceptional Items			0.00		0.00		0.00		0.00
(i) Income			0.00		0.00		0.00		1650.00
(ii) Expenses			0.00		0.00		0.00		-1650.00
VII. Profit/(Loss) before tax (V + VI)			2305.64		2663.91		2372.18		-2979.95
VIII. Tax expense:									
(1) Current tax			0.00		0.00		0.00		0.00
(2) Deferred tax			0.00		0.00		0.00		0.00
IX. Profit(Loss) for the year (VII-VIII)			2305.64		2663.91		2372.18		-2979.95
X. Other Comprehensive Income									
A. (i) Items that will not be reclassifled to proflt or loss									
Remeasurements of Defined Benefit Plans			45.68		387.30		173.26		0.00
B. (i) Items that will be reclassified to profit or loss			0.00		0.00		0.00		0.00
XI. Total Comprehensive Income for the year (IX+X)Comprising Profit (Loss) and Other.comprehensive Income for the year)			2351.32		3051.21		2545.44		-2979.95
XII. Earnings per equity share (for continuing operation):									
Basic & Diluted (Face value of ₹ 10/- each):			3.23		6.77		7.89		-11.29
Weighted average number of shares			643333333		410000000		288000000		288000000

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(a), First time Adoption of Ind AS Annexure-VI(a) Statement of Accounting Ratios in Annexure-VII(a), Statement of Capitalisation in Annexure-VIII(a) and Statement of Dividend Paid in Annexure-IX(a)
The accounting policies & accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-	sd/-	sd/-	sd/-	sd/-
VV Krishnamurthy	S Shanmuga Priya	MALATHY M	CHITTARANJAN PRADHAN	ALAGESAN K
Partner	Company Secretary	Chief Financial Officer	Director-Finance	Chairman and Managing Director
M. No. 027044				

Place: New Delhi
Date : 25-July-2018

I T I LIMITED

Annexure IV(a)

Restated Financial Information of Standalone Cash Flow Statement

₹ in millions

Particulars	For the year ended 31.03.2018		For the year ended 31.03.2017		For the year ended 31.03.2016		For the year ended 31.03.2015(Proforma)	
(A)CASH FLOW FROM OPERATING ACTIVITIES:								
NET PROFIT/(LOSS) BEFORE TAX		2305.64		2663.91		2372.18		-3334.39
Adjustment For :								
Depreciation	248.55		178.32		129.02		153.24	
Financing Charges	1534.11		1526.15		1571.55		1572.54	
Interest/Dividend Received	-15.98		-10.00		-22.66		-25.84	
Profit On Sale Of Asset	-921.15		0.00		0.00		-0.31	
Transfer From Grant-In-Aid	-1367.83		-3796.56		-4987.17		-40.29	
Other Comprehensive Income	45.68		387.30		173.26		354.45	
Non-Cash Expenditure	33.67	-442.95	42.11	-1672.68	-33.38	-3169.38	9.58	2023.36
OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		1862.70		991.23		-797.20		-1311.03
Adjustment For:								
Trade And Other Receivables	-11610.83		4564.00		-5245.87		-342.13	
Inventories	-169.10		-399.57		-105.24		28.03	
Trade Payables	8828.83		-8672.90		3114.50		143.92	
Direct Taxes Paid	-6.04	-2957.14	42.79	-4465.68	-154.67	-2391.28	-4.41	-174.59
CASH GENERATED FROM OPERATIONS		-1094.44		-3474.45		-3188.48		-1485.62
CASH FLOW FROM OPERATING ACTIVITIES		-1094.44		-3474.45		-3188.48		-1485.62
(B) CASH FLOW FROM INVESTING ACTIVITIES:								
Purchase Of Fixed Assets Including:								
Capital Work-In-Progress	-1895.54		-760.75		-1065.49		-126.79	
Sale Of Fixed Assets	921.15		0.00		0.00		0.31	
Interest Received	15.98		10.00		22.66		25.84	
Dividend Received								
NET CASH USED IN INVESTING ACTIVITIES [B]		-958.41		-750.75		-1042.83		-100.65
(C) CASH FLOW FROM FINANCING ACTIVITIES								
Proceeds From Short Term Borrowings	471.53		402.54		-819.17		3449.04	
Share Application Money	1370.00		0.00		0.00		1920.00	
Issue Of Share Capital	2000.00		800.00		0.00		0.00	
Grant-In-Aid Received	1329.80		5000.00		5121.70		178.61	
Financing Expenses	-1534.11		-1526.15		-1571.55		-1572.54	
NET CASH USED IN FINANCING ACTIVITIES [C]		3637.22		4676.39		2730.98		3975.12
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]		1584.37		451.19		-1500.33		2388.85
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		1663.11		1211.92		2712.25		323.40
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		3247.49		1663.11		1211.92		2712.25

Note: Previous year figures have been regrouped wherever necessary to conform to this year's classifications.
Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(a), First time Adoption of Ind AS Annexure-VI(a) Statement of Accounting Ratios in Annexure-VII(a), Statement of Capitalisation in Annexure-VIII(a) and Statement of Dividend Paid in Annexure-IX(a)
The accounting policies & accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-
VV Krishnamurthy
Partner
M. No. 027044

sd/-
S Shanmuga Priya
Company Secretary

sd/-
MALATHY M
Chief Financial Officer

sd/-
CHITTARANJAN PRADHAN
Director-Finance

sd/-
ALAGESAN K
Chairman and Managing Director

Place: New Delhi
Date : 25-July-2018

NOTE NO. 1

Statement of Property, Plant & Equipment

₹ In millions

PARTICULARS	Free Hold Land	Lease Hold Land	Building	Plant& Machinery	Other Equipment	Office Machinery & Equipment	Furniture Fixture & Fittings	Vehicles	Total
Opening Balance as at 01.04.2014	22584.88	11.90	1208.41	378.56	38.47	3.58	4.40	5.41	24235.62
Additions	0.00	0.00	1.40	3.27	1.43	1.76	0.05	0.15	8.06
Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2015	22584.88	11.90	1209.81	381.84	39.90	5.34	4.45	5.56	24243.68
Depreciation For The Year	0.00	0.03	158.82	115.19	9.08	1.29	1.00	1.14	286.54
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Accumulated Depreciation	0.00	0.03	158.82	115.19	9.08	1.29	1.00	1.14	286.54
Net Carrying Amount As At 31.03.2015 with revaluation reserve	22584.88	11.87	1050.99	266.65	30.82	4.05	3.45	4.43	23957.14
Less: Revaluation Reserve	-22485.92	0.00	-841.53	0.00	0.00	0.00	0.00	0.00	-23327.44
Net Carrying Amount As At 31.03.2015 without revaluation reserve	98.96	11.87	209.47	266.65	30.82	4.05	3.45	4.43	629.70
Opening Gross Carrying Amount As At 1.04.2015	22584.88	11.90	1209.81	381.84	39.90	5.34	4.45	5.56	24243.68
Additions	0.00	0.00	7.92	393.17	74.32	2.26	0.90	0.29	478.85
Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2016	22584.88	11.90	1217.72	775.01	114.21	7.59	5.36	5.86	24722.53
Opening Accumulated Depreciation	0.00	0.03	158.82	115.19	9.08	1.29	1.00	1.14	286.54
Depreciation For The Year	0.00	0.03	73.06	45.54	6.57	2.31	0.34	0.94	128.77
Closing Accumulated Depreciation	0.00	0.05	231.88	160.72	15.64	3.60	1.34	2.08	415.31
Net Carrying Amount As At 31.03.2016 with revaluation reserve	22584.88	11.85	985.85	614.29	98.57	4.00	4.02	3.78	24307.22
Less: Revaluation Reserve	-22485.91	0.00	-781.21	0.00	0.00	0.00	0.00	0.00	-23267.13
Net Carrying Amount As At 31.03.2016 without revaluation reserve	98.97	11.85	204.63	614.29	98.57	4.00	4.02	3.78	1040.09
Opening Gross Carrying Amount As At 1.04.2016	22584.88	11.90	1217.72	775.01	114.21	7.59	5.36	5.86	24722.53
Additions	0.00	0.00	32.85	498.86	112.24	15.31	0.01	0.07	659.33
Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2017	22584.88	11.90	1250.57	1273.86	226.46	22.91	5.36	5.92	25381.86
Opening Accumulated Depreciation	0.00	0.05	231.88	160.72	15.64	3.60	1.34	2.08	415.31
Depreciation For The Year	0.00	0.03	80.18	81.23	13.23	2.43	1.75	0.94	179.78
Closing Accumulated Depreciation	0.00	0.08	312.05	241.95	28.87	6.03	3.09	3.02	595.09
Net Carrying Amount As At 31.03.2017 with revaluation reserve	22584.88	11.82	938.52	1031.92	197.58	16.88	2.28	2.90	24786.78
Less: Revaluation Reserve	-22485.91	0.00	-720.73	0.00	0.00	0.00	0.00	0.00	-23206.64
Net Carrying Amount As At 31.03.2017 without revaluation reserve	98.97	11.82	217.79	1031.92	197.58	16.88	2.28	2.90	1580.13
Opening Gross Carrying Amount As At 1.04.2017	22584.88	11.90	1250.57	1273.86	226.46	22.91	5.36	5.92	25381.86
Additions	0.00	0.00	110.71	1243.67	51.66	1.63	0.14	10.76	1418.57
Disposal	-116.56	0.00	0.00	0.00	0.00		0.00	0.00	-116.56
Closing Gross Carrying Amount As At 31.03.2018	22468.32	11.90	1361.28	2517.53	278.11	24.54	5.51	16.68	26683.87
Opening Accumulated Depreciation	0.00	0.08	312.05	241.95	28.87	6.03	3.09	3.02	595.09
Depreciation For The Year	0.00	0.03	73.38	145.64	21.04	5.44	1.02	1.40	247.95
Closing Accumulated Depreciation	0.00	0.11	385.43	387.59	49.91	11.47	4.11	4.42	843.04
Net Carrying Amount As At 31.03.2018 with revaluation reserve	22468.32	11.79	975.85	2129.95	228.20	13.07	1.39	12.26	25840.83
Less: Revaluation Reserve	-22369.74	0.00	-665.71	0.00	0.00	0.00	0.00	0.00	-23035.45
Net Carrying Amount As At 31.03.2018 without revaluation reserve	98.58	11.79	310.14	2129.95	228.20	13.07	1.39	12.26	2805.38

NOTE NO. 2

STATEMENT OF CAPITAL WORK-IN-PROGRESS

Capital Work-in-Progress at Cost		688.32		634.65		494.84		322.38	
Less: Provision		0.00		0.00		0.04		0.04	
TOTAL			688.32		634.65		494.80		322.34
Materials with Contractors		2.89		2.89		2.89		2.89	
Less : Provision		2.89		2.89		2.89		2.89	
TOTAL			0.00		0.00		0.00		0.00
Machinery at Cost			0.00						
In-Transit		77.70		36.16		10.91		0.66	
Awaiting Acceptance / Installation		727.53		345.78		411.73		7.81	
		805.24		381.94		422.64		8.47	
Less:Provision		0.65		0.65		0.61		0.61	
TOTAL			804.58		381.28		422.03		7.86
GRAND TOTAL			1492.91		1015.94		916.83		330.19

NOTE NO. 3

STATEMENT OF INVESTMENT PROPERTY

₹ In millions

PARTICULARS	Land	Building	Total
Opening Balance as at 01.04.2014	275.27	2.04	277.31
Additions	0.00	0.00	0.00
Disposal	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2015	275.27	2.04	277.31
Depreciation For The Year	0.00	0.08	0.08
Disposals	0.00	0.00	0.00
Closing Accumulated Depreciation	0.00	0.08	0.08
Net Carrying Amount As At 31.03.2015 with revaluation reserve	275.27	1.96	277.23
Less: Revaluation Reserve	-275.21	-1.41	-276.61
Net Carrying Amount As At 31.03.2015 without revaluation reserve	0.06	0.56	0.62
Opening Gross Carrying Amount As At 1.04.2015	275.27	2.04	277.31
Additions	0.00	0.00	0.00
Disposal	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2016	275.27	2.04	277.31
Opening Accumulated Depreciation	0.00	0.08	0.08
Depreciation For The Year	0.00	0.08	0.08
Closing Accumulated Depreciation	0.00	0.15	0.15
Net Carrying Amount As At 31.03.2016 with revaluation reserve	275.27	1.89	277.16
Less: Revaluation Reserve	-275.21	-1.35	-276.56
Net Carrying Amount As At 31.03.2016 without revaluation reserve	0.06	0.54	0.60
Opening Gross Carrying Amount As At 1.04.2016	275.27	2.04	277.31
Additions	0.00	0.00	0.00
Disposal	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2017	275.27	2.04	277.31
Opening Accumulated Depreciation	0.00	0.15	0.15
Depreciation For The Year	0.00	0.08	0.08
Closing Accumulated Depreciation	0.00	0.23	0.23
Net Carrying Amount As At 31.03.2017 with revaluation reserve	275.27	1.81	277.08
Less: Revaluation Reserve	-275.21	-1.30	-276.50
Net Carrying Amount As At 31.03.2017 without revaluation reserve	0.06	0.51	0.58
Opening Gross Carrying Amount As At 1.04.2017	275.27	2.04	277.31
Additions	78.92	0.00	78.92
Disposal	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2018	354.19	2.04	356.23
Opening Accumulated Depreciation	0.00	0.23	0.23
Depreciation For The Year	0.00	0.08	0.08
Closing Accumulated Depreciation	0.00	0.31	0.31
Net Carrying Amount As At 31.03.2018 with revaluation reserve	354.19	1.73	355.92
Less: Revaluation Reserve	-354.10	-1.24	-355.35
Net Carrying Amount As At 31.03.2018 without revaluation reserve	0.08	0.49	0.57

NOTE NO. 3(a)

STATEMENT OF INTANGIBLE ASSETS

PARTICULARS	Technical Knowhow
Opening Balance as at 01.04.2014	15.68
Additions	0.00
Disposal	0.00
Closing Gross Carrying Amount As At 31.03.2015	15.68
Depreciation For The Year	15.68
Disposals	0.00
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2015	0.00
Opening Gross Carrying Amount As At 1.04.2015	15.68
Additions	0.00
Disposal	0.00
Closing Gross Carrying Amount As At 31.03.2016	15.68

PARTICULARS	Technical Knowhow
Opening Accumulated Depreciation	15.68
Depreciation For The Year	0.00
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2016	0.00
Opening Gross Carrying Amount As At 1.04.2016	15.68
Additions	0.00
Disposal	0.00
Closing Gross Carrying Amount As At 31.03.2017	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	0.00
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2017	0.00
Opening Gross Carrying Amount As At 1.04.2017	15.68
Additions	0.00
Disposal	0.00
Closing Gross Carrying Amount As At 31.03.2017	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	0.00
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2018	0.00

₹ In millions

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
NOTE NO. 4								
STATEMENT OF NON- CURRENT FINANCIAL ASSETS-INVESTMENTS								
Investment in Equity instruments								
Fully Paid at Cost (unquoted)	4.06		4.06		4.06		4.06	
paid up in India Satcom Limited(joint venture with M/S Chris Tech System Pvt.	0.00		0.00		0.00		0.00	
TOTAL		4.06		4.06		4.06		4.06
As per IND AS 27 Separate Financial Statements, Investment in Joint Ventures is being carried at cost in the Standalone Financial Statements.								
NOTE NO. 5								
STATEMENT OF NON CURRENT FINANCIAL ASSETS - LOANS								
Secured and considered good :								
Capital Advances	0.00		1.00		0.69		0.69	
Considered Doubtful :	0.00		0.00		0.00		0.00	
Capital Advances	0.16		0.16		3.00		2.84	
Total	0.16		1.16		3.69		3.53	
less: provision	0.11		0.11		2.95		2.84	
TOTAL SECURED LOANS & ADVANCES		0.05		1.05		0.74		0.69
Unsecured and considered good :								
Capital Advances	0.00		0.00		0.00		0.16	
Security Deposits	0.07		0.08		0.06		0.06	
Loans and advances	1.65		1.48		1.50		1.83	
Considered Doubtful:	0.00		0.00		0.00		0.00	
Security Deposits	0.00		0.00		0.00		22.53	
Total	1.72		1.55		1.56		24.58	
less: provision	0.00		0.00		0.00		0.11	
Loans and advances due from related parties :								
ISL	0.00		0.00		0.00		0.00	
TOTAL UNSECURED LOANS & ADVANCES		1.72		1.55		1.56		24.47
GRAND TOTAL		1.77		2.61		2.30		25.16

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
NOTE NO. 6								₹ In millions
STATEMENT OF INVENTORIES								
a) Raw material and Production stores	710.03		806.23		565.36		562.20	
Less: Provision for Obsolescence	179.08		168.80		154.08		155.10	
		530.95		637.43		411.28		407.10
b)Material issued against Fabrication Contracts	9.81		9.81		9.81		10.02	
Less: Provision	9.55		9.55		9.55		9.55	
		0.26		0.26		0.26		0.48
c)Non-Production Stores	80.77		85.24		84.64		80.30	
Less: Provision for Obsolescence	23.74		25.16		25.16		25.16	
		57.03		60.08		59.49		55.14
d)Work-in-Process Production	307.00		417.28		223.40		268.23	
Less: Provision	30.51		27.38		27.38		27.38	
		276.49		389.91		196.03		240.85
e)Work-in-Process Installation	0.00		0.00		0.00		0.00	
Less: Provision	0.00		0.00		0.00		0.00	
		0.00		0.00		0.00		0.00
f)Manufactured Components	94.84		97.55		134.00		105.35	
Less: Provision	4.01		3.39		3.39		3.39	
		90.82		94.17		130.61		101.97
g) Finished Goods								
Stock-in-Trade	177.54		185.99		167.21		155.41	
Excise Duty thereon	8.57		8.94		7.24		5.65	
	186.11		194.93		174.44		161.06	
Less: Provision	104.57		104.46		104.46		104.46	
		81.54		90.47		69.98		56.60
h) Stock Reconciliation Account	1.03		1.03		1.01		0.99	
Less: Provision	1.03		1.03		1.01		0.99	
		0.00		0.00		0.00		0.00
i)Goods Pending Inspection / Acceptance		57.85		15.98		57.89		5.37
j)Material-in-Transit Advances								
Considered Good	464.01		122.51		108.01		61.61	
Considered Doubtful	8.22		8.22		8.22		8.22	
	472.24		130.73		116.23		69.84	
Less: Provision	8.22		8.22		8.22		8.22	
		464.01		122.51		108.01		61.61
k)Material received and In-Transit Advances		0.00		11.55		4.74		4.16
l)Tools and Gauges*		0.00		0.53		0.00		0.15
GRAND TOTAL		1558.96		1422.86		1038.30		933.43

*Tools and Gauges has been treated as Inventory rather than Property Plant & Equipment as these are not material in value.

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
NOTE NO. 7								₹ In millions
STATEMENT OF CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES								
Secured								
Outstanding for a period exceeding 6 months from the date they become due for payment								
Considered Good	0.00		0.00		0.00		0.00	
Considered Doubtful	0.00		0.00		0.00		0.00	
	0.00		0.00		0.00		0.00	
Other for a period of not exceeding 6 months: Considered Good	0.00		0.00		0.00		0.00	
	0.00		0.00		0.00		0.00	
Less: Provision	0.00		0.00		0.00		0.00	
TOTAL		0.00		0.00		0.00		0.00
Un Secured								
Outstanding for a period exceeding 6 months from the date they become due for payment								
Considered Good	24631.18		17766.03		23468.42		20220.54	
Considered Doubtful	465.16		465.16		437.80		678.96	
	25096.34		18231.19		23906.22		20899.49	
Other for a period of not exceeding 6 months: Considered Good	6168.18		4193.51		3963.29		1966.61	
	31264.52		22424.70		27869.51		22866.10	
Less: Provision	465.16		465.16		437.80		678.96	
TOTAL		30799.36		21959.54		27431.71		22187.15
GRAND TOTAL		30799.36		21959.54		27431.71		22187.15

As per Ind AS 109, the receivables in the Company should be put to impairment test using the expected credit loss model. Ind AS 109 allows the use of practical expedients when measuring expected credit loss on trade receivables, and states that a provision matrix is a example of such an expedient. Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers, provision is determined using expected credit loss model on case to case basis

NOTE NO. 8								
STATEMENT OF CURRENT FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS								
a)Cash-on-Transit	0.00		0.00		7.83		7.83	
b)Cash on hand	6.63		2.65		2.46		4.10	
c) Cheques & Stamps on Hand	0.00		0.01		0.05		0.09	
d)Balance with Banks :								
- On Current Account	405.98		241.36		489.18		446.05	
TOTAL		412.61		244.02		499.51		458.07
NOTE NO. 8 (a)								
CURRENT FINANCIAL ASSETS -BANK BALANCE OTHER THAN ABOVE								
Balance with Banks :								
- On Escrow Account	2826.57		1369.90		658.48		2221.40	
- On Current Account (Apprentices)	0.58		0.58		0.58		0.58	
Unpaid Dividend	0.00		0.00		0.00		0.00	
Security deposits/others	0.04		0.04		0.71		0.00	
LC Margin money	0.00		0.00		0.00		25.00	
On Savings Account(Apprentices Security Deposits)	0.25		0.25		0.25		0.62	
On short term deposit (margin money)	7.44		4.79		7.39		6.57	
On current Account(Margin money)	0.00		0.00		0.00		0.00	
On Fixed Deposit Account- More than 12 months maturity	0.00		0.00		0.00		0.00	
On Fixed Deposit Account- Less than 12 months maturity	0.00		43.55		45.00		0.00	
TOTAL		2834.88		1419.10		712.41		2254.18
NOTE NO. 9								
STATEMENT OF CURRENT FINANCIAL ASSETS - LOANS								
Secured Advances recoverable in cash or for value to be received								
Vehicles	0.00		0.00		0.00		0.00	
House building	0.00		0.00		0.00		0.00	
Other Deposits	54.17		53.70		53.62		217.96	
Less: Provision	0.00		0.00		0.00		25.07	
TOTAL		54.17		53.70		53.63		192.90
Un secured Advances recoverable in cash for value to be received								
Considered Good	1789.07		1461.74		843.94		784.97	
Considered Doubtful	151.78		151.78		161.25		161.25	
	1940.85		1613.52		1005.19		946.22	
Less: Provision	151.78		151.78		151.78		161.25	
		1789.07		1461.74		853.41		784.97
Claims and Expenses Recoverable - Inland								
Considered Good	1623.82		1459.93		1460.46		1598.58	
Considered Doubtful	69.67		67.87		67.87		67.87	
	1693.50		1527.79		1528.33		1666.44	
Less: Provision	69.67		67.87		67.87		67.87	
		1623.82		1459.93		1460.46		1598.58

Particulars	Note No.	For the year ended 31.03.2018		For the year ended 31.03.2017		For the year ended 31.03.2016		For the year ended 31.03.2015(Proforma)	
Claims and expenses recoverable - Foreign									₹ In millions
Considered Good		1.02		48.61		4.73		6.97	
Considered doubtful		120.43		120.43		120.43		120.43	
		121.45		169.04		125.16		127.40	
Less: Provision		120.43		120.43		120.43		120.43	
			1.02		48.61		4.73		6.97
Advance for Civil Works/ Capital Goods									
Considered Good		0.00		0.00		0.00		0.00	
Considered Doubtful		0.00		0.00		0.00		0.00	
		0.00		0.00		0.00		0.00	
Less: Provision		0.00		0.00		0.00		0.00	
			0.00		0.00		0.00		0.00
Vechicle advance			-0.00		-0.00		-0.00		-0.00
Other Deposits		410.50		334.69		239.89		97.20	
Less: Provision		25.60		25.60		25.60		0.54	
			384.90		309.09		265.49		96.67
Interest accrued but not due on short term deposits			1.77		1.75		1.72		11.67
TOTAL			3800.58		3281.11		2534.60		2498.86
GRAND TOTAL			3854.75		3334.81		2588.22		2691.75

a) Claims and expenses recoverable - inland- includes ₹169.02millions recoverable from M/s HCL Infosystem Ltd . as compensation on account of excess amount spent by ITI Ltd. MANKAPUR. The above is on the basis of agreement entered into between ITI, HCL and Alcatel.

b) Claims and expenses recoverable - inland- Rs.14.03 million (Rs. 14.03 million) is due from Punjab National Bank towards interest charged in excess of SBAR w.e.f. 01.04.2009 and the same is expected to get realised during 2018-2019

c) Claim Recoverable - in land - Rs.104.94 millions due from M/S Himachal futuristic communications towards LD. The Company has filed a legal case and the matter is pending before Delhi High court.

d) Rent Receivable of Rs. 584.79 millions on a premises leased out upto the period ended 31.03.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainity of realization

NOTE NO. 10

STATEMENT OF OTHER CURRENT ASSETS

Taxes & Duties in put	432.09	56.74	59.38	0.75
Deposits with Customs Department	0.51	6.54	0.71	0.85
Payment of Advance tax (Net of refunds)	8.88	2.84	45.63	38.99
Deposits with Excise Authorities	45.50	227.19	250.18	245.88
WCT Recoverable	1.28	1.54	1.57	1.56
TOTAL	488.25	294.85	357.46	288.02

NOTE NO. 11

STATEMENT OF EQUITY SHARE CAPITAL

a) Authorised				
80,00,00,000 equity shares of ₹10 each	8000.00	8000.00	8000.00	8000.00
b) Issued				
76,00,00,000 equity shares of ₹10 each	7600.00	5600.00	2880.00	2880.00
c) Subscribed and Fully Paid-up				
76,00,00,000 equity shares of ₹10 each	7600.00	5600.00	2880.00	2880.00
d) Subscribed & not fully paid up	0.00	0.00	0.00	0.00
e) Par value per share	0.00	0.00	0.00	0.00
f) Calles un paid	0.00	0.00	0.00	0.00
g) Forfeited shares	0.00	0.00	0.00	0.00

h) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
	No.of shares	No.of shares	No.of shares	No.of shares
Number of shares outstanding O.B	560000000	288000000	288000000	288000000
Add: Issues during the year	200000000	272000000	0	0
Less: Buy back/forfiture during the year	0	0	0	0
Number of shares outstanding C.B	760000000	560000000	288000000	288000000

i) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of Equity share is entitled to one vote per share.

- In the event of liqudation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferencial amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
j)List of share holders holding more than 5% shares								
Name	No.of shares held		No.of shares held		No.of shares held		No.of shares held	
1. President of India		730887500		530887500		258887500		258887500
k)During last 5 years:								
i)Aggregate number of shares allotted without being received in cash		Nil		Nil		Nil		Nil
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares		Nil		Nil		Nil		Nil
iii)Aggregate number and class of shares bought back		Nil		Nil		Nil		Nil
NOTE NO. 12								
STATEMENT OF OTHER EQUITY								
1)Capital Reserves								
i)Free Land Gifted								
O.B As per last B/S	2.53		2.53		2.53		2.53	
Additions	0.00		0.00		0.00		0.00	
Total	2.53		2.53		2.53		2.53	
Deductions	0.00		0.00		0.00		0.00	
Closing balance		2.53		2.53		2.53		2.53
ii) Capital Grant in aid								
As per last Balance Sheet	27487.20		27487.20		27305.70		27127.00	
Transfer from Grant in aid (capital)	0.00		0.00		181.50		178.70	
Closing Balance		27487.20		27487.20		27487.20		27305.70
TOTAL CAPITAL RESERVES		27489.73		27489.73		27489.73		27308.23
2) Securities premium reserve								
O.B as per last B/S	2.96		2.96		2.96		2.96	
Additions	0.00		0.00		0.00		0.00	
Total	2.96		2.96		2.96		2.96	
Deductions	0.00		0.00		0.00		0.00	
Closing balance		2.96		2.96		2.96		2.96
3) Revaluation Reserve								
i) Revaluation reserves- Land								
Opening balance as per last B/S	22761.12		22761.12		22761.12		22761.12	
Less-Reversal on sale of land	37.28		0.00		0.00		0.00	
Closing Balance		22723.85		22761.12		22761.12		22761.12
ii)Revaluation reserves-Buildings								
Opening balance as per last B/S	722.02		782.56		842.93		983.01	
Less-Transfer to General Reserve	55.07		60.54		60.37		140.08	
Closing Balance		666.95		722.02		782.56		842.93
TOTAL-REVALUATION RESERVE		23390.80		23483.14		23543.68		23604.06
4)Retained Earnings								
i) General reserve:								
Opening balance as per last B/S	84.97		26.80		0.00		0.00	
Prior Period Adjustments	0.00		-2.37		-33.57		0.00	
Add: Transfer from Revaluation Reserve (Dep)	55.07		60.54		60.37		0.00	
Less-Transfer to P&L	0.00		0.00		0.00		0.00	
Less-Transfer to Surplus	-0.82		0.00		0.00		0.00	
Closing Balance		140.87		84.97		26.80		0.00
ii)Profit on Sale of Fixed Assets								
Opening balance as per last B/S	0.00		0.00		0.00		0.00	
Less-Transfer to Surplus	0.00		0.00		0.00		0.00	
Closing Balance		0.00		0.00		0.00		0.00

iii) Sale of Technical know-how								
As per last Balance Sheet	0.35		0.35		0.35		0.35	
Less-Transfer to P&L	0.00		0.00		0.00		0.00	
Closing Balance		0.35		0.35		0.35		0.35
iv) Industrial Housing Subsidy								
As per last Balance Sheet	0.68		0.68		0.68		0.68	
Less-Transfer to P&L	0.00		0.00		0.00		0.00	
Closing Balance		0.68		0.68		0.68		0.68
v)Investment allowance reserve								
As per last Balance Sheet	0.00		0.00		0.00		0.00	
LESS: Transfer to General reserve	0.00		0.00		0.00		0.00	
Closing Balance		0.00		0.00		0.00		0.00
vi)Surplus								
As per last Balance sheet	-46628.86		-49291.23		-51663.41		-48692.14	
Add:Profit/(Loss) for the year	2305.64		2663.91		2372.18		-2979.95	
Add: Transfer from General Reserve	0.00		0.00		0.00		0.00	
Add: Transfer from Profit on sale of fixed assets	0.00		0.00		0.00		0.00	
TOTAL	-44323.22		-46627.33		-49291.23		-51672.09	
Less- Appropriations	0.00		1.53		0.00		-8.68	
Less-Transfer from P&L A/C-(Loss for the year)	0.00		0.00		0.00		0.00	
Closing Balance		-44323.22		-46628.86		-49291.23		-51663.41
TOTAL-RETAINED EARNINGS		-44181.32		-46542.86		-49263.40		-51662.38
5)Share application money pending allotment*		1370.00		0.00		1920.00		1920.00
6)Other Comprehensive Income								
Remeasurement of Defined Benefit Plans (Acturial Gain)								
Opening Balance	560.57		173.26		0.00		0.00	
Changes during the Year	45.68		387.30		173.26		0.00	
Closing balance		606.24		560.57		173.26		0.00
GRAND TOTAL - OTHER EQUITY with REVALUATION RESERVE		8678.41		4993.54		3866.23		1172.86
Less: Revaluation Reserve		-23390.80		-23483.14		-23543.68		-23604.06
GRAND TOTAL - OTHER EQUITY without REVALUATION RESERVE		-14712.39		-18489.60		-19677.45		-22431.19

* 137 million additional equity shares were alloted to President of India on 15.05.2018

NOTE NO. 13

STATEMENT OF NON-CURRENT LIABILITIES

Government Grants

i)Free Equipment gifted								
Opening balance as per last B/S	15.62		25.00		34.37		43.74	
Less-Transfer to P&L	9.37		9.37		9.37		9.37	
Closing Balance		6.25		15.62		25.00		34.37
ii)Grant-in-aid (Capital) :								
As per last Balance Sheet	0.46		0.69		38.28		78.65	
Add:Receipts during the year	0.00		0.00		181.50		178.62	
Total	0.46		0.69		219.78		257.27	
Less: Transfer to revenue GIA/Capital reserves	0.00		0.00		181.50		178.70	
Less: Transfer to Profit & Loss Account	0.00		0.22		37.60		40.29	
Closing Balance		0.46		0.46		0.69		38.28
iii)Grant-in-aid (Revenue)								
As per last Balance Sheet	1212.84		0.00		0.00		0.00	
Add : Receipts during the year	1329.80		5000.00		4940.20		1650.00	
Total	2542.64		5000.00		4940.20		1650.00	
Less: Transfer to Profit & Loss Account	1358.46		3787.16		4940.20		1650.00	
Closing Balance		1184.18		1212.84		0.00		0.00
GRAND TOTAL		1190.89		1228.93		25.68		72.65

-Unspent portion of government grants (as per the conditions of grant document) are classified separately from other equity and shown as Non-current liabilities

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
NOTE NO. 14								₹ In millions
STATEMENT OF NON-CURRENT LIABILITIES								
FINANCIAL LIABILITIES - LOANS								
i) Secured Loans								
Floating Rate Bonds	0.00		0.00		0.00		0.00	
Term Loans from Banks	0.00		0.00		0.00		0.00	
Others	0.00		0.00		0.00		0.00	
TOTAL		0.00		0.00		0.00		0.00
II) Unsecured Loans								
Loan from Government of India*	3000.00		3000.00		3000.00		3000.00	
Interest accrued and due on the above	0.00		0.00		0.00		0.00	
Floating Rate Bonds	0.00		0.00		0.00		0.00	
Term Loans from Banks	0.00		0.00		0.00		0.00	
Deferred payment liabilities	0.00		0.00		0.00		0.00	
Deposits	0.00		0.00		0.00		0.00	
Loans and advances from related parties	0.00		0.00		0.00		0.00	
Long term maturities of finance lease obligation	0.00		0.00		0.00		0.00	
Other loan - Ku Band	0.00		0.00		0.00		0.00	
TOTAL		3000.00		3000.00		3000.00		3000.00
GRAND TOTAL		3000.00		3000.00		3000.00		3000.00

*As there is an ambiguity on the repayment schedule of the above specified loan i.e. year of profit(operational profit without any grants) based on which repayment schedule is constructed, the carrying amount is being continued as Non-current Financial Liability.

NOTE NO. 15

STATEMENT OF NON-CURRENT FINANCIAL LIABILITIES - OTHERS

Security deposit received	75.88		68.81		75.69		47.39	
Interest accrued and but not due on Loan from GOI*	105.62		75.62		45.62		15.62	
GRAND TOTAL		181.50		144.42		121.31		63.01

*As there is an ambiguity on the repayment schedule of the above specified loan i.e. year of profit(operational profit without any grants) based on which repayment schedule is constructed, the carrying amount of Interest on Govt. of India Loan is being continued as Non-current Financial Liability.

NOTE NO. 16

STATEMENT OF NON CURRENT PROVISIONS

For privilege Leave								
As per Last Balance Sheet	569.33		820.13		863.58		1017.04	
Less : Transfer to Corporate	0.00		0.00		0.00		0.00	
Add: Provision for the year	90.84		-250.80		5.12		-153.46	
Less: Payments	0.00		0.00		48.57		0.00	
TOTAL		660.17		569.33		820.13		863.58
For sick Leave								
As per Last Balance Sheet	13.78		18.95		23.87		26.71	
Less : Transfer to Corporate	0.00		0.00		0.00		0.00	
Add: Provision for the year	-4.99		-5.17		-4.92		-2.85	
Less: Payments	0.00		0.00		0.00		0.00	
TOTAL		8.79		13.78		18.95		23.87
ii) Others		11.09		0.00		0.00		0.00
GRAND TOTAL		680.04		583.11		839.08		887.45

NOTE NO. 17

STATEMENT OF CURRENT LIABILITIES

i) Current Financial Liabilities - Loans								
Loans repayable on demand								
-Secured Loans								
Cash credit from State Bank of India and other members of the consortium of Banks against hypothecation of stocks,stores & raw materials, debts & advances and second charge on all Fixed Assets both movable and immovable.	9263.22		8791.69		8389.14		9208.31	
-Unsecured Loans								
Loans and advances from related parties	0.00		0.00		0.00		0.00	
Deposits	0.00		0.00		0.00		0.00	
Other loans and advances	0.00		0.00		0.00		0.00	
TOTAL		9263.22		8791.69		8389.14		9208.31

NOTE NO. 18

STATEMENT OF CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

For goods supplied								
- Micro small and medium enterprises	0.38		0.78		1.38		0.54	
- Others	16765.45		14961.01		13075.48		14348.97	
TOTAL	16765.83		14961.79		13076.86		14349.50	
For Expenses and Services	2712.10		2263.32		3590.66		5724.00	
For Other Liabilities	3138.56		2534.88		4385.78		2756.68	
TOTAL		22616.49		19759.99		21053.30		22830.18

A list of micro, small and medium enterprises to whom the Company owe any sum together with interest outstanding to the extent identified.

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
NOTE NO.19				₹ In millions
STATEMENT OF CURRENT FINANCIAL LIABILITIES - OTHERS				
Interest Accrued but not due on Borrowings	0.00	0.00	0.00	0.00
Interest Accrued and due on Borrowings	0.00	0.00	0.00	0.00
Unpaid matured deposits and interest accrued thereon	0.00	0.00	0.00	0.00
Unpaid matured debentures and interest accrued thereon	0.00	0.00	0.00	0.00
For Expenses and Services	566.34	393.27	320.89	494.55
For Other Liabilities (including Excise Duty on Stock in Trade NIL Previous year ₹ NIL millions)	4085.78	3286.70	3877.77	3798.53
Other payables	2.06	3.33	187.74	190.41
Salary Payable	40.94	0.00	0.00	0.00
Unclaimed Dividend	0.00	0.00	0.00	0.00
Misc.Liabilities	0.00	0.00	0.00	0.00
Royalty Payable	21.28	0.00	0.00	0.00
Wage revision Arrears	108.33	108.79	314.55	475.95
Preference Shares*	3000.00	3000.00	3000.00	3000.00
Deposits from Contractors	416.71	443.80	390.51	378.66
TOTAL	8241.43	7235.90	8091.46	8338.10

*As the preference shares are non convertible and overdue, the same has been removed from the share capital and classified as current financial liability. Inerest/Dividend has not been provided in the books of accounts.

Preference Shares:

a) Authorised				
40000000 Preference Shares of ₹100 each 8.75% Cumulative Redeemable Preference Shares	4000.00	4000.00	4000.00	4000.00
b) Issued				
10000000, 8.75% Cumulative Redeemable Preference Shares of ₹100 each Redeemable at par in 5 equal instalment from March 2005	1000.00	1000.00	1000.00	1000.00
c) Subscribed and Fully Paid-up				
10000000, 8.75% Cumulative Redeemable Preference Shares of ₹100 each Redeemable at par in 5 equal instalment from March 2005	1000.00	1000.00	1000.00	1000.00

d) Subscribed & not fully paid up

e) Calls un paid

f) Forfeited shares

g) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
	No.of shares held	No.of shares held	No.of shares held	No.of shares held
Number of shares outstanding O.B	10000000	10000000	10000000	10000000
Add issues during the year	0	0	0	0
Less: Buy back/forfeiture during the year	0	0	0	0
Number of shares outstanding C.B	10000000	10000000	10000000	10000000

h) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of preference shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to preference shares.

- In the event of liqudation of the company, the holders of preference shares will be entitled to receive assets of the company, before distribution to equity share holders. The distribution will be in proportion to the number of shares held by the shareholders.

j)List of share holders holding more than 5% shares

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
Name	No.of shares held	No.of shares held	No.of shares held	No.of shares held
1.Mahanagar Telephone Nigam Ltd.	10000000	10000000	10000000	10000000
j)During last 5 years:				
i)Aggregate number of shares allotted without being received in cash	0.00	0.00	0.00	0.00
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares	0.00	0.00	0.00	0.00
iii)Aggregate number and class of shares brought back	0.00	0.00	0.00	0.00

Dividend in respect of following class of Cumulative Redeemable Preference Shares are in arrears as detailed below:

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
				₹ In millions
a) On 8.75% Cumulative Preference Shares from 2002-03	1400.00	1312.50	1225.00	1137.50
(The figures indicated are excluding Dividend Distribution Tax)				
Redemption installments in respect of the following Cumulative Redeemable Preference shares issued by the company have not been paid on due dates on account of fund constraints				
Redemption installments due from 31st March 2005 to 31st March 2009 in respect of 8.75 % Preference Shares of ₹1000 millions	1000.00	1000.00	1000.00	1000.00
7% Cumulative Redeemable Preference Shares				
a) Issued				
20000000, 7.00% Cumulative Redeemable Preference shares of ₹100 each, redeemable at par in 5 equal installments from March 2006, with call option to BSNL after expiry of one year from the date of investment 31.03.2003	2000.00	2000.00	2000.00	2000.00
b) Subscribed and Fully Paid-up				
20000000, 7.00% Cumulative Redeemable Preference shares of ₹100 each, redeemable at par in 5 equal installments from March 2006, with call option to BSNL after expiry of one year from the date of investment 31.03.2003	2000.00	2000.00	2000.00	2000.00
c) Subscribed & not fully paid up				
d) Par value per share(₹100)	0.00	0.00	0.00	0.00
e) Calls un-paid	0.00	0.00	0.00	0.00
f) Forfeited shares	0.00	0.00	0.00	0.00
g) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
	No.of shares held	No.of shares held	No.of shares held	No.of shares held
Number of shares outstanding O.B	20000000	20000000	20000000	20000000
Add issues during the year	0	0	0	0
Less: Buy back/forfeiture during the year	0	0	0	0
Number of shares outstanding C.B	20000000	20000000	20000000	20000000

h) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of the preference shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to preference shares.

- In the event of liquidation of the company, the holders of preference shares will be entitled to receive assets of the company, before distribution to equity share holders. The distribution will be in proportion to the number of shares held by the shareholders.

i)List of share holders holding more than 5% shares	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
Name	No.of shares held	No.of shares held	No.of shares held	No.of shares held
1.Bharat Sanchar Nigam Ltd.	20000000	20000000	20000000	20000000
j)During last 5 years:				
k)Aggregate number of shares allotted with out being received in cash	0.00	0.00	0.00	0.00
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares	0.00	0.00	0.00	0.00
iii)Aggregate number and class of shares brought back	0.00	0.00	0.00	0.00
a) On 7.00% Cumulative Preference Shares from 2003-04	2100.00	1960.00	1820.00	1680.00
(The figures indicated are excluding Dividend Distribution Tax)				
Redemption installments in respect of the following Cumulative Redeemable Preference shares issued by the company have not been paid on due dates on account of fund constraints				
Redemption installments due from 31st March 2006 to 31st March 2010 in respect of 7% Preference Shares of ₹2000 millions	2000.00	2000.00	2000.00	2000.00

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
NOTE NO. 20								₹ In millions
STATEMENT OF CURRENT PROVISIONS								
For Taxation								
As per last Balance Sheet	5.37		5.38		5.37		5.38	
Add: Provisions during the year	0.00		0.00		0.00		0.00	
Less: Adjustments of provisions relating to earlier years	5.37		0.00		0.00		0.00	
Total		0.00		5.38		5.37		5.38
For Gratuity								
As per Last Balance Sheet	1085.03		2017.96		3020.11		2793.04	
Add: Provision for the year	198.95		-2.94		297.85		227.07	
Less: Transfer to gratuity trust	430.00		930.00		1300.00		0.00	
Add: Transfer from gratuity trust	468.91		789.27		593.91		647.64	
Add: Transfer from Corporate	0.00		0.00		0.00		0.00	
Less: Payments	468.91		789.27		593.91		647.64	
Total		853.97		1085.02		2017.96		3020.11
For Privilege Leave								
As per Last Balance Sheet	374.94		376.94		472.38		509.23	
Less : Transfer to Corporate	0.00		0.00		0.00		0.00	
Add: Provision for the year	65.50		181.84		54.26		137.37	
Less: Payments	111.61		183.84		149.70		174.21	
Total		328.84		374.94		376.94		472.38
For Sick Leave								
As per Last Balance Sheet	0.36		0.27		11.20		10.34	
Add: Provision for the year	-0.12		0.08		-10.93		0.87	
Less: Payments	0.00		0.00		0.00		0.00	
Total		0.24		0.36		0.27		11.20
For L L T C provision								
As per Last Balance Sheet	18.01		18.48		16.19		10.56	
Add: Provision for the year	10.28		3.40		4.37		7.42	
Less: Payments	10.75		3.87		2.08		1.79	
Total		17.53	0.00	18.01	0.00	18.48	0.00	16.19
GRAND TOTAL		1200.58		1483.70		2419.03		3525.27
NOTE NO. 21								
STATEMENT OF OTHER CURRENT LIABILITIES								
Income received in advance	0.00		0.00		0.00		0.00	
Duties & Taxes	636.49		75.28		83.61		65.89	
Advances from Customers	6786.43		2231.74		7579.26		1362.67	
TOTAL		7422.92		2307.02		7662.87		1428.55
NOTE NO. 22								
STATEMENT OF REVENUE FROM OPERATIONS								
i)Sale of Products (Incl. Excise duty and net of sales tax & GST)								
Sale of Finished Goods	6733.20		1850.23		1021.72		833.38	
Sale of Traded Goods	956.56		2014.03		5874.06		1214.67	
TOTAL	7689.76		3864.27		6895.78		2048.05	
ii) Sale of services	6613.17		11605.09		5026.58		3731.53	
iii) Other Operating Revenues:								
a) Sale of Scrap	0.05		0.04		0.11		0.08	
b) Income from DLRC Project	8.65		11.97		10.99		11.46	
c) Non competing fee	0.00		0.00		0.00		0.00	
d) Grant In Aid-Revenue	530.00		0.00		0.00		0.00	
TOTAL	14841.62		15481.37		11933.46		5791.12	

Particulars	For the year ended on 31.03.2018		For the year ended on 31.03.2017		For the year ended on 31.03.2016		For the year ended on 31.03.2015(Proforma)	
NOTE NO. 23								₹ In millions
STATEMENT OF OTHER INCOME								
a) Interest Income								
i) Interest on Inter Corporate Advances	0.00		0.00		0.00		0.00	
ii) Interest - Others	15.98		10.00		22.66		25.84	
Total		15.98		10.00		22.66		25.84
b) Dividend from Non-Trading Investments		0.00		0.00		0.00		0.00
c) Net Gain/Loss on Sale of Investment		0.00		0.00		0.00		0.00
d) Other Non-operating income (Net of expenses directly attributable to such income)								
i) Profit on Sale of Assets	0.00		0.00		0.00		0.31	
Less:Transfer to Capital Reserves	0.00		0.00		0.00		0.00	
TOTAL	0.00		0.00		0.00		0.31	
ii)Commission	0.00		0.00		0.00		0.00	
iii)Rent	157.23		154.43		180.96		182.65	
iv) Lease Rent	0.00		0.00		0.00		0.00	
v) Transport Charges	0.02		0.02		0.03		0.30	
vi) Sale of Scrap	11.90		2.35		1.31		1.64	
vii) Water Charges/Electricity Charges	0.89		0.63		0.31		20.07	
viii) Forfeited Bank Guarantee	0.00		0.00		0.00		0.00	
ix) Excess Provision Withdrawn	5.37		0.00		84.69		15.08	
x) Reimbursement of VRS	0.00		0.00		0.00		0.00	
xi) Withdrawl of Liability no Longer Required	1121.45		1157.85		270.13		387.30	
xii) Waiver of Liquidated Damages	0.00		0.00		3.64		55.33	
xiii)Compensation for Srinagar Loss	131.48		22.35		34.40		86.50	
xiv) Waiver of Interest Charges	0.00		0.00		0.00		0.00	
xv) Transfer from Revenue Grant-in-Aid	799.80		1960.00		3815.20		0.00	
xvi) Revenue Grant-in-Aid - VRS	28.66		337.16		0.00		0.00	
xvii) Revenue Grant-in-Aid	9.37		9.37		9.37		0.00	
xviii) Transfer from Capital Grant-in-Aid	0.00		0.22		37.60		40.29	
xix) Compensation for Acquisition of Land by BMRCL	921.15							
xx) Misc. Income	71.24		104.32		349.97		20.07	
TOTAL(i to xix)		3258.56		3748.70		4787.60		809.54
e) Adjustment to the carrying value of investments(write back)		0.00		0.00		0.00		0.00
f) Grants relating to Previous Years		0.00		1647.10		1125.00		0.00
g) Net gain /loss on foreign currency translation and transaction(other than considered as finance cost)		0.00		0.00		34.40		13.79
G.TOTAL		3274.54		5405.79		5969.65		849.17
NOTE NO. 24								
STATEMENT OF CONSUMPTION OF RAW MATERIALS & PRODUCTION STORES								
Opening Stock	816.07		575.16		587.09		570.45	
ADD: Prior Period Adjustment due to Price Revision	0.00		0.00		0.00		0.00	
Purchases/Transfers	3023.15		1096.68		453.22		491.10	
Material for Installation & Maintenance	0.00		0.00		0.00		0.00	
TOTAL		3839.21		1671.84		1040.31		1061.54
Less: Closing Stock	719.84		816.07		575.16		587.09	
Issue to Revenue and Others	-2.36		-62.16		55.08		50.56	
Material Transferred to Other Units	0.00		0.00		0.00		0.00	
TOTAL		717.48		753.90		630.24		637.65
RM & Prodn. Stores		12.71		7.81		3.27		6.37
CONSUMPTION		3134.44		925.75		413.33		430.27
heads								
particulars				Amount		Amount		Amount
1. Electronic Goods & Components	3120.47		630.74		412.56		430.27	
2. MNIC	13.97		295.01		0.77		0.00	
Total		3134.44		925.75		413.33		430.27
Value of Imports on CIF basis		Current Year TOTAL		Previous Year TOTAL		Previous Year TOTAL		Previous Year TOTAL
Raw Materials and Production Stores		1894.01		441.62		127.12		77.09
Components and Spare Parts		0.01		0.05		0.12		0.73
Material in transit		365.38		0.00		0.00		26.24
Capital Goods		652.18		253.72		550.81		0.93
TOTAL		2911.58		695.39		678.05		104.99

Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption.

	2017-18		2016-17		2015-16		2014-15	
Particulars	₹millions	%	₹millions	%	₹millions	%	₹millions	%
Imported	1540.25	48.83	425.83	44.57	103.54	23.85	136.13	29.99
Indigenous	1613.79	51.17	529.56	55.43	330.69	76.15	317.81	70.01
Total	3154.04	100.00	955.39	100.00	434.23	100.00	453.94	100.00

Particulars	For the year ended on 31.03.2018	For the year ended on 31.03.2017	For the year ended on 31.03.2016	For the year ended on 31.03.2015(Proforma)
NOTE NO. 25				₹ In millions
STATEMENT OF PURCHASE OF STOCK-IN-TRADE	2319.76	5121.91	6282.47	1420.59
Goods purchased under broad heads				
Particulars	Amount	Amount	Amount	Amount
1. Telephone	0.00	0.00	0.00	0.00
2. STM	0.00	0.00	0.00	0.00
3. DWDM	0.00	0.00	0.00	0.00
4. SOLAR	22.27	1.30	0.00	0.69
5. SSTP	0.00	0.00	0.00	0.00
6. CDMA	0.00	0.00	0.00	0.00
7. SMPS	0.00	0.00	0.00	24.31
8. ASCON	21.95	61.74	26.34	64.47
9. GSM	287.84	0.00	0.00	141.01
10. IT	0.00	153.75	57.47	0.00
11. APDRP	71.12	156.98	331.80	643.71
12. Others	1916.58	4748.14	5866.85	546.40
TOTAL	2319.76	5121.91	6282.47	1420.59

NOTE NO. 26

STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS AND STOCK-IN-TRADE

Accretion/(Decretion) to WIP								
WIP - Production :								
Closing Balance	415.00		393.33		199.45		244.27	
Less: Opening Balance	525.28		199.45		244.27		248.73	
TOTAL	-110.28		193.88		-44.82		-4.45	
Add: Write Off during the Year	3.13		0.00		0.00		0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00		0.00		0.00		0.00	
TOTAL		-107.15		193.88		-44.82		-4.45
WIP - Installation:								
Closing Balance	0.00	0.00	0.00		0.00		0.00	
Less: Opening Balance	0.00	0.00	0.00		0.00		0.00	
TOTAL	0.00	0.00	0.00		0.00		0.00	
Add: Write Off during the Year	0.00	0.00	0.00		0.00		0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00	0.00	0.00		0.00		0.00	
TOTAL	0.00	0.00		0.00		0.00		0.00
Accretion/(Decretion) to Manufacturing Components								
Closing Balance	94.05		97.46		133.97		105.33	
Less: Opening Balance	96.77		133.97		105.33		122.84	
TOTAL	-2.72		-36.51		28.64		-17.51	
Add: Write Off during the Year	0.63		0.00		0.00		0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00		0.00		0.00		0.00	
TOTAL		-2.09		-36.51		28.64		-17.51
WIP - Installation:								
Closing Balance	0.00		0.00		0.00		0.00	
Less: Opening Balance	0.00		0.00		0.00		0.00	
TOTAL	0.00		0.00		0.00		0.00	
Add: Write Off during the Year	0.00		0.00		0.00		0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision/effects of WIP	0.00		0.00		0.00		0.00	
TOTAL		0.00		0.00		0.00		0.00
Accretion/(Decretion) to Stock-in-Trade								
Stock-in-Trade :								
Closing Balance	170.04		186.07		167.21		155.41	
Less: Opening Balance	178.56		167.21		155.41		154.01	
Total	-8.53		18.86		11.80		1.39	
Add: Write Off during the Year	0.11		0.00		0.00		0.01	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00		0.00		0.00		0.00	
TOTAL		-8.42		18.86		11.80		1.40
Stock of Scrap								
Closing Balance	0.00		0.00		0.00		0.00	
Less: Opening Balance	0.00		0.00		0.00		0.00	
ADD : Prior Period Adjustments	0.00		0.00		0.00		0.00	
TOTAL		0.00		0.00		0.00		0.00
GRAND TOTAL		-117.65		176.22		-4.38		-20.56

Particulars	For the year ended on 31.03.2018		For the year ended on 31.03.2017		For the year ended on 31.03.2016		For the year ended on 31.03.2015(Proforma)	
NOTE NO. 27								₹ In millions
STATEMENT OF EMPLOYEE BENEFIT EXPENSES								
i)SALARIES & WAGES								
Salaries & Wages	1582.88		2010.38		2355.00		2556.69	
Less: Other Revenue Accounts	0.00		0.00		0.00		0.00	
TOTAL	1582.88		2010.38		2355.00		2556.69	
Bonus	0.33		0.45		0.00		0.00	
Wage revision arrear payments	0.00		0.00		0.00		0.00	
Incentive	10.19		4.36		6.05		5.31	
TOTAL		1593.41		2015.19		2361.05		2562.00
ii)CO'S CONTRIBUTION TO PF AND OTHER FUNDS:								
Providend Fund & Pension Fund	181.21		212.52		275.08		283.91	
Employees State Insurance	0.44		0.19		0.13		0.46	
Gratuity Trust Fund	199.57		-2.94		301.57		227.07	
Leave Salary- PL	100.79		-80.66		59.27		-15.22	
Sick Leave	-5.08		-5.08		-15.85		0.41	
Deposit Linked Insurance/Group Insurance	1.82		1.75		5.10		3.65	
TOTAL		478.75		125.77		625.31		500.28
iii)WORKMEN AND STAFF WELFARE EXPENSES								
Welfare Expenses - Canteen	28.53		28.05		28.24		25.72	
Welfare Expenses - Education	4.49		41.42		39.69		28.98	
Medical Expenses	48.52		61.75		74.45		78.06	
LTC/LLTC	11.48		4.32		14.50		8.02	
Uniforms	0.05		1.16		2.00		1.06	
Others	15.46		6.60		6.11		7.76	
TOTAL		108.54		143.29		164.98		149.60
iv) VOLUNTARY RETIREMENT SCHEME								
VRS Payments		28.66		337.16		0.00		0.00
v) Actuarial Gain/(Loss)		45.68		387.30		173.26		0.00
GRAND TOTAL		2255.04		3008.72		3324.59		3211.89

RELATED PARTY TRANSACTIONS

KEY MANAGERIAL PERSONNEL-SALARY & PERQUISITES ₹ In millions

Name	2017-18	2016-17	2015-16	2014-15
Shri Gopu-Designate CMD & Director (HR) -Salary & perquisites	1.40	1.33	1.40	1.30
Shri P K Gupta -Ex CMD & Director (Marketing)-Salary & Perquisites	0.00	1.66	1.47	1.40
Smt Dr. Janaki Ananthakrishnan-Director (Finance)-Salary & Perquisites	1.83	2.65	1.25	0.00
Shri Alagesan K -Director (Production)-Salary & Perquisites	1.44	1.37	0.24	0.00
Shri K K Gupta-Ex. CMD & Director (Production) -Salary & Perquisites	0.00	0.00	1.58	1.54
Shri K L Dhingra-EX. CMD-Salary & Perquisites	0.00	0.00	0.83	2.30

NOTE NO. 28

STATEMENT OF FINANCE COSTS

i) Interest Expense:								
Cash Credit	1247.45		1235.62		1281.88		1327.34	
Public Deposits	0.00		0.00		0.00		0.00	
Bonds	0.00		0.00		0.00		0.00	
Term Loan	0.00		0.00		0.00		0.00	
Others	136.58		168.47		225.06		133.90	
ii) Bank charges	146.09		122.06		64.61		111.29	
iii) Government Guarantee Fee	0.00		0.00		0.00		0.00	
iv) Expenses on Issue of Bonds/Loans	0.00		0.00		0.00		0.00	
v) NET GAIN/LOSS FROM FOREIGN CURRENCY TRANSLATIONS& TRANSACTIONS	3.99		0.00		0.00		0.00	
TOTAL		1534.11		1526.15		1571.55		1572.54

NOTE NO. 29

STATEMENT OF DEPRECIATION AND AMORTIZATION EXPENSES

Fixed Assets	248.03		169.45		128.84		302.29	
Tools and Gauges	0.53		0.00		0.18		0.40	
TOTAL	248.55		169.45		129.02		302.69	
Less: Transfer from Revaluation Reserve	0.00		0.00		0.00		149.45	
NET DEPRECIATION		248.55		169.45		129.02		153.24

Particulars	For the year ended on 31.03.2018		For the year ended on 31.03.2017		For the year ended on 31.03.2016		For the year ended on 31.03.2015(Proforma)	
NOTE NO. 30								₹ In millions
STATEMENT OF OTHER EXPENDITURE								
DRE Written off		0.00		0.00		0.00		0.00
VRS Expenditure		0.00		0.00		0.00		0.00
MANUFACTURING EXPENSES:								
Cosumption of Stores and Spares		19.60		29.64		20.90		23.67
Power and Light		136.37		150.50		144.92		188.78
Water Charges		29.00		27.30		28.65		26.22
Excise Duty		90.16		200.17		28.92		47.80
REPAIRS AND MAINTENANCE:								
i)Plant Machinary and Equipment	19.19		11.57		12.76		10.02	
ii)Vehicles	6.93		3.88		2.16		2.85	
iii)Buildings	84.37		71.69		46.52		48.17	
iv)Other Equipments	9.32	119.81	17.70	104.85	8.55	69.99	18.88	79.92
Cost and Expenses on Tools		0.18		0.00		0.00		0.02
Experimental Work and Training Expenses		5.92		1.70		3.95		0.42
Expenses on Minor Equipment & Work		3.36		0.00		0.00		0.01
Royalty		0.00		0.00		0.00		0.00
Scrap and Salvages		0.05		0.04		0.19		0.01
Factory Expenses		94.32		80.67		34.84		24.17
TOT CHARGES:								
i)Technical Assistance	0.00		0.00		0.00		0.00	
ii)Technical Knowhow fee	0.13		2.01		0.00		0.00	
iii)Documentation Charges	0.00		0.00		0.00		0.00	
iv)Training Assistance	0.00		0.00		0.00		0.00	
v) Others	0.00	0.13	0.00	2.01	0.00	0.00	0.00	0.00
Liquidated Damages		104.78		255.73		52.35		14.32
Demurage Charges		0.45		0.00		0.04		0.00
Net gain /loss on foreign currency translation and transaction(other than considered as finance cost)		0.00		0.00		0.00		0.00
TOTAL MANUFACTRUING EXPENSES		604.14		852.60		384.74		405.33
ADMINISTRATION EXPENSES:								
Rent	16.29		18.44		21.70		24.24	
Rates and Taxes	12.54		22.04		9.36		9.47	
Insurance	2.65		4.86		7.90		6.29	
TRAVELLING EXPENSES								
Inland	43.68		35.36		29.80		34.52	
Foreign	0.32		0.00		0.00		0.00	
Legal fees	5.07		7.06		6.19		5.31	
Postage, Telegram, Telex Expenses	3.12		3.22		3.29		5.39	
Telephone and Trunk Call Charges	7.14		8.38		9.04		9.20	
Remuneration to Auditors								
Audit Fees	1.87		1.15		1.45		1.18	
For Taxation Matters	0.04		0.11		0.03		0.04	
For Company Law Matters	0.00		0.00		0.00		0.00	
For Management Services	0.00		0.00		0.00		0.00	
For Reimbursement of Expenses	0.10		0.04		0.04		0.03	
For Other Services	0.05		0.57		0.33		0.06	
CISF/ Private Security Expenses	82.43		71.35		61.34		60.50	
Printing, Stationary and Duplicating Charges	6.04		5.19		6.01		5.77	
Transport Expenses	46.51		36.09		41.30		55.62	
News Papers, Magazines & Periodicals	1.12		1.84		2.09		2.29	
Mechanised Accounting Expenses	0.11		0.43		0.08		0.13	
Lease Charges	0.00		0.00		0.00		0.00	
Licence fee/Segment Charges	4.26		0.02		0.64		3.93	
Office Expenses	47.84		37.98		31.80		29.39	
Provision for Obsolescence of RM Stores	0.00		14.97		0.00		0.18	
Obsolete RM & Production Stores Write off	33.63		0.00		0.00		0.01	
Provision for Capital WIP Write off	0.00		0.00		0.00		0.00	
Provision for Debtors/Advance	0.00		27.36		0.00		0.00	
Bad Debts Write off	0.00		0.00		0.00		0.70	
Claims and Expenses Charge off	0.00		66.08		0.00		0.00	
Loss on Sale of Assets	0.00		0.00		0.00		0.00	
Irrecoverable ED	0.00		0.00		0.00		0.00	
Adjustment to the Carrying Amount Investments	0.00		0.00		0.00		0.00	
Net Loss on Sale of Investments	0.00		0.00		0.00		0.00	
ADMINISTRATION EXPENSES		314.81		362.53		232.38		254.25

Particulars	For the year ended on 31.03.2018		For the year ended on 31.03.2017		For the year ended on 31.03.2016		For the year ended on 31.03.2015(Proforma)	
SELLING EXPENSES								₹ In millions
Selling Agency Commission	0.00		0.01		0.01		0.14	
Advertisement Expenses	2.33		4.90		3.31		2.71	
Exhibition and Publicity Expenses	1.41		0.08		0.09		0.07	
Packing Expenses	1.01		4.53		2.37		2.89	
Forwarding Expenses	15.52		-5.12		1.90		3.06	
Discount Allowed	0.00		0.00		0.00		0.00	
Warrenty Expenses	0.00		7.53		0.42		3.58	
Sales Promotion Expenses	0.29		0.09		0.06		0.07	
Entertainment Expenses	0.47		-0.64		-0.39		0.10	
Cost of Tender Forms	0.26		0.21		0.15		0.20	
EXPENSES		21.29		11.59		7.92		12.83
EXPENSES		940.24		1226.70		625.04		672.40

Interest on Royalty payable to C-DOT has not been provided in view of substantial dues (which are more than the royalty amount) outstanding for a long time towards rent payable for the premises taken on lease by C-DOT.

In case of back to back arrangements, Liquidated damages is accounted on net basis.

Expenditure in Foreign Currency :				
Royalty	0.00	0.00	0.00	0.00
Knowhow	0.00	0.00	0.00	0.00
Professional / Consultation Fees	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

NOTE NO. 31

STATEMENT OF CONTINGENT LIABILITIES

Contingent Liability in respect of :				
- Outstanding letters of credit & guarantees	7182.56	4317.22	1874.75	2380.31
- Sales Tax demand /Service Tax/Income Tax	456.04	319.10	372.15	314.56
- Non receipt of C/D forms	3032.94	3833.15	2416.78	2607.03
- Excise Duty Demand/CENVAT Disallowance	256.97	254.65	264.00	264.16
- ESI demand	0.00	0.00	0.00	0.00
- Demand of interest & penalty by KVAT	22.60	22.60	0.00	0.00
- Claims against the Company not acknowledged as debts	505.25	399.36	383.34	382.48
- Unexpired Guarentees	179.76	745.26	0.00	0.00

Annexure VI(a)- First time adoption of Indian Accounting Standards

First time adoption of Ind AS

Explanation of transition to Ind AS

These financial statements (Financial statements for the financial year ended 31st March 2018) have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.
The financial statements for all years up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the financial year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives (Year ended 31st March 2017), 2016, 2015 prepared under Ind AS. The Company has consistently applied the accounting policies set out in Annexure V(a) used in the preparation of its opening Ind AS Balance Sheet at 31st March,, 2015 throughout all years presented, as if these policies had always been in effect and are covered by Ind AS 101"First Time Adoption of Indian Accounting Standards".
An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided below. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2015 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 31st March, 2015 as required by Ind- AS 101. The financial statements of the Company for the financial year ended 31st March 2018 has been approved by the Board of Directors in their meeting held on 25th July 2018.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.
A.1 Ind AS optional exemptions
A.1.1 Deemed Cost
Ind AS 101 permits a first-time adopter to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making the necessary adjustments for the de-commission liabilities. This exemption can also be used for intangible assets covered by the Ind AS 38 and Investment Property covered under Ind As 40.Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions
A.2.1 De-recognition of financial assets and financial liabilities

Ind AS 101 allows first time adopter to apply the derecognition requirements of Ind AS 101 retrospectively from the date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for the transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.2 Estimates
An entity estimates in accordance with Ind AS's at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error. Ind AS estimates as at 31st, March, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for the following items in accordance with Ind AS at the date of transition as they were not required under previous GAAP.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.
A.2.4 Impairment of financial assets based on the expected credit loss model on case to case basis.
A.2.5 Government Loans
Fair value measurement as per Ind AS 109 will be applied prospectively for Govt Grants from the transition date.
A.2.6. Investments in Joint Venture
Previous GAAP carrying amount on the transition date is applied as Deemed cost
B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Effect of Ind AS adoption on the Statement of Assets and Liabilities as at 1st April, 2016

₹ In millions

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
I.ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	1.00	1040.70	-0.61	1040.09
(b) Capital work-in-progress		916.83	0.00	916.83
(c) Investment Property	1.00	0.00	-0.61	0.59
(d) Intangible assets		0.00	0.00	0.00
(e) Financial Assets				
(i) Investments		4.06	0.00	4.06
(ii) Receivables	2.00	10508.76	-10508.76	0.00
(iii) Loans		2.30	0.00	2.30
TOTAL		**12472.62**		**1963.88**
(2) Current assets				
(a) Inventories		1038.30	0.00	1038.30
(b) Financial Assets				
(i) Trade receivables	2.00	17135.87	10295.84	27431.71
(ii) Cash and cash equivalents		1211.92	0.00	1211.92
(iii) Loans	3.00	2884.75	-296.55	2588.20
(iv) Unbilled Revenue	2.00	0.00	212.93	212.93
(c) Other current assets	3.00	60.95	296.55	357.50
TOTAL		**22331.79**		**32841.00**
GRAND TOTAL		**34805.00**		**34805.00**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	4.00	5880.00	-3000.00	2880.00
(b) Other Equity	5.00	-19651.77	-25.68	-19677.45
TOTAL		**-13771.77**		**-16797.45**
Liabilities				
(1) Non-Current Liabilities				
(a) Government Grants	5.00	0.00	25.68	25.68
(b) Financial Liabilities				
(i) Borrowings		3000.00	0.00	3000.00
(ii) Trade payables	6.00	2302.19	-2302.19	0.00
(iii) Others		121.31	0.00	121.31
(c) Provisions		839.08	0.00	839.08
TOTAL		**6262.58**	**0.00**	**3986.07**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		8389.14	0.00	8389.14
(ii) Trade payables	6.00	18751.11	2302.19	21053.30
(iii) Others	7.00	12754.33	-4662.87	8091.46
(b) Provisions		2419.03	-0.00	2419.03
(c) Other current liabilities	7.00	0.00	7662.87	7662.87
TOTAL		**42313.61**		**47615.80**
GRAND TOTAL		**34805.00**		**34805.00**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

B.2 Effect of Ind AS adoption on the Statement of Assets and Liabilities as at 31st March, 2017

₹ In millions

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
I.ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	1.00	1580.72	-0.58	1580.13
(b) Capital work-in-progress		1015.94	0.00	1015.94
(c) Investment Property	1.00	0.00	-0.58	0.57
(d) Intangible assets		0.00	0.00	0.00
(e) Financial Assets				
(i) Investments		4.06	0.00	4.06
(ii) Receivables	2.00	2507.18	-2507.18	0.00
(iii) Loans		2.61		2.61
TOTAL		**5110.50**		**2603.33**
(2) Current assets				
(a) Inventories		1422.86	0.00	1422.86
(b) Financial Assets				
(i) Trade receivables	2.00	19819.02	2140.52	21959.54
(ii) Cash and cash equivalents		1663.11	0.00	1663.11
(iii) Loans	3.00	3571.38	-236.57	3334.81
(iv) Unbilled Revenue	2.00	0.00	366.66	366.66
(c) Other current assets	3.00	58.28	236.57	294.85
TOTAL		**26534.66**		**29041.83**
GRAND TOTAL		**31645.16**		**31645.16**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	4.00	8600.00	-3000.00	5600.00
(b) Other Equity	5.00	-17260.67	-1228.93	-18489.60
TOTAL		**-8660.67**		**-12889.60**
Liabilities				
(1) Non-Current Liabilities				
(a) Government Grants	5.00	0.00	1228.93	1228.93
(b) Financial Liabilities				
(i) Borrowings		3000.00	0.00	3000.00
(ii) Trade payables	6.00	3102.46	-3102.46	0.00
(iii) Others		144.43	-0.00	144.42
(c) Provisions		583.11	-0.00	583.11
TOTAL		**6830.00**	**0.00**	**4956.46**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		8791.69	-0.00	8791.69
(ii) Trade payables	6.00	16657.52	3102.46	19759.99
(iii) Others	7.00	6542.92	692.98	7235.90
(b) Provisions		1483.70	-0.00	1483.70
(c) Other current liabilities	7.00	0.00	2307.02	2307.02
TOTAL		**33475.83**		**39578.30**
GRAND TOTAL		**31645.16**		**31645.16**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

B.3 Effect of Ind AS adoption on the Proforma Statement of Assets and Liabilities as at 31st March, 2015

The Proforma financial information of the Company as at and for the year ended 31st March, 2015 is prepared in accordance with requirement of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated 31st March 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices (both mandatory exceptions and options exceptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. 1st April 2015) while preparing the proforma financial information for the financial year 2014-15 and accordingly suitable restatement adjustments in the accounting heads has been made in the proforma financial information. This proforma Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31st March 2015 as described in this note. The impact of Ind AS 101 on the equity under Indian GAAP as at 31st March 2015 and on the impact on the profit or loss for the year ended 31st March 2015 due to the Ind AS principles applied on proforma basis during the year ended 31st March 2015 can be explained as under:

₹ In millions

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
I.ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	1.00	630.32	-0.62	629.70
(b) Capital work-in-progress		330.19	0.00	330.19
(c) Investment Property	1.00	0.00	-0.62	0.62
(d) Intangible assets		0.00	0.00	0.00
(e) Financial Assets				
(i) Investments		4.06	0.00	4.06
(ii) Receivables	2.00	3779.08	-3779.08	0.00
(iii) Loans		25.16		25.16
TOTAL		**4768.81**		**989.73**
(2) Current assets				
(a) Inventories		933.43	0.00	933.43
(b) Financial Assets				
(i) Trade receivables	2.00	18408.07	3779.08	22187.15
equivalents		2712.25	0.00	2712.25
(iii) Loans	3.00	2977.47	-285.72	2691.75
(iv) Unbilled Revenue	2.00	0.00	0.00	0.00
(c) Other current assets	3.00	2.30	285.72	288.02
TOTAL		**25033.52**		**28812.60**
GRAND TOTAL		**29802.33**		**29802.33**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	4.00	5880.00	-3000.00	2880.00
(b) Other Equity	5.00	-22358.54	-72.65	-22431.19
TOTAL		**-16478.54**		**-19551.19**
Liabilities				
(1) Non-Current Liabilities				
(a) Government Grants	5.00	0.00	72.65	72.65
(b) Financial Liabilities				
(i) Borrowings		3015.62	-15.62	3000.00
(ii) Trade payables	6.00	4183.23	-4183.23	0.00
(iii) Others		47.39	15.62	63.01
(c) Provisions		887.45	0.00	887.45
TOTAL		**8133.68**		**4023.11**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		9208.31	0.00	9208.31
(ii) Trade payables	6.00	18646.95	4183.23	22830.18
(iii) Others	7.00	6766.66	1571.45	8338.10
(b) Provisions		3525.27	0.00	3525.27
(c) Other current liabilities	7.00	0.00	1428.55	1428.55
TOTAL		**38147.19**		**45330.41**
GRAND TOTAL		**29802.33**		**29802.33**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

B.4 Effect of Ind AS adoption on the Statement of Profit or Loss for the year ended 31st March, 2017

₹ In millions

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
Income				
I. Revenue from operations	8.00	15281.19	200.17	15481.36
II. Other Income	9.00	3758.70	1647.10	5405.79
Total		**19039.89**		**20887.16**
Expenses				
Cost of materials consumed		925.75	-0.00	925.75
Purchase of Stock-in-Trade		5121.91	0.00	5121.91
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-176.22	0.00	-176.22
Installation & Maintenance Charges		6420.79	0.00	6420.79
Employee benefit expense	10.00	2621.42	387.30	3008.72
Finance costs		1526.15	0.00	1526.15
Depreciation and amortization expense		169.45	0.00	169.45
Other expenses	8.00	1026.54	200.17	1226.71
IV(A) Prior period adjustments(Net)	11.00	2.37	-2.37	0.00
Total		**17638.15**		**18223.25**
Extraordinary Items	9.00	1647.10	-1647.10	0.00
Profit / (Loss) = Income - Expenses		**3048.84**		**2663.91**
Other Comprehensive Income	10.00	0.00	387.30	387.30
Total Comprehensive Income	**11.00**	**3048.84**	**2.37**	**3051.21**

B.5 Effect of Ind AS adoption on the Statement of Profit or Loss for the year ended 31st March, 2016

₹ In millions

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
Income				
I. Revenue from operations	8.00	11904.54	28.92	11933.46
II. Other Income	9.00	4844.65	1125.00	5969.65
Total		**16749.19**		**17903.11**
Expenses				
Cost of materials consumed		413.33	-0.00	413.33
Purchase of Stock-in-Trade		6282.47	0.00	6282.47
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		4.38	-0.00	4.38
Installation & Maintenance Charges		3180.55	-0.00	3180.55
Employee benefit expense	10.00	3151.33	173.26	3324.59
Finance costs		1571.55	-0.00	1571.55
Depreciation and amortization expense		129.02	-0.00	129.02
Other expenses	8.00	596.12	28.92	625.04
IV(A) Prior period adjustments(Net)	11.00	33.57	-33.57	0.00
Total		**15362.32**		**15530.94**
Extraordinary Items	9.00	1125.00	-1125.00	0.00
Profit / (Loss) = Income - Expenses		**2511.87**		**2372.18**
Other Comprehensive Income	10.00	0.00	173.26	173.26
Total Comprehensive Income	**11.00**	**2511.87**	**33.57**	**2545.44**

B.6 Effect of Ind AS adoption on the Proforma Statement of Profit or Loss for the year ended 31st March, 2015

₹ In millions

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
Income				
I. Revenue from operations	8.00	5743.31	47.80	5791.12
II. Other Income	9.00	849.17	0.00	849.17
Total		**6592.48**		**6640.29**
Expenses				
Cost of materials consumed		430.27	0.00	430.27
Purchase of Stock-in-Trade		1420.59	0.00	1420.59
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		20.56	0.00	20.56
Installation & Maintenance Charges		2138.76	0.00	2138.76
Employee benefit expense		3211.88	0.00	3211.89
Finance costs		1572.54	0.00	1572.54
Depreciation and amortization expense		153.24	0.00	153.24
Other expenses	8.00	624.60	47.80	672.40
IV(A) Prior period adjustments(Net)	11.00	-8.68	8.68	
Total		**9563.75**	**56.49**	**9620.24**
Profit / (Loss) = Income - Expenses		**-2971.27**		**-2979.95**
Other Comprehensive Income		0.00	0.00	0.00
Total Comprehensive Income	**11.00**	**-2971.27**	**-8.68**	**-2979.95**

B.7 Total equity reconciliation as at 1st April 2016

₹ In millions

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
Equity				
(a) Equity Share Capital	4.00	5880.00	-3000.00	2880.00
(b) Other Equity	5.00	-19651.77	-25.68	-19677.45
TOTAL		**-13771.77**	**0.00**	**-16797.45**

B.8 Total equity reconciliation as at 31st March 2017

₹ In millions

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
Equity				
(a) Equity Share Capital	4.00	8600.00	-3000.00	5600.00
(b) Other Equity	5.00	-17260.67	-1228.93	-18489.60
TOTAL		**-8660.67**	**0.00**	**-12889.60**

B.9 Total equity reconciliation as at 31st March 2015

₹ In millions

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
Equity				
(a) Equity Share Capital	4.00	5880.00	-3000.00	2880.00
(b) Other Equity	5.00	-22358.54	-72.65	-22431.19
TOTAL		**-16478.54**	**0.00**	**-19551.19**

B.10 Restated Standalone Statement of Material adjustments & regrouping							
Sl. No	**Particulars**	**Note 12**	**31/03/2018**	**31/03/2017**	**31/03/2016**	**31/03/2015**	**31/03/2014**
	Profit after tax as per Audited financial statements prepared under applicable GAAP		**2351.32**	**3048.80**	**2511.87**	-2971.27	-3442.58
A	Effect of changes in Accounting Policy						
B	Effect of auditors' qualifications accounted for						
a	Diminution in the Value of Investment in JV Company	1a	4.06	4.06	4.06	4.06	
b	**Non provision towards claims doubtful of recovery**						
	1. Rent receivable	2a	584.79	584.79	584.79	584.79	584.79
	2. Liquidated Damages	2a		131.55	131.55	104.94	104.94
	3. Conditional Reimbursement	2a		169.02	169.02	169.02	169.02
c	Under statement of Loss	3a				31.60	17.66
d	Over statement of Loss	4a				117.10	
e	Reversal of provisions	2b			200.79	0.00	
C	Effect of other restated adjustments						
	Prior period adjestments of previous years			2.00	34.00	9.00	
D	Tax adjustment for earlier year on A, B, C above						
	Total Adjustments		**-588.85**	**-887.42**	**-1056.21**	**-786.30**	**-876.41**
	Total profit after the above adjustments		1762.48	2161.39	1455.67	-3757.57	-4318.99
	Other Comprehensive Income for the year (Net of tax) after the above adjustments		45.68	387.30	173.26		
	Total Comprehensive Income for the year after the above adjustments		1808.15	2548.69	1628.93	-3757.57	-4318.99

C. Notes to first-time adoption

Note 1 : Investment Property

As per Ind AS 40-Investment Property, Fixed Assets which are being used for earning rentals or for capital appreciation to be shown separately from Property, Plant & Equipment

Note 2 : Trade Receivables

Trade receivables are financial assets and generally of short term nature. They reflect the fair value themselves at their transaction price. As per Ind AS 109, the receivables in the Company should be put to impairment test using the expected credit loss model. Ind AS 109 allows the use of practical expedients when measuring expected credit loss on trade receivables, and states that a provision matrix is an example of such an expedient. Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case review and approved by Board..

Note 3 : Non-Financial Assets

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Note 4 : Preference Share Capital

As the preference shares are non convertible and overdue, the same has been removed from the share capital and classified as current financial liability

Note 5 : Government Grants

Unspent portion of government grants (as per the conditions of grant document) are classified separately from other equity and shown as Non-current liabilities

Note 6 : Trade Payables

Trade payables are financial liability and initially measured at fair value which is equivalent to its transaction price. Generally, they are of short term nature and in some cases where there are back to back contractual arrangements with Customers and Suppliers, such items are also classified under trade payables.

Note 7 : Non-Financial Liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Note 8 : Excise Duty

The turnover has been grossed up by adding the excise duty on sales and shown the same separately under other manufacturing expenses

Note 9 : Extraordinary items

Extraordinary items are grouped under other Income as there is no concept of extraordinary items as per Ind AS

Note 10 : Actuarial Gain

Gain arrived on remeasurement of defined benefit plans has been shown separately under Other Comprehensive Income

Note 11 : Prior Period Adjustments

As required under Ind AS, if errors and omissions relating to prior Period are material they have to be adjusted by restating the Opening balances of assets, Liabilities and equity for the earliest period presented. Accordingly prior period adjustments are made under opening reserves.

D: Reconciliation of Cash flows for the years ended March 31,2017,2016,2015.

The transition from previous GAAP to Ind AS did not have any impact on the statement of Cash flows.

Note : 12 Auditors Qualifications

a. Matters adjusted in restated financial statements

Auditors Report 2017-18

1a. Investment of Rs 4.06 million in the unquoted equity shares of a Joint Venture(JV) Company being continued to be shown at cost, considering net worth the JV is totally eroded and Statutory Auditors of the JV have expressed their inability to comment on the going concern concept adopted by the said JV and no impairment loss has been ascertained and provided for.

Reasons – The assets of the JV company (Land), which has been revalued by the SBI panel valuer carries a value very much more than the cost of the investment. Hence the investment of Rs.4.06 million has been shown at cost.

2a. Non provision of Rs. 584.79 million towards claims doubtful of recovery comprising of Rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled.

Auditors Report 2016-17

1a. Investment of Rs 4.05 million in the unquoted equity shares of a Joint Venture(JV) Company being continued to be shown at cost, considering net worth the JV is totally eroded and Statutory Auditors of the JV have expressed their inability to comment on the going concern concept adopted by the said JV and no impairment loss has been ascertained and provided for.

Reasons – The assets of the JV company (Land), which has been revalued by the SBI panel valuer carries a value very much more than the cost of the investment. Hence the investment of Rs.4.06 million has been shown at cost.

2a. Non provision of Rs. 885.36 million towards claims doubtful of recovery comprising of (i) rent receivable of Rs 584.79 million on a premises leased out upto the period ended

31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (ii) Liquidated Damages (LD) of Rs 104.94 million on a supplier claimed by Bangalore Plant, rejected by the Arbitral Tribunal and the matter is pending before High Court of Delhi. However, in the absence of adequate information to support that the claims are sustainable, we are unable to comment on the carrying value of this claim and the shortfall, if any, on the amount that would be ultimately realized by the Company;(iii) LD claimed by Mankapur Unit from MTNL Delhi and MTNL Mumbai for Rs. 18.32 million and Rs. 8.29 million respectively; (iv) Amount recoverable to an extent of Rs. 169.02 million from HCL Info Systems Limited by Mankapur Unit towards conditional reimbursement as per the agreement between Company and HCL Info Systems Limited.

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled. As regards the LD of Rs.104.94 Million, the matter is in the court. Till then, it is felt that no provision is required to make. With regard to other claims amounting to Rs.195.63 Million, the company is confident of recovering the same.

Auditors Report 2015-16

1a. Investment of Rs.4.06 million in the unquoted equity shares of a Joint Venture(JV) Company being continued to be shown at cost, considering net worth the JV is totally eroded and Statutory Auditors of the JV have expressed their inability to comment on the going concern concept adopted by the said JV and no impairment loss has been ascertained and provided for.

Reasons – The assets of the JV company (Land), which has been revalued by the SBI panel valuer carries a value very much more than the cost of the investment. Hence the investment of Rs.4.06 million has been shown at cost.

2a. Non provision of Rs. 885.36 million towards claims doubtful of recovery comprising of

(i) rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization

(ii) Liquidated Damages (LD) of Rs 104.94 million on a supplier claimed by Bangalore Plant, rejected by the Arbitral Tribunal and the matter is pending before High Court of Delhi. However, in the absence of adequate information to support that the claims are

sustainable, we are unable to comment on the carrying value of this claim and the shortfall, if any, on the amount that would be ultimately realized by the Company;

(iii) LD claimed by Mankapur Unit from MTNL Delhi and MTNL Mumbai for Rs. 18.32 million and Rs. 8.29 million respectively;

(iv) Amount recoverable to an extent of Rs. 169.02 million from HCL Info Systems Limited by Mankapur Unit towards conditional reimbursement as per the agreement between Company and HCL Info Systems Limited.

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled. As regards the LD of Rs.104.94 Million, the matter is in the court. Till then, it is felt that no provision is required to make. With regard to other claims amounting to Rs.195.63 Million, the company is confident of recovering the same.

2b. Reversal of provisions created for certain items of expenditure amounting to Rs. 200.79 million have been made in the books of Mankapur Unit. In the absence of adequate information and reconciliation supporting that provisions are no longer required, the auditors of the said unit have issued a modified opinion.

Reasons – Noted and information will be provided.

Auditors Report 2014-15

1a. Investment of Rs 4.06 million in the unquoted equity shares of a Joint Venture(JV) Company being continued to be shown at cost, considering net worth the JV is totally eroded and Statutory Auditors of the JV have expressed their inability to comment on the going concern concept adopted by the said JV and no impairment loss has been ascertained and provided for.

Reasons – The assets of the JV company (Land), which has been revalued by the SBI panel valuer carries a value very much more than the cost of the investment. Hence the investment of Rs.4.06 million has been shown at cost.

2a. Non provision of Rs 689.73 million towards claims doubtful of recovery comprising of

(i) rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011, rent from 1.4.2011 for the same premises being deferred for recognition on accrual basis due to uncertainty of realization

(ii) liquidated damages of Rs 104.94 million on a supplier, rejected by the Arbitral Tribunal. Had the said amounts been provided in the accounts, loss for the year would have been higher by Rs 689.73 million and consequently reserves & surplus and current assets would be lower by similar amount, (iii) Amount recoverable to an extent of Rs. 169.02 million from HCL Info Systems Limited by Mankapur Unit towards conditional reimbursement as per the agreement between Company and HCL Info Systems Limited

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled. As regards the LD of Rs.104.94 Million, the matter is in the court. Till then, it is felt that no provision is required to make.

3a. Provision of Rs.31.60 Million for work in progress Inventories in respect of the items pertaining to phased out projects and also not usable, has not been made which has resulted in the understatement of the Loss by Rs.31.60 lacs and overstatement of current assets to a same extent

Reasons – Inventories are classified as Active, slow moving, dormant 1 (not moving for one year) dormant 2 (not moving for more than 2 years) depending on their movement/usage. Provision for inventory is made after a review by a technical committee for their usefulness in each unit and then approved by the Board of Directors. The inventory available has been reviewed and the existing provision is found to be adequate.

4a. Amount spent for the creation and maintenance of data enrolment centre for MORD for NPR project totalling to Rs. 117.10 million is treated as revenue expenditure and no depreciation is provided as expenditure is not capitalised resulting in overstatement of loss to that extent (Net)

Reasons – Amount spent for creation and maintenance of Data Enrolment Centre for MORD for NPR project to an extent of Rs. 117.10 Million is treated as revenue expenditure by the Palakkad Unit. The Management has clarified that no recurring revenue on the investment made in the said Asset will arise in future and hence it is treated as revenue expenditure.

Auditors Report 2013-14

1a. Non provision of Rs 689.73 million towards claims doubtful of recovery comprising of (i) rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011, rent from 1.4.2011 for the same premises being deferred for recognition on accrual basis due to uncertainty of realization

(ii) liquidated damages of Rs 104.94 million on a supplier, rejected by the Arbitral Tribunal. Had the said amounts been provided in the accounts, loss for the year would have been higher by Rs 689.73 million and consequently reserves & surplus and current assets would be lower by similar amount, (iii) Amount recoverable to an extent of Rs. 169.02 million from HCL Info Systems Limited by Mankapur Unit towards conditional reimbursement as per the agreement between Company and HCL Info Systems Limited.

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled. As regards the LD of Rs.104.94 Million, the matter is in the court. Till then, it is felt that no provision is required to make.

2a. Provision of Rs.31.60 Million for work in progress Inventories in respect of the items pertaining to phased out projects and also not usable, has not been made which has resulted in the understatement of the Loss by Rs.31.60 lacs and overstatement of current assets to a same extent,

Reasons – Inventories are classified as Active, slow moving, dormant 1 (not moving for one year) dormant 2 (not moving for more than 2 years) depending on their movement/usage. Provision for inventory is made after a review by a technical committee for their usefulness in each unit and then approved by the Board of Directors. The inventory available has been reviewed and the existing provision is found to be adequate.

For & On Behalf of Board of Directors

As per our report of
even date
For SANKARAN &
KRISHNAN
Chartered Accountants
Firm's Registration
NO.03582S

Sd/-
VV Krishnamurthy

Partner

M. No. 027044

Sd/-
S SHANMUGA PRIYA
Company Secretary

Sd/-
MALATHY M
CHIEF FINANCIAL OFFICER

Sd/-
CHITTARANJAN PRADHAN
Director-Finance

Sd/-
ALAGESAN K
Chairman and Managing Director

Place: New Delhi
Date: 25-July-2018

Annexure VII(a)- Accounting Ratios

Statement of Accounting Ratios

₹ In millions

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015
Earning Per Share excluding exceptional items (Equity Shares, Par Value of ₹ 10/- each)				
Basic (₹)	3.23	6.77	7.89	-11.29
Diluted (₹)	3.23	6.77	7.89	-11.29
Earning Per Share including exceptional items (Equity Shares, Par Value of ₹ 10/- each)				
Basic (₹)	3.23	6.77	7.89	-11.29
Diluted (₹)	3.23	6.77	7.89	-11.29
Return on networth with revaluation of Assets %	**0.14**	**0.29**	**0.38**	**-0.74**
Net asset value per equity share (₹) with revaluation reserve	**21.42**	**18.92**	**23.42**	**14.07**
Net asset value per equity share (₹) without revaluation reserve	**-9.36**	**-23.02**	**-58.32**	**-67.89**
Weighted average number of equity shares outstanding during the year for calculation of Basic Earnings per Share	643333333	410000000	288000000	288000000
Weighted average number of equity shares outstanding during the year for calculation of Diluted Earnings per Share	643333333	410000000	288000000	288000000
Net profit after tax as	**2351.32**	**3051.21**	**2545.44**	**-2979.95**
Share Capital	7600.00	5600.00	2880.00	2880.00
Other Equity, as	8678.41	4993.54	3866.24	1172.86
Networth with Revaluation of Assets	**16278.41**	**10593.54**	**6746.24**	**4052.86**
Less:Revaluation of Assets	23390.80	23483.14	23543.68	23604.06
Networth without Revaluation of Assets	**-7112.39**	**-12889.60**	**-16797.45**	**-19551.19**
CURRENT RATIO:	**0.82**	**0.73**	**0.69**	**0.64**
1. The ratios on the basis of financial information have been computed as below:				
Net profit as , attributable to equity shareholders	2077.51	2777.39	2271.63	-3251.43
Basic Earnings per share (₹) =	**3.23**	**6.77**	**7.89**	**-11.29**
Weighted average number of equity shares outstanding during the year	643333333	410000000	288000000	288000000
Net profit as , attributable to equity shareholders	2077.51	2777.39	2271.63	-3251.43
Diluted Earnings per share (₹) =	**3.23**	**6.77**	**7.89**	**-11.29**
Weighted average number of dilutive equity shares outstanding during the year	643333333	410000000	288000000	288000000

2. Earning per share calculations are done in accordance with Indian Accounting Standards 33 "Earnings Per Share" issued by the Institute of Chartered Accountants of India.

Caluclation of EPS Working

Profit after tax	2351.32	3051.21	2545.44	-2979.95
(-) Preference Dividend	227.50	227.50	227.50	227.50
Dividend tax	46.31	46.31	46.31	43.98
Profit available to equity shareholders	2077.51	2777.39	2271.63	-3251.43
No. of Shares at beginning of the year	560000000	288000000	288000000	288000000
No. of Shares at the end of the year	760000000	560000000	288000000	288000000
Weighted average no of shares during the period	643333333	410000000	288000000	288000000
Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	**3.23**	**6.77**	**7.89**	**-11.29**

Annexure VIII(a)- Capitalisation

Statement of Capitalisation

₹ In millions

Particulars	For the year ended 31st March 2018	As adjusted for issue*
Debt		
Government Loan	**3000.00**	
Cash Credit from SBI Consortium	**9263.22**	
Preference Shares	**3000.00**	
Total	**15263.22**	
Shareholder's funds		
- Share Capital	**7600.00**	
- Other Eq;uity	**-14712.39**	
Total Shareholder's funds	**-7112.39**	
Debt / Equity Ratio	**-**	

*The Company is unable to calculate the shareholder's funds as the further public offer is based on BOOK BUILDING Process, no. of shares to be issued and the price of each share is yet to be decided.

Annexure IX(a)-Dividend Paid

Statement of Dividend Paid*

₹ In millions

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015
Number of equity shares outstanding	760000000.00	560000000.00	288000000.00	288000000.00
Dividend paid (₹ in Million)	0.00	0.00	0.00	0.00
Interim Dividend (₹ in Million)	0.00	0.00	0.00	0.00
Rate of Dividend (%)	0.00	0.00	0.00	0.00
Dividend per Equity Share (₹)	0.00	0.00	0.00	0.00

* Refers to dividend actually paid during the respective year

Annexure X(a)- Tax Shelters

Statement of Tax Shelters as per income tax return

₹ In millions

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015
	Provisional			
Total Comprehensive Income - As (A)	2351.32	3051.21	2545.44	-2979.95
National Tax Rate (B)	0.31	0.31	0.31	0.31
Tax as per National rate on Profit (C)	726.56	942.82	786.54	-920.80
ADJUSTMENTS:				
Tax Impact of Permanent Differences due to:				
R & D weighted deductions	0.00	0.00	-293.79	-129.46
40(a)(3)	0.00	0.00	10.71	2.74
Violation of Law	0.00	84.23	0.00	0.00
Withdrawal of Liability	0.00	0.00	-270.14	-387.30
Total Tax impact on Permanent Differences (D)	**0.00**	**26.03**	**-170.94**	**-158.83**
Tax Impact of Temporary Differences due to:				
Depreciation under Companies Act	248.55	169.45	129.02	153.24
Depreciation as per IT Act	-416.63	-218.71	-144.38	-103.03
Disallowances under Sec 43B	0.00	-823.66	-2608.93	393.46
Provision for Doubtful Debts	0.00	0.00	-250.62	0.63
Provision for Gratuity	0.00	350.78	0.00	0.00
Provision for non moving stores and spares	0.00	0.00	-1.01	0.11
Transfer from Grant in Aid	0.00	0.00	-37.60	-40.29
Allowances u/s 35A, 35AB, 35ABB, 35D, 35E etc., VRS	0.00	-82.86	-0.46	-2.00
Employees Contribution	0.00	109.78	369.72	381.82
MODVAT Disallowance u/s 145A	0.00	285.47	42.85	-57.97
40(a)(ia) TDS Default	0.00	602.70	0.00	0.00
Others	0.00	7.53	-0.18	-0.71
Total Tax impact of Timing Difference (E)	**-51.94**	**123.75**	**-772.99**	**224.10**
Net Adjustment F = (D+E)	-51.94	149.77	-943.93	65.28
Adjusted Tax Liability (C+F)	674.62	1092.60	0.00	0.00
Less: Relief u/s 91	0.00	0.00	0.00	0.00
Adjusted Tax Liability	674.62	1092.60	0.00	0.00
Total Tax as per Return of Income after adjustment of unabsorbed losses	0.00	0.00	0.00	0.00
	* Return not filed			

Significant Accounting Policies

ANNEXURE – V (a)

Corporate Information

India's first Public Sector Unit (PSU) - ITI Ltd was established in 1948. Ever since, as a pioneering venture in the field of telecommunications, it has contributed to 50% of the present national telecom network. With state-of-the-art manufacturing facilities spread across six locations and a countrywide network of marketing/service outlets, the company offers a complete range of telecom products and total solutions covering the whole spectrum of Switching, Transmission, Access and Subscriber Premises equipment.

ITI joined the league of world class vendors of Global System for Mobile (GSM) technology with the inauguration of mobile equipment manufacturing facilities at its Mankapur and Rae Bareli Plants in 2005-06. This ushered in a new era of indigenous mobile equipment production in the country. These two facilities supply more than nine million lines per annum to both domestic as well as export markets.

1) **Basis of Preparation**

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP), on accrual basis of accounting, except as stated herein. GAAP comprises the mandatory Accounting Standards (IND -AS) [as notified under section 133 of the Companies Act, 2013 read Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015] to the extent applicable, provisions of the Companies Act, 2013, which have been consistently applied except where a new Accounting Standard is initially adopted or revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

These are the Company's first Ind AS Standalone Financial Statements. The date of transition to Ind AS is April 1st, 2016. Refer Annexure VI (a) for details of First time adoption – mandatory exceptions and optional exemptions availed by the Company.

Reconciliations and descriptions of the effect of the transition has been summarized in Annexure VI (a)

Basis of Measurement:

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value:

a. Derivative financial instruments, if any
b. Financial assets and liabilities that are qualified to be measured at fair value
c. Defined benefit asset/(liability) recognised at the present value of defined benefit obligation less fair value of plan assets.

2) **Use of Estimates**

The preparation of the financial statements in conformity with the Ind AS requires that the management make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all the available information, actual results could differ from the estimates and such differences are recognised in the period in which the results are ascertained.

3) **Functional and presentation currency**

Financial statements are presented in Indian Rupee (INR) which is the functional and presentation currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

4) **Revenue Recognition**

a. **Sale of goods**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when significant risks and reward of ownership have been transferred to the customer as per the terms of sale agreement, neither continuing management involvement nor effective control over the goods is retained, recovery of the consideration is probable, and the amount of cost incurred and the revenue can be measured reliably. Timing of transfer of risks and rewards is evaluated based on Inco-terms of the sales agreement.

b. **Ex- Works Contract**

When specified goods are unconditionally appropriated to the contract after prior Inspection and acceptance, if required.

c. **FOR Contracts**

In the case of FOR contracts, sale is recognised when goods are handed over to the carrier for transmission to the buyer after prior inspection and acceptance, if stipulated, and in the case of FOR destination contracts, if there is a reasonable expectation of the goods reaching destination within the accounting period. Revenue is recognised even if goods are retained with the Company at the request of the customer.

d. **Bill and Hold Sales**

For bill-and-hold transactions, revenue is recognised when the customer takes title, provided that:

i. it is probable that delivery will be made;
ii. the item is on hand, identified and ready for delivery to the buyer at the time when the sale is recognised;
iii. the buyer specifically acknowledges the deferred delivery instructions;

the usual payment terms apply

e. **Construction contracts**

Contract revenue includes initial amount agreed in the contract and any variations in the contract work, claims and incentive payments, to the extent it is probable that they will result in revenue and can be measured reliably.

Contract revenue is recognised in proportion to the stage of completion of the contract. Stage of completion is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract.

If the outcome cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognized to the extent of costs incurred.

When it is probable that contract costs at completion will exceed total contract revenue, the expected loss at completion is recognised immediately as an expense.

f. **Price escalations**

In case of contracts where additional consideration is to be determined and approved by the customers, such additional revenue is recognised on receipt of confirmation from the customer(s).

Where break up prices of sub units sold are not provided for, the same are estimated.

g. **Bundled contracts**

In case of a Bundled contract, where separate fee for installation and commissioning or any other separately identifiable component is not stipulated, the Company applies recognition criteria to separately identifiable components (sale of goods, installation, commissioning, etc.) of the transaction and allocates revenue to those separate components based on their relative fair value.

h. **Multiple elements**

In cases where the installation and commissioning or any other separately identifiable component is stipulated and price for the same agreed separately, the Company applies the recognition criteria to separately identified components (sale of goods and installation and commissioning, etc.) of the transaction, allocates the revenue to those separate components based on the contract.

i. **Sales exclude Sales Tax / Value Added Tax (VAT)/Goods and Service Tax (GST)/Service Tax.**

Export Sales are treated as sales on issue of Bill of Lading

Provision is made separately for likely disallowance by customers including Liquidated Damages for contracts executed during the year.

j. **Supply of services**

Revenue from annual maintenance contracts relating to the year is recognised when the contracts are entered into on time proportion basis. Revenue is recognized at the time of rendering services.

For other fixed-price contracts (including sale of software related services), revenue is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the work performed. No revenue is recognised if there is significant uncertainty regarding recovery of the consideration due or if the costs incurred or to be incurred cannot be measured reliably.

k. **Interest income**

Interest income is recognized using the effective interest rate method.

l. **Dividend**

Dividend income is recognised when the Company's right to receive dividend is established

m. **Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term unless increases in rentals are in line with the expected inflation or otherwise justified (Fair Value).

n. **Duty Drawbacks**

Duty drawback claims on exports are accounted on preferring the claims.

o. **Other Income**

Other Income not specifically stated above is recognised on accrual basis.

5) **Property, plant and equipment, Capital Work-in progress**

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the PPE to its working condition for its intended use. Borrowing and other attributable costs relating to acquisition of the PPE which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such PPE are ready to be put to use. PPE are eliminated from the financial statements, either on disposal or when retired from such use. When significant parts of Plant and Equipment are required to be replaced at intervals, the same is recognised as a separate component.

Assets acquired free of cost or received as gift are stated at fair value which is credited to Other Equity at the time of acquisition or receipt less accumulated depreciation and impairment losses.

Capital work-in-progress

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work-In-Progress.

Income pertaining to construction period such as interest on advance to contractors, sale of tender documents etc., is set off against expenditure during construction.

Expenditure on development of leasehold land is capitalised as Land Development Expenditure and amortised over the lease period or useful, life whichever is lower.

In the event of revaluation of entire class of PPE, if the revalued amount is greater than the carrying amount of the PPE, such difference is taken to the Revaluation Reserve. If the revalued amount is lower than the carrying amount of the PPE and if the class of PPE has already been revalued, difference is set off against the amount available under the Revaluation Reserve for the same class of PPE and excess thereof, life any, is charged to the statement of Profit and Loss.

6) Intangible Assets, Intangible Asset under Development

a. Cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits, is recognised as an intangible asset when the same is ready for use. Intangible Assets not yet ready for their intended use as at the Balance Sheet date are classified as “Intangible Assets under Development
b. Cost of developmental work which is completed, wherever eligible, is recognized as an Intangible Asset.
c. Cost of developmental work under progress, wherever eligible, is classified as “Intangible Assets under Development”.
d. Carrying amount includes amount funded by the Company to external agencies towards developmental project(s) and expenditure incurred by the Company towards material cost, employee cost and other direct expenditure.

7) Research and development expenses:

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product’s technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

8) Impairment of Non-financial assets

At the end of each Balance Sheet date, carrying amount of assets are reviewed, if there is any indication of impairment based on internal/external factors. If the estimated recoverable amount is found to be lower than the carrying amount, then the impairment loss is recognised and assets are written down to the recoverable amount.

9) Depreciation /Amortisation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

Depreciation on additions and deletions to fixed assets during the year is provided on pro-rata basis as under:

a. Depreciation is reckoned in full for the month of addition for the assets commissioned on or before 15th day of a month while no depreciation is reckoned for the month of addition for the assets commissioned after 15th of the month.
b. In respect of assets sold, discarded, damaged or destroyed on or before 15th day of a month no depreciation is reckoned for the month of deletion while for the assets sold, discarded, damaged or destroyed after 15th of the month depreciation is reckoned in full for the month of deletion.

c. Where cost of a part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and depreciated on straight line method over its estimated useful life.
d. The Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Amortization

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed periodically at each financial year end.

In the case of depreciable assets which have been revalued, depreciation is calculated on straight line method on the revalued amount. Incremental depreciation on account of Revaluation is recouped as a credit to the general Reserve, as per the Schedule II of the Companies Act 2013.

Disposal of property, plant and equipment

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

Particulars	(Years)
A. (a)Building (other than factory buildings)	60
(b)Factory building	30
(c)Purely temporary erections	3
(d)Building with dwelling units each with	30
plinth area not exceeding 80 sqm.	
B. Furniture & Fittings	10
C. Plant & Machinery	
(a) General Rate (on double shift basis)	15
(b) Special Rate: - Servers & Networks	6
(c)Data Processing Machines including Computers	3
D. Roads and compound Walls	10
E. Office Machinery and Equipment	5
F. Vehicles	8
G. Assets costing less than `5,000/- are depreciated @ 100%	
However, in respect of assets having original cost of `50,000/- and above, a residual balance of `5/- has been retained in the books.	

10) Leases

A lease is classified at the inception date as a finance lease or an operating lease.

Company as a Lessee

Finance leases are capitalised at lower of fair value and the present value of the minimum lease payments on commencement of the lease. Finance charges are recognised as Finance Costs in the Statement of Profit and Loss. A leased asset is depreciated over the useful life of the asset or lease term, whichever is lower.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, except when the lease payments escalate in accordance general inflation or are otherwise justified

Company as a lessor

Operating lease income is recognised over the lease term on straight line basis, except when the escalations are due to general inflation or otherwise justified. Contingent rents, if any, are recognised as revenue in the period in which they are earned.

In case of a finance lease, amounts due from lessees are recorded as receivables as the Company's net investment in the leases. Finance lease income is recognised in the Statement of Profit and Loss.

11) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale is capitalised as part of the cost of the asset.

General borrowing costs are capitalised to qualifying assets by applying a capitalisation rate, which is the weighted average of the borrowing costs applicable to the general borrowings outstanding, other than specific borrowings, to the expenditure on that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds, as also exchange differences to the extent regarded as an adjustment to the borrowing costs.

12) Government Grants

Grants from Government are measured at fair value and initially recognized as Deferred Income.

Amount lying under Deferred Income on account of acquisition of Fixed Assets is transferred to the credit of the Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

Amount lying under Deferred Income on account of revenue expenses is transferred to the credit of the Statement of Profit and Loss to the extent of expenditure incurred in the ratio of the funding to the total sanctioned cost, limited to the grant received.

13) Investments in joint venture and associates

Company accounts for its interests in associates and joint ventures at cost or in accordance with Ind AS 109 in the standalone financial statements but in the consolidated Financial statements under equity method.

14) Inventories

Raw materials, components and stores purchased for manufacturing/production activities are valued at lower of cost and net realizable value, after providing for obsolescence, if any. Cost is calculated on weighted average rate as at the end of the year. Where same items are purchased as also manufactured, manufacturing costs are generally adopted.

Raw materials and production stores with ancillaries and fabricators are valued at lower of cost at the time of such issue and net realizable value, after providing for obsolescence, if any.

Manufactured items in stock and stock-in-trade are valued at lower of cost excluding interest charges, administration overheads & sales overheads and at the net realisable value, after providing for obsolescence, if any.

Precious metals scrap is brought to books at the year end at net realizable value.

15) 14 Work-in-process

a. Work-in-process (production) is valued on the basis of physically verified quantities at lower of cost excluding interest charges, administration & sales

overheads and at the net realisable value, after providing for obsolescence, if any.

b. Work-in-process (Installation) is valued at lower of cost as recorded in the work orders and net realizable value, after providing for obsolescence, if any.

16) Tools and Gauges

Expenditure on special purpose tools and fixtures is initially capitalized at cost and then amortized over production on a systematic basis, based on technical assessment.

Loose tools are charged to revenue at the time of issue.

17) Financial assets (Trade Receivables & Other receivables)

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that the assets may be impaired, same is reviewed for impairment.

18) Errors and Estimates

The Company revises its accounting policies, if the change is required due to a change in the Ind AS or if the change provides more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied prospectively.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of Profit or Loss is applied prospectively in the period(s) of change.

Discovery of errors and results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. Opening balances of the earliest period presented are also restated.

19) Income taxes

Income tax comprises of current and deferred income tax

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

20) Warranty Liability

Warranty liability for contractual obligation in respect of equipment sold to customers is accounted for the basis of an annual technical assessment.

21) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the functional currency exchange rate at the dates of the initial transactions.

22) Employee benefits

a. Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
b. Post-employment benefit viz. gratuity and other long-term employee benefits viz. Privilege Leave, Sick Leave and LLTC are recognised as an expense in the Statement of Profit and Loss of the year in which the employee has rendered services. Expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques.
c. Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.
d. Expenditure related to voluntary retirement scheme (VRS) is written off in the year of incidence.

23) Provision & Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. Expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets are not recognised in the financial statements but are disclosed in the notes.

Onerous Contracts

A provision for onerous contracts other than construction contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

24) Fair value measurement

The Company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
For purposes of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

25) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

26) Financial Instruments

a. **Initial recognition and measurement**
   All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through the Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset are included in the cost of the asset.
b. **Subsequent measurement**
c. For purposes of subsequent measurement, financial assets are classified in four categories:
   i. Debt instruments at amortised cost,
   ii. Debt instruments at fair value through other comprehensive income (FVTOCI),
   iii. Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL),
   iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Derecognition

A financial asset or part of a financial asset is derecognised when• The rights to receive cash flows from the asset has expired

Embedded derivative

Embedded derivative, if required, is separated from host contract and measured at fair value.

27) Forward Contracts

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

28) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.
Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

29) Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

a. Time barred dues from the Government / Government Departments / Government Companies are generally not considered as increase in credit risk of such financial asset.
b. Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.
c. In case of dues outstanding for a significant period of time, on a case to case basis

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ (income) in the Statement of Profit and Loss. This amount is reflected in a separate line in Profit and Loss Statement as an impairment gain or loss.

30) Financial Liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at fair value through Profit and Loss as loans, borrowings, payables, or derivatives, as appropriate.

Loans, borrowings and payables, are stated net of transaction costs that are directly attributable.

b. Subsequent measurement

Measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at fair value through profit or loss.
ii. Financial liabilities at fair value through Profit or Loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

   Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

c. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

d. Trade and other payables

Liabilities are recognised for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

31) Reclassification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively.

32) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

33) Cash dividend and non-cash distribution to equity shareholders

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company.

34) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

35) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

36) New standards and interpretations not yet effective:

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2017 and have not been applied in preparing these financial statements. The effect of the same is being evaluated by the Company.

As per our report of even date

For & On Behalf of Board of Directors

For SANKARAN & KRISHNAN
Chartered Accountants
Firm's Registration NO.03582S

Sd/-
S SHANMUGA PRIYA
Company Secretary

Sd/-
MALATHY M
CHIEF FINANCIAL OFFICER

Sd/-
CHITTARANJAN PRADHAN
Director-Finance

Sd/-

VV Krishnamurthy

Partner

M. No. 027044
Place: New Delhi
Date: 25-July-2018

Sd/-
ALAGESAN K
Chairman and Managing Director

INDEPENDENT AUDITORS' REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 26 OF COMPANIES ACT, 2013, READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

To
The Board of Directors,
ITI Limited
Regd & Corporate Office,
ITI Bhavan, Dooravaninagar
Bengaluru -560016

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of ITI Limited (the "Company") and its joint venture (collectively known as "Group"), which comprises of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and Restated Consolidated Statement of Changes in Equity for each of the years ended March 31, 2018, 2017, 2016 and 2015 and the Restated Consolidated Statement of Cash Flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and the Summary of Significant Accounting Policies (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 25th July 2018 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Followed on Public Offer through Offer for Sale ("FPO") prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules")

   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

   c. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

2. The preparation of the Restated Consolidated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 15 below. The Company's Board of Directors is responsible with respect to the preparation of these Restated Consolidated Financial Information in accordance with the accounting principles generally accepted in India complies with the Act, Rules, ICDR Regulations and the Guidance Note about the presentation of the Restated Consolidated Financial Information.
   This responsibility includes maintenance of adequate records and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the records relevant to the preparation and presentation of the Restated Consolidated Financial Information are free from material misstatement, whether due to fraud or error.

3. Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act, the Rules, the ICDR Regulations and the Guidance Note.

4. We have examined such Restated Consolidated Financial Information taking into consideration:

a. The terms of reference and terms of our engagement agreed upon with the Company in accordance with our engagement letter dated 13th February 2018 in connection with the proposed FPO of the Company;

b. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI); and

5. These Restated Consolidated Financial Information have been extracted by the management of the Company from the:

a. Audited consolidated financial statements of the Group as at and for the year ended March 31, 2018, approved by the Board of Directors at their meeting held on 19th May 2018, which includes the comparative Ind AS financial statements as at and for the year ended March 31, 2017, prepared in accordance with the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

b. Consolidated Financial Statements of the Group as at and for the year ended March 31, 2017, March 31, 2016 prepared by the management in accordance with the accounting standards referred to sub-section (3C) of Section 211 of the Companies Act, 1956 read with the general circular no. Circular 15/2013 dated 13th September, 2013of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013, which have been approved by the Board of Directors at its meeting held on 25th July 2018 and certified by us vide our report dated 25th July 2018.

6. The Restated Consolidated Financial Information also contains the proforma Ind AS consolidated financial statements as at and for the year ended March 31, 2015. These proforma consolidated Ind AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2015 which has been approved by the Board of Directors at their meeting held on 25th July 2018.

7. We did not audit the financial statements of the Company for the financial years 31st March 2015 to 31st March 2017 and its Joint Venture for the financial years ended March 31, 2018, 2017, 2016, 2015. These financial statements and other financial information of the Company and its Joint Venture have been audited by other auditors, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in the Restated Consolidated Financial Information of the Company and joint ventures is based solely on the report of such other auditors. Based on the audited/certified Financial Statements (as mentioned aforesaid), we have restated consolidated financial information:

a. to incorporate adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

b. to incorporate adjustments for the material amounts in the respective financial years to which they relate; and

c. do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Consolidated Financial Information.

d. with respect to the proforma Ind AS financial statements as at and for the year ended March 31, 2015, the proforma Ind AS financial statements have been prepared by making appropriate Ind AS

adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2015.

8. Based on our examination in accordance with the requirements of section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that:

   a. The Restated Consolidated Statement of Assets and Liabilities of the Group as at March 31, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-I(c)

   b. The Restated Consolidated Statement of Profit and Loss (including other comprehensive income) of the Group, for the years ended March 31, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-III(c)

   c. The Restated Consolidated Statement of changes in equity of the Group, for the years ended March 31, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure II(c) to this report.

   d. The Restated Consolidated Statement of Cash Flows of the Company, for the years ended March 31, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-IV(c)

   e. Based on the above, according to the information and explanations given to us, we further report that the Restated Consolidated Financial Information:

      i. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

      ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

      iii. do not contain any extra-ordinary items that needs to be disclosed separately other than those presented in the Restated Consolidated Financial Information.
      .

      iv. there are no qualifications in the auditors' reports on the audited consolidated financial statements of the Company as at and for the years ended 31 March 2018, 2017, 2016, and 2015 which require any adjustments to the Restated Standalone Financial Information except for the following qualifications included in the respective auditor's report on the standalone financial statements for the years ended 31st March 2018, 2017, 2016, and 2015 which have been adjusted in these Restated Standalone Financial Information as further detailed in Annexure VI:

As at and for the year ended 31st March 2018

- Non-provision of Rs 584.79 Million towards claims doubtful of recovery, being rent receivable from premises leased out to C-DOT up to the period ended 31.3.2011 and no rental income for the period after 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (Refer Note No.31.22 of audited financial statements);

   v. Emphasis of Matter included in the auditor's reports on the audit Consolidated financial statement as at and for the year ended 31st Marc 2018, 2017, 2016,2015 and 2014, which do not require any further corrective adjustment in the Restated Standalone Financial Information, are as follows:

As at and for the year ended 31st March 2018

- The profit for the year has been arrived at after adjusting for the following items:
  - Write-back of liabilities of earlier years amounting to Rs 1121.45 Million. -Refer Note No. 12 (c) of audited financial statements.
  - Rs 921.14 Million being the difference between the compensation received from KIADB for surrender of land and its original cost. -Refer Note No.12(b) of audited financial statements.
  - Rs 799.80 Million representing grants received related to previous years towards salaries, PF and Gratuity has been credited to Other Income. Refer Note No.12 (d) of audited financial statements.
  - Rs 15.40 Million being the profit recognised in Rae Bareli unit regarding transaction of earlier years.
- Further the Branch auditors of Rae Bareli Unit has reported that from FY 2012-13 onwards till 31st July 2017 based on provisional invoices for GPON AMC services rendered by a service provider to BSNL for a total amount of Rs. 615.1 Million as the turnover based on the provisional invoice and included under the head "Revenue from Operations" and the same has been included under the head "Unbilled revenue" under the head Current Assets" in the financial statements. -Refer Note No.12 (e) of audited financial statements.
- Formal conveyance/lease deeds in respect of lands, excepting part of lands at Bangalore and Mankapur, are yet to be executed by the respective State Governments - Refer Note No.1 of audited financial statements;
- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable – (Refer Note No. 31.17 of audited financial statements);
- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, sub-contractors/others, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, Income Tax, GST, TDS, etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation and we are unable to comment on the impact of the same on the accounts of the company (Refer Note 31.4 of audited financial statements);
- The Company is 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 (Refer Note No. 31.15 of audited financial statements)
- Lease agreement with ESIC has expired in the month of July 2016 and renewal lease agreement has not been entered. (Refer Note 31.19 of audited financial statements)
- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the balance sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 31.20 of audited financial statements)

9. We have also examined the following restated Consolidated financial information of the Company set out in the Annexures prepared by the management and approved by the Board of Directors on 25th July 2018 as at and for the year ended March 31, 2018, 2017, 2016 and 2015:
   i. Summary of Significant Accounting Policies included in Annexure V(c)

ii. Restated Statement of Consolidated Property, plant and equipment included in Note 1 to Annexure I(c)
iii. Restated Statement of Consolidated Capital Work-In Progress included in Note 2 to Annexure I(c)
iv. Restated Statement of Consolidated Investment Property included in Note 3 to Annexure I(c)
v. Restated Statement of Consolidated Intangible Assets included in Note 3(a) of Annexure I(c)
vi. Restated Statement of Consolidated Non-Current Financial Assets- Investments included in Note 4 to Annexure I(c)
vii. Restated Statement of Consolidated Non-Current Financial Assets- Loans included in Note 5 to Annexure I(c)
viii. Restated Statement of Consolidated Inventories included in Note 6 to Annexure I
ix. Restated Statement of Consolidated Trade Receivables included in Note 7 to Annexure I
x. Restated Statement of Consolidated Cash and Cash Equivalents included in Note 8 to Annexure I(c)
xi. Restated Statement of Consolidated Bank Balances other than Cash and Cash Equivalents included in Note 8(a) to Annexure I(c)
xii. Restated Statement of Consolidated Current Financial Assets- Loans included in Note 9 to Annexure I(c)
xiii. Restated Statement of Consolidated Other Current Assets included in Note 10 to Annexure I(c)
xiv. Restated Statement of Consolidated Equity Share Capital included in Note 11 to Annexure I(c)
xv. Restated Statement of Consolidated Other Equity included in Note 12 to Annexure I(c)
xvi. Restated Statement of Consolidated Non-Current Liabilities- Govt Grants included in Note 13 to Annexure I(c)
xvii. Restated Statement of Consolidated Non-Current Financial Liabilities- Borrowings included in Note 14 to Annexure I(c)
xviii. Restated Statement of Consolidated Non-Current Financial Liabilities- Others included in Note 15 to Annexure I(c)
xix. Restated Statement of Consolidated Non-Current Provisions included in Note 16 to Annexure I(c)
xx. Restated Statement of Consolidated Current Financial Liabilities – Borrowings included in Note 17 to Annexure I(c)
xxi. Restated Statement of Consolidated Current Financial Liabilities- Trade Payables included in Note 18 to Annexure I(c)
xxii. Restated Statement of Consolidated Current Financial Liabilities- Others included in Note 19 to Annexure I(c)
xxiii. Restated Statement of Consolidated Current Provisions included in Note 20 to Annexure I(c)
xxiv. Restated Statement of Consolidated Other Current Liabilities included in Note 21 to Annexure I(c)
xxv. Restated Statement of Consolidated Revenue from Operations included in Note 22 to Annexure III(c)
xxvi. Restated Statement of Consolidated Other Income included in Note 23 to Annexure III(c)
xxvii. Restated Statement of Consolidated Consumption of Raw Materials and Production Stores included in Note 24 to Annexure III(c)
xxviii. Restated Statement of Consolidated Purchase of Stock-in-Trade included in Note 25 to Annexure III(c)
xxix. Restated Statement of Consolidated Changes in Inventories of Finished Goods and Work in Progress included in Note 26 to Annexure III(c)
xxx. Restated Statement of Consolidated Employee Benefit Expenses included in Note 27 to Annexure III(c)
xxxi. Restated Statement of Consolidated Finance Costs included in Note 28 to Annexure III(c)
xxxii. Restated Statement of Consolidated Depreciation and Amortization Expenses included in Note 29 to Annexure III(c)
xxxiii. Restated Statement of Consolidated Other Expenditure included in Note 30 to Annexure III(c)
xxxiv. Restated Statement of Consolidated Contingent Liabilities included in Note 31 to Annexure I(c)

xxxv. Restated Statement of Accounting Ratios included in Annexure VI(c)

10. According to the information and explanations given to us, reliance placed on the reports for financial Years ended March 31, 2017, 2016, 2015 of the Company submitted by previous auditors, M/s. Sundar Srini & Sridhar, Chartered Accountants, Bangalore as per the reliance placed on the reports for financial Years ended March 31, 2018, 2017, 2016, 2015 of its Joint Venture submitted by the auditors, M/s K.V. Narasimhan & Co, Bangalore, Chartered Accountants, in our opinion, the Restated Financial Information and the above restated financial information contained in Annexures I(c) to VII(c) accompanying this report read with Summary of Significant Accounting Policies as disclosed in Annexure-V(c) have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

11. According to the information and explanation given to us, in our opinion, the restated consolidated financial information read with summary of Significant Accounting Policies as disclosed in Annexure V(c) have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

12. This report should not in any way be construed as a reissuance or re-dating of any of the previous Audit Reports issued, nor should this report be construed as a new opinion to any of the financial statements referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for the use of the management for inclusion in the offer document to be filed with the Securities Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies [Karnataka], in connection with the proposed issue of equity shares of the Company. Our Report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For SANKARAN & KRISHNAN
Chartered Accountants
Firm Registration No .03582S

Sd/-

V.V. Krishnamurthy
Partner
Membership Number: 027044

Place: Delhi
Date: 25th July 2018

ITI LIMITED

Annexure I(C)

Restated Financial Information of Consolidated Assets and Liabilities

₹ In millions

Particulars	Note No.	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
I.ASSETS									
(1) Non-current assets									
(a) Property, Plant & Equipment	1	2805.38		1580.13		1040.09		629.70	
(b) Capital work-in-progress	2	1492.91		1015.94		916.83		330.19	
(c) Investment Property	3	0.57		0.58		0.60		0.62	
(d) Intangible assets	3(a)	0.00		0.00		0.00		0.00	
(e) Financial Assets									
(i) Investments	4	376.74		407.84		430.50		450.21	
(ii) Trade receivables		58.80		0.00		0.00		0.00	
(iii) Loans	5	1.77	4736.17	2.61	3007.11	2.30	2390.32	25.16	1435.88
(2) Current assets									
(a) Inventories	6	1558.96		1422.86		1038.30		933.43	
(b) Financial Assets									
(i) Trade receivables	7	30799.36		21959.54		27431.71		22187.15	
(ii) Cash and cash equivalen	8	412.61		244.02		499.51		458.07	
(iii) Bank Blances other thar	8(a)	2834.88		1419.10		712.41		2254.18	
(iii) Loans	9	3854.75		3334.81		2588.22		2691.75	
(iv) Unbilled Revenue		2372.41		366.66		212.93		0.00	
(c) Other current assets	10	488.25	42321.21	294.85	29041.84	357.46	32840.54	288.02	28812.59
TOTAL			47057.38		32048.94		35230.86		30248.47
II. EQUITY AND LIABILITIES									
Equity									
(a) Equity Share Capital	11	7600.00		5600.00		2880.00		2880.00	
(b) Other Equity	12	-14339.70	-6739.70	-18085.82	-12485.82	-19251.01	-16371.01	-21985.05	-19105.05
Liabilities									
(1) Non-Current Liabilities									
(a) Government Grants	13	1190.89		1228.93		25.68		72.65	
(b) Financial Liabilities									
(i) Borrowings	14	3000.00		3000.00		3000.00		3000.00	
(ii) Others	15	181.50		144.42		121.31		63.01	
(c) Provisions	16	680.04	5052.43	583.11	4956.46	839.08	3986.07	887.45	4023.11
(2) Current Liabilities									
(a) Financial Liabilities									
(i) Borrowings	17	9263.22		8791.69		8389.14		9208.31	
(ii) Trade payables	18	22616.49		19759.99		21053.30		22830.18	
(iii) Others	19	8241.43		7235.90		8091.46		8338.10	
(b) Provisions	20	1200.58		1483.70		2419.03		3525.27	
(c) Other current liabilities	21	7422.92	48744.65	2307.02	39578.30	7662.87	47615.80	1428.55	45330.41
TOTAL			47057.38		32048.94		35230.86		30248.47

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(c), First time Adoption of Ind AS Annexure-VI(c) Statement of Consolidated Accounting Ratios in Annexure-VII(c), Statement of Consolidated Capitalisation in Annexure-VIII(c) and Statement of Dividend Paid in Annexure-IX(c) & Statement of Tax Shelters Annexure X(c)

The accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-
VV Krishnamurthy
Partner
M. No. 027044

sd/-
S Shanmuga Priya
Company Secretary

sd/-
MALATHY M
Chief Financial Officer

sd/-
CHITTARANJAN PRADHAN
Director-Finance

sd/-
ALAGESAN K
Chairman and Managing Director

Place: Bangalore
Date : 25-July-2018

ITI LIMITED

Annexure II(c)

Statement Of Consolidated Changes In Equity

A. Equity Share Capital

In millions

Particulars	Amount
Balance as at 01.04.2014	**2880**
Changes during the Financial Year 14-15	0
Balance as at 31.03.2015	**2880**
Changes during the Financial Year 15-16	0
Balance as at 31.03.2016	**2880**
Changes during the Financial Year 16-17	2720
Balance as at 31.03.2017	**5600**
Changes during the Financial Year 2017-18	2000
Balance as at 31.03.2018	**7600**

B. Other Equity

₹ In millions

Particulars	Share application money pending allotment	Reserves and Surplus			Revaluation Surplus	Other items of Other Comprehensive Income	Total Other Equity with Revaluation Reserve	Revaluation Surplus	Other Equity excluding revaluation reserve
		Capital Reserve	Securities Premium	Retained Earnings					
Balance as at 01.04.2014	**1,920.00**	**27129.53**	**2.96**	**-48691.11**	**23744.13**	**0.00**	**4105.51**	**23744.13**	**-19638.62**
Changes in accounting policy or prior period error	-	0.00	0.00	8.68	0.00	0.00	8.68	**0.00**	8.68
balance as at 01.04.2014	**1,920.00**	**27129.53**	**2.96**	**-48682.43**	**23744.13**	**0.00**	**4114.19**	**23744.13**	**-19629.94**
Profit or Loss for the Year	-	0.00	0.00	-2979.95	0.00	0.00	-2979.95	0.00	-2979.95
Other Comprehensive income for the Year	-	0.00	0.00	0.00	0.00	446.14	446.14	0.00	446.14
Dividends	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants received during the year	-	178.70	0.00	0.00	0.00	0.00	178.70	0.00	178.70
Transfer to retained earning	-	0.00	0.00	0.00	-140.08	0.00	-140.08	-140.08	0.00
Any other change	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31.03.2015	**1,920.00**	**27308.23**	**2.96**	**-51662.38**	**23604.06**	**446.14**	**1619.01**	**23604.06**	**-21985.05**
Changes in accounting policy or prior period error	-	0.00	0.00	-33.57	0.00	0.00	-33.57	0.00	-33.57
balance as at 01.04.2015	**1,920.00**	**27308.23**	**2.96**	**-51695.95**	**23604.06**	**446.14**	**1585.43**	**23604.06**	**-22018.62**
Profit or Loss for the Year	-	0.00	0.00	2372.18	0.00	0.00	2372.18	0.00	2372.18
Other Comprehensive income for the Year	-	0.00	0.00	0.00	0.00	153.56	153.56	0.00	153.56
Dividends	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants received during the year	-	181.50	0.00	0.00	0.00	0.00	181.50	0.00	181.50
Transfer to retained earning	-	0.00	0.00	0.00	-60.37	0.00	-60.37	-60.37	0.00
Any other change	-	0.00	0.00	60.37	0.00	0.00	60.37	0.00	60.37
Balance as at 31.03.2016	**1,920.00**	**27489.73**	**2.96**	**-49263.40**	**23543.69**	**599.70**	**4292.67**	**23543.69**	**-19251.01**
Changes in accounting policy or prior period error	-	0.00	0.00	-2.37	0.00	0.00	-2.37	0.00	-2.37
balance as at 01.04.2016	**1,920.00**	**27489.73**	**2.96**	**-49265.77**	**23543.69**	**599.70**	**4290.30**	**23543.69**	**-19253.38**
Profit or Loss for the Year	-	0.00	0.00	2663.91	0.00	0.00	2663.91	0.00	2663.91
Appropriations				-1.53			-1.53	0.00	-1.53
Other Comprehensive income for the Year	-	0.00	0.00	0.00	0.00	364.65	364.65	0.00	364.65
Dividends	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants received during the year	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earning	-	0.00	0.00	0.00	-60.54	0.00	-60.54	-60.54	0.00
Any other change	-	0.00	0.00	60.54	0.00	0.00	60.54	0.00	60.54
Transfer to Equity Share Capital	-1,920.00	0.00	0.00	0.00	0.00	0.00	-1920.00	0.00	-1920.00
Balance as at 31.03.2017	**-**	**27489.73**	**2.96**	**-46542.86**	**23483.14**	**964.35**	**5397.32**	**23483.14**	**-18085.82**
Changes in accounting policy or prior period error	-	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**
balance as at 01.04.2017	**-**	**27489.73**	**2.96**	**-46542.86**	**23483.14**	**964.35**	**5397.32**	**23483.14**	**-18085.82**
Profit or Loss for the Year	-	0.00	0.00	2305.64	0.00	0.00	2305.64	0.00	2305.64
Other Comprehensive income for the Year	-	0.00	0.00	0.00	0.00	14.58	14.58	0.00	14.58
Dividends	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants received during the year	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earning	-	0.00	0.00	0.00	-92.35	0.00	-92.35	-92.35	0.00
Any other change	-	0.00	0.00	55.89	0.00	0.00	55.89	0.00	55.89
Share Application money received	3,370.00						3370.00		3370.00
Transfer to Equity Share Capital	-2,000.00	0.00	0.00	0.00	0.00	0.00	-2000.00	0.00	-2000.00
Balance as at 31.03.2018	**1,370.00**	**27489.73**	**2.96**	**-44181.32**	**23390.80**	**978.93**	**9051.09**	**23390.80**	**-14339.70**

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(c), First time Adoption of Ind AS Annexure-VI(c) Statement of Consolidated Accounting Ratios in Annexure-VII(c), Statement of Consolidated Capitalisation in Annexure-VIII(c) and Statement of Dividend Paid in Annexure-IX(c) & Statement of Tax Shelters Annexure X(c)

The accompanying notes form part of the financial statements

As per our report of even date

For M/S Sankaran & Krishnan

Chartered Accountants

Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-
VV Krishnamurthy
Partner
M. No. 027044

sd/-
S Shanmuga Priya
Company Secretary

sd/-
MALATHY M
Chief Financial Officer

sd/-
CHITTARANJAN PRADHAN
Director-Finance

sd/-
ALAGESAN K
Chairman and Managing Director

Place: Bangalore

Date : 25-July-2018

ITI LIMITED

Annexure III(c)

Restated Financial Information of Consolidated Profit and Loss

Particulars	Note No.	For the year ended 31.03.2018		For the year ended 31.03.2017		For the year ended 31.03.2016		For the year ended 31.03.2015(Proforma)	
									₹ In millions
INCOME									
I. Revenue from operations	22	14841.62		15481.37		11933.46		5791.12	
II. Other Income	23	3274.54		5405.79		5969.65		849.17	
III. Total Revenue (I +II)			18116.17		20887.16		17903.11		6640.29
IV.EXPENSES:									
Cost of materials consumed	24	3134.44		925.75		413.33		430.27	
Purchase of Stock-in-Trade	25	2319.76		5121.91		6282.47		1420.59	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	117.65		-176.22		4.38		20.56	
Installation & Maintenance Charges		5260.73		6420.79		3180.55		2138.76	
Employee benefit expense	27	2255.04		3008.72		3324.59		3211.89	
Finance costs	28	1534.11		1526.15		1571.55		1572.54	
Depreciation and amortization expense	29	248.55		169.45		129.02		153.24	
Other expenses	30	940.24		1226.70		625.04		672.40	
Total Expenses*			15810.52		18223.25		15530.93		9620.24
V.Profit/(Loss) before exceptional items and tax (III-IV)			2305.64		2663.91		2372.18		-2979.95
VI. Exceptional Items			0.00		0.00		0.00		0.00
(i) Income			0.00		0.00		0.00		1650.00
(ii) Expenses			0.00		0.00		0.00		-1650.00
VII. Profit/(Loss) before tax (V + VI)			2305.64		2663.91		2372.18		-2979.95
VIII. Tax expense:									
(1) Current tax			0.00		0.00		0.00		0.00
(2) Deferred tax			0.00		0.00		0.00		0.00
IX. Profit(Loss) for the year (VII-VIII)			2305.64		2663.91		2372.18		-2979.95
X. Other Comprehensive Income									
A. (i) Items that will not be reclassifled to proflt or loss									
Remeasurements of Defined Benefit Plans			45.68		387.30		173.26		0.00
Changes in Fair value of Equity Instruments in ISL			-31.10		-22.65		-19.71		446.14
B. (i) Items that will be reclassified to profit or loss			0.00		0.00		0.00		0.00
XI. Total Comprehensive Income for the year (IX+X)Comprising Profit (Loss) and Other.comprehensive Income for the year)			2320.22		3028.55		2525.74		-2533.81
XII. Earnings per equity share (for continuing operation):									
Basic & Diluted (Face value of ₹ 10/- each):			3.18		6.72		7.89		-9.74
Weighted average number of shares			643333333		410000000		288000000		288000000

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(c), First time Adoption of Ind AS Annexure-VI(c) Statement of Consolidated Accounting Ratios in Annexure-VII(c), Statement of Consolidated Capitalisation in Annexure-VIII(c) and Statement of Dividend Paid in Annexure-IX(c) & Statement of Tax Shelters Annexure X(c)

The accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-	sd/-	sd/-	sd/-	sd/-
VV Krishnamurthy	S Shanmuga Priya	MALATHY M	CHITTARANJAN PRADHAN	ALAGESAN K
Partner	Company Secretary	Chief Financial Officer	Director-Finance	Chairman and Managing Director
M. No. 027044				

Place: Bangalore
Date : 25-July-2018

I T I LIMITED

Annexure IV(c)

Restated Financial Information of Consolidated Cash Flow Statement

₹ in millions

Particulars	For the year ended 31.03.2018		For the year ended 31.03.2017		For the year ended 31.03.2016		For the year ended 31.03.2015(Proforma)	
(A)CASH FLOW FROM OPERATING ACTIVITIES:								
NET PROFIT/(LOSS) BEFORE TAX		2305.64		2663.91		2372.18		-3334.39
Adjustment For :								
Depreciation	248.55		178.32		129.02		153.24	
Financing Charges	1534.11		1526.15		1571.55		1572.54	
Interest/Dividend Received	-15.98		-10.00		-22.66		-25.84	
Profit On Sale Of Asset	-921.15		0.00		0.00		-0.31	
Transfer From Grant-In-Aid	-1367.83		-3796.56		-4987.17		-40.29	
Other Comprehensive Income-Actuarial Gain	45.68		387.30		173.26		354.45	
Non-Cash Expenditure	33.67	-442.95	42.11	-1672.68	-33.38	-3169.38	9.58	2023.36
OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		1862.70		991.23		-797.20		-1311.03
Adjustment For:								
Trade And Other Receivables	-11610.83		4564.00		-5245.87		-342.13	
Inventories	-169.10		-399.57		-105.24		28.03	
Trade Payables	8828.83		-8672.90		3114.50		143.92	
Direct Taxes Paid	-6.04	-2957.14	42.79	-4465.68	-154.67	-2391.28	-4.41	-174.59
CASH GENERATED FROM OPERATIONS		-1094.44		-3474.45		-3188.48		-1485.62
CASH FLOW FROM OPERATING ACTIVITIES		-1094.44		-3474.45		-3188.48		-1485.62
(B) CASH FLOW FROM INVESTING ACTIVITIES:								
Purchase Of Fixed Assets Including:								
Capital Work-In-Progress	-1895.54		-760.75		-1065.49		-126.79	
Sale Of Fixed Assets	921.15		0.00		0.00		0.31	
Interest Received	15.98		10.00		22.66		25.84	
Dividend Received								
NET CASH USED IN INVESTING ACTIVITIES [B]		-958.41		-750.75		-1042.83		-100.65
(C) CASH FLOW FROM FINANCING ACTIVITIES								
Proceeds From Short Term Borrowings	471.53		402.54		-819.17		3449.04	
Share Application Money	1370.00		0.00		0.00		1920.00	
Issue Of Share Capital	2000.00		800.00		0.00		0.00	
Grant-In-Aid Received	1329.80		5000.00		5121.70		178.61	
Financing Expenses	-1534.11		-1526.15		-1571.55		-1572.54	
NET CASH USED IN FINANCING ACTIVITIES [C]		3637.22		4676.39		2730.98		3975.12
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]		1584.37		451.19		-1500.33		2388.85
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		1663.11		1211.92		2712.25		323.40
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		3247.49		1663.11		1211.92		2712.25

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(c), First time Adoption of Ind AS Annexure-VI(c) Statement of Consolidated Accounting Ratios in Annexure-VII(c), Statement of Consolidated Capitalisation in Annexure-VIII(c) and Statement of Dividend Paid in Annexure-IX(c) & Statement of Tax Shelters Annexure X(c)

The accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-
VV Krishnamurthy
Partner
M. No. 027044

sd/-
S Shanmuga Priya
Company Secretary

sd/-
MALATHY M
Chief Financial Officer

sd/-
CHITTARANJAN PRADHAN
Director-Finance

sd/-
ALAGESAN K
Chairman and Managing Director

Place: Bangalore
Date : 25-July-2018

NOTE NO. 1

STATEMENT OF CONSOLIDATED PROPERTY, PLANT & EQUIPMENT

₹ In millions

PARTICULARS	Free Hold Land	Lease Hold Land	Building	Plant& Machinery	Other Equipment	Office Machinery & Equipment	Furniture Fixture & Fittings	Vehicles	Total
Opening Balance as at 01.04.2014	22,584.88	11.90	1208.41	378.56	38.47	3.58	4.40	5.41	24235.62
Additions	-	0.00	1.40	3.27	1.43	1.76	0.05	0.15	8.06
Disposal	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2015	22,584.88	11.90	1209.81	381.84	39.90	5.34	4.45	5.56	24243.68
Depreciation For The Year	-	0.03	158.82	115.19	9.08	1.29	1.00	1.14	286.54
Disposals	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Accumulated Depreciation	-	0.03	158.82	115.19	9.08	1.29	1.00	1.14	286.54
Net Carrying Amount As At 31.03.2015 with revaluation reserve	22,584.88	11.87	1050.99	266.65	30.82	4.05	3.45	4.43	23957.14
Less: Revaluation Reserve	-22,485.92	0.00	-841.53	0.00	0.00	0.00	0.00	0.00	-23327.44
Net Carrying Amount As At 31.03.2015 without revaluation reserve	98.96	11.87	209.47	266.65	30.82	4.05	3.45	4.43	629.70
Opening Gross Carrying Amount As At 1.04.2015	22,584.88	11.90	1209.81	381.84	39.90	5.34	4.45	5.56	24243.68
Additions	-	0.00	7.92	393.17	74.32	2.26	0.90	0.29	478.85
Disposal	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2016	22,584.88	11.90	1217.72	775.01	114.21	7.59	5.36	5.86	24722.53
Opening Accumulated Depreciation	-	0.03	158.82	115.19	9.08	1.29	1.00	1.14	286.54
Depreciation For The Year	-	0.03	73.06	45.54	6.57	2.31	0.34	0.94	128.77
Closing Accumulated Depreciation	-	0.05	231.88	160.72	15.64	3.60	1.34	2.08	415.31
Net Carrying Amount As At 31.03.2016 with revaluation reserve	22,584.88	11.85	985.85	614.29	98.57	4.00	4.02	3.78	24307.22
Less: Revaluation Reserve	-22,485.91	0.00	-781.21	0.00	0.00	0.00	0.00	0.00	-23267.13
Net Carrying Amount As At 31.03.2016 without revaluation reserve	98.97	11.85	204.63	614.29	98.57	4.00	4.02	3.78	1040.09
Opening Gross Carrying Amount As At 1.04.2016	22,584.88	11.90	1217.72	775.01	114.21	7.59	5.36	5.86	24722.53
Additions	-	0.00	32.85	498.86	112.24	15.31	0.01	0.07	659.33
Disposal	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2017	22,584.88	11.90	1250.57	1273.86	226.46	22.91	5.36	5.92	25381.86
Opening Accumulated Depreciation	-	0.05	231.88	160.72	15.64	3.60	1.34	2.08	415.31
Depreciation For The Year	-	0.03	80.18	81.23	13.23	2.43	1.75	0.94	179.78
Closing Accumulated Depreciation	-	0.08	312.05	241.95	28.87	6.03	3.09	3.02	595.09
Net Carrying Amount As At 31.03.2017 with revaluation reserve	22,584.88	11.82	938.52	1031.92	197.58	16.88	2.28	2.90	24786.78
Less: Revaluation Reserve	-22,485.91	0.00	-720.73	0.00	0.00	0.00	0.00	0.00	-23206.64
Net Carrying Amount As At 31.03.2017 without revaluation reserve	98.97	11.82	217.79	1031.92	197.58	16.88	2.28	2.90	1580.13
Opening Gross Carrying Amount As At 1.04.2017	22,584.88	11.90	1250.57	1273.86	226.46	22.91	5.36	5.92	25381.86
Additions	-	0.00	110.71	1243.67	51.66	1.63	0.14	10.76	1418.57
Disposal	-116.56	0.00	0.00	0.00	0.00		0.00	0.00	-116.56
Closing Gross Carrying Amount As At 31.03.2018	22,468.32	11.90	1361.28	2517.53	278.11	24.54	5.51	16.68	26683.87
Opening Accumulated Depreciation	-	0.08	312.05	241.95	28.87	6.03	3.09	3.02	595.09
Depreciation For The Year	-	0.03	73.38	145.64	21.04	5.44	1.02	1.40	247.95
Closing Accumulated Depreciation	-	0.11	385.43	387.59	49.91	11.47	4.11	4.42	843.04
Net Carrying Amount As At 31.03.2018 with revaluation reserve	22,468.32	11.79	975.85	2129.95	228.20	13.07	1.39	12.26	25840.83
Less: Revaluation Reserve	-22,369.74	0.00	-665.71	0.00	0.00	0.00	0.00	0.00	-23035.45
Net Carrying Amount As At 31.03.2018 without revaluation reserve	98.58	11.79	310.14	2129.95	228.20	13.07	1.39	12.26	2805.38

NOTE NO. 2

STATEMENT OF CONSOLIDATED CAPITAL WORK-IN-PROGRESS

Capital Work-in-Progress at Cost	688.32		634.65		494.84		322.38	
Less: Provision	0.00		0.00		0.04		0.04	
TOTAL		688.32		634.65		494.80		322.34
Materials with Contractors	2.89		2.89		2.89		2.89	
Less : Provision	2.89		2.89		2.89		2.89	
TOTAL		0.00		0.00		0.00		0.00
Machinery at Cost		0.00						
In-Transit	77.70		36.16		10.91		0.66	
Awaiting Acceptance / Installation	727.53		345.78		411.73		7.81	
	805.24		381.94		422.64		8.47	
Less:Provision	0.65		0.65		0.61		0.61	
TOTAL		804.58		381.28		422.03		7.86
GRAND TOTAL		1492.91		1015.94		916.83		330.19

NOTE NO. 3

STATEMENT OF CONSOLIDATED INVESTMENT PROPERTY

₹ In millions

PARTICULARS	Land	Building	Total
Opening Balance as at 01.04.2014	275.27	2.04	277.31
Additions	0.00	0.00	0.00
Disposal	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2015	275.27	2.04	277.31
Depreciation For The Year	0.00	0.08	0.08
Disposals	0.00	0.00	0.00
Closing Accumulated Depreciation	0.00	0.08	0.08
Net Carrying Amount As At 31.03.2015 with revaluation reserve	275.27	1.96	277.23
Less: Revaluation Reserve	-275.21	-1.41	-276.61
Net Carrying Amount As At 31.03.2015 without revaluation reserve	0.06	0.56	0.62
Opening Gross Carrying Amount As At 1.04.2015	275.27	2.04	277.31
Additions	0.00	0.00	0.00
Disposal	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2016	275.27	2.04	277.31
Opening Accumulated Depreciation	0.00	0.08	0.08
Depreciation For The Year	0.00	0.08	0.08
Closing Accumulated Depreciation	0.00	0.15	0.15
Net Carrying Amount As At 31.03.2016 with revaluation reserve	275.27	1.89	277.16
Less: Revaluation Reserve	-275.21	-1.35	-276.56
Net Carrying Amount As At 31.03.2016 without revaluation reserve	0.06	0.54	0.60
Opening Gross Carrying Amount As At 1.04.2016	275.27	2.04	277.31
Additions	0.00	0.00	0.00
Disposal	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2017	275.27	2.04	277.31
Opening Accumulated Depreciation	0.00	0.15	0.15
Depreciation For The Year	0.00	0.08	0.08
Closing Accumulated Depreciation	0.00	0.23	0.23
Net Carrying Amount As At 31.03.2017 with revaluation reserve	275.27	1.81	277.08
Less: Revaluation Reserve	-275.21	-1.30	-276.50
Net Carrying Amount As At 31.03.2017 without revaluation reserve	0.06	0.51	0.58
Opening Gross Carrying Amount As At 1.04.2017	275.27	2.04	277.31
Additions	78.92	0.00	78.92
Disposal	0.00	0.00	0.00
Closing Gross Carrying Amount As At 31.03.2018	354.19	2.04	356.23
Opening Accumulated Depreciation	0.00	0.23	0.23
Depreciation For The Year	0.00	0.08	0.08
Closing Accumulated Depreciation	0.00	0.31	0.31
Net Carrying Amount As At 31.03.2018 with revaluation reserve	354.19	1.73	355.92
Less: Revaluation Reserve	-354.10	-1.24	-355.35
Net Carrying Amount As At 31.03.2018 without revaluation reserve	0.08	0.49	0.57

NOTE NO. 3(a)

₹ In millions

STATEMENT OF CONSOLIDATED INTANGIBLE ASSETS

PARTICULARS	Technical Knowhow
Opening Balance as at 01.04.2014	15.68
Additions	0.00
Disposal	0.00
Closing Gross Carrying Amount As At 31.03.2015	15.68
Depreciation For The Year	15.68
Disposals	0.00
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2015	0.00
Opening Gross Carrying Amount As At 1.04.2015	15.68
Additions	0.00
Disposal	0.00
Closing Gross Carrying Amount As At 31.03.2016	15.68

PARTICULARS	Technical Knowhow
Opening Accumulated Depreciation	15.68
Depreciation For The Year	0.00
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2016	0.00
Opening Gross Carrying Amount As At 1.04.2016	15.68
Additions	0.00
Disposal	0.00
Closing Gross Carrying Amount As At 31.03.2017	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	0.00
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2017	0.00
Opening Gross Carrying Amount As At 1.04.2017	15.68
Additions	0.00
Disposal	0.00
Closing Gross Carrying Amount As At 31.03.2017	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	0.00
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2018	0.00

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
NOTE NO. 4				
STATEMENT OF CONSOLIDATED NON- CURRENT FINANCIAL ASSETS-INVESTMENTS				
Investment in Equity instruments				
Fully Paid at Cost (unquoted)=4.055 Million paid up in India Satcom Limited(joint venture with M/S Chris Tech System Pvt.				
Opening Balance	407.84	430.50	450.21	4.06
Changes in Fair Value	-31.10	-22.65	-19.71	446.14
Closing Balance	376.74	407.84	430.50	450.21

Calculation of Change in Fair Value of Equity Instruments invested in ISL

Rs. in million

Particulars	43190.00	42825.00	42460.00	42094.00
Total Assets	1326.61	1334.52	1334.97	1335.41
Total Liabilities	557.76	502.21	456.41	416.64
Networth with Revaluation Reserve	768.85	832.32	878.55	918.77
Share of ITI @ 49%	376.74	407.84	430.49	450.20
Opening Value on 01.04	407.84	430.49	450.20	4.06
Change in Fair Value	-31.10	-22.65	-19.71	446.14

NOTE NO. 5				
STATEMENT OF CONSOLIDATED NON CURRENT FINANCIAL ASSETS - LOANS				
Secured and considered good :				
Capital Advances	0.00	1.00	0.69	0.69
Considered Doubtful :	0.00	0.00	0.00	0.00
Capital Advances	0.16	0.16	3.00	2.84
Total	0.16	1.16	3.69	3.53
less: provision	0.11	0.11	2.95	2.84
TOTAL SECURED LOANS & ADVANCES	0.05	1.05	0.74	0.69
Unsecured and considered good :				
Capital Advances	0.00	0.00	0.00	0.16
Security Deposits	0.07	0.08	0.06	0.06
Loans and advances	1.65	1.48	1.50	1.83
Considered Doubtful:	0.00	0.00	0.00	0.00
Security Deposits	0.00	0.00	0.00	22.53
Total	1.72	1.55	1.56	24.58
less: provision	0.00	0.00	0.00	0.11
Loans and advances due from related parties :				
ISL	0.00	0.00	0.00	0.00
TOTAL UNSECURED LOANS & ADVANCES	1.72	1.55	1.56	24.47
GRAND TOTAL	1.77	2.61	2.30	25.16

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
NOTE NO. 6								₹ In millions
STATEMENT OF CONSOLIDATED INVENTORIES								
a) Raw material and Production stores	710.03		806.23		565.36		562.20	
Less: Provision for Obsolescence	179.08		168.80		154.08		155.10	
		530.95		637.43		411.28		407.10
b)Material issued against Fabrication Contracts	9.81		9.81		9.81		10.02	
Less: Provision	9.55		9.55		9.55		9.55	
		0.26		0.26		0.26		0.48
c)Non-Production Stores	80.77		85.24		84.64		80.30	
Less: Provision for Obsolescence	23.74		25.16		25.16		25.16	
		57.03		60.08		59.49		55.14
d)Work-in-Process Production	307.00		417.28		223.40		268.23	
Less: Provision	30.51		27.38		27.38		27.38	
		276.49		389.91		196.03		240.85
e)Work-in-Process Installation	0.00		0.00		0.00		0.00	
Less: Provision	0.00		0.00		0.00		0.00	
		0.00		0.00		0.00		0.00
f)Manufactured Components	94.84		97.55		134.00		105.35	
Less: Provision	4.01		3.39		3.39		3.39	
		90.82		94.17		130.61		101.97
g) Finished Goods								
Stock-in-Trade	177.54		185.99		167.21		155.41	
Excise Duty thereon	8.57		8.94		7.24		5.65	
	186.11		194.93		174.44		161.06	
Less: Provision	104.57		104.46		104.46		104.46	
		81.54		90.47		69.98		56.60
h) Stock Reconciliation Account	1.03		1.03		1.01		0.99	
Less: Provision	1.03		1.03		1.01		0.99	
		0.00		0.00		0.00		0.00
i)Goods Pending Inspection / Acceptance		57.85		15.98		57.89		5.37
j)Material-in-Transit Advances								
Considered Good	464.01		122.51		108.01		61.61	
Considered Doubtful	8.22		8.22		8.22		8.22	
	472.24		130.73		116.23		69.84	
Less: Provision	8.22		8.22		8.22		8.22	
		464.01		122.51		108.01		61.61
k)Material received and In-Transit Advances		0.00		11.55		4.74		4.16
l)Tools and Gauges*		0.00		0.53		0.00		0.15
GRAND TOTAL		1558.96		1422.86		1038.30		933.43

*Tools and Gauges has been treated as Inventory rather than Property Plant & Equipment as these are not material in value.

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
NOTE NO. 7								₹ In millions
STATEMENT OF CONSOLIDATED CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES								
Secured								
Outstanding for a period exceeding 6 months from the date they become due for payment								
Considered Good	0.00		0.00		0.00		0.00	
Considered Doubtful	0.00		0.00		0.00		0.00	
	0.00		0.00		0.00		0.00	
Other for a period of not exceeding 6 months: Considered Good	0.00		0.00		0.00		0.00	
	0.00		0.00		0.00		0.00	
Less: Provision	0.00		0.00		0.00		0.00	
TOTAL		0.00		0.00		0.00		0.00
Un Secured								
Outstanding for a period exceeding 6 months from the date they become due for payment								
Considered Good	24631.18		17766.03		23468.42		20220.54	
Considered Doubtful	465.16		465.16		437.80		678.96	
	25096.34		18231.19		23906.22		20899.49	
Other for a period of not exceeding 6 months: Considered Good	6168.18		4193.51		3963.29		1966.61	
	31264.52		22424.70		27869.51		22866.10	
Less: Provision	465.16		465.16		437.80		678.96	
TOTAL		30799.36		21959.54		27431.71		22187.15
GRAND TOTAL		30799.36		21959.54		27431.71		22187.15

As per Ind AS 109, the receivables in the Company should be put to impairment test using the expected credit loss model. Ind AS 109 allows the use of practical expedients when measuring expected credit loss on trade receivables, and states that a provision matrix is a example of such an expedient. Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers, provision is determined using expected credit loss model on case to case basis

NOTE NO. 8

STATEMENT OF CONSOLIDATED CURRENT FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS

a)Cash-on-Transit	0.00		0.00		7.83		7.83	
b)Cash on hand	6.63		2.65		2.46		4.10	
c) Cheques & Stamps on Hand	0.00		0.01		0.05		0.09	
d)Balance with Banks :								
- On Current Account	405.98		241.36		489.18		446.05	
TOTAL		412.61		244.02		499.51		458.07

NOTE NO. 8 (a)

CURRENT FINANCIAL ASSETS -BANK BALANCE OTHER THAN ABOVE

Balance with Banks :								
- On Escrow Account	2826.57		1369.90		658.48		2221.40	
- On Current Account (Apprentices)	0.58		0.58		0.58		0.58	
Unpaid Dividend	0.00		0.00		0.00		0.00	
Security deposits/others	0.04		0.04		0.71		0.00	
LC Margin money	0.00		0.00		0.00		25.00	
On Savings Account(Apprentices Security Deposits)	0.25		0.25		0.25		0.62	
On short term deposit (margin money)	7.44		4.79		7.39		6.57	
On current Account(Margin money)	0.00		0.00		0.00		0.00	
On Fixed Deposit Account- More than 12 months maturity	0.00		0.00		0.00		0.00	
On Fixed Deposit Account- Less than 12 months maturity	0.00		43.55		45.00		0.00	
TOTAL		2834.88		1419.10		712.41		2254.18

NOTE NO. 9

STATEMENT OF CONSOLIDATED CURRENT FINANCIAL ASSETS - LOANS

Secured Advances recoverable in cash or for value to be received								
Vehicles	0.00		0.00		0.00		0.00	
House building	0.00		0.00		0.00		0.00	
Other Deposits	54.17		53.70		53.62		217.96	
Less: Provision	0.00		0.00		0.00		25.07	
TOTAL		54.17		53.70		53.63		192.90
Un secured Advances recoverable in cash for value to be received								
Considered Good	1789.07		1461.74		843.94		784.97	
Considered Doubtful	151.78		151.78		161.25		161.25	
	1940.85		1613.52		1005.19		946.22	
Less: Provision	151.78		151.78		151.78		161.25	
		1789.07		1461.74		853.41		784.97
Claims and Expenses Recoverable - Inland								
Considered Good	1623.82		1459.93		1460.46		1598.58	
Considered Doubtful	69.67		67.87		67.87		67.87	
	1693.50		1527.79		1528.33		1666.44	
Less: Provision	69.67		67.87		67.87		67.87	
		1623.82		1459.93		1460.46		1598.58

Particulars	Note No.	For the year ended 31.03.2018		For the year ended 31.03.2017		For the year ended 31.03.2016		For the year ended 31.03.2015(Proforma)	
Claims and expenses recoverable - Foreign									₹ In millions
Considered Good		1.02		48.61		4.73		6.97	
Considered doubtful		120.43		120.43		120.43		120.43	
		121.45		169.04		125.16		127.40	
Less: Provision		120.43		120.43		120.43		120.43	
			1.02		48.61		4.73		6.97
Advance for Civil Works/ Capital Goods									
Considered Good		0.00		0.00		0.00		0.00	
Considered Doubtful		0.00		0.00		0.00		0.00	
		0.00		0.00		0.00		0.00	
Less: Provision		0.00		0.00		0.00		0.00	
			0.00		0.00		0.00		0.00
Vechicle advance			-0.00		-0.00		-0.00		-0.00
Other Deposits		410.50		334.69		239.89		97.20	
Less: Provision		25.60		25.60		25.60		0.54	
			384.90		309.09		265.49		96.67
Interest accrued but not due on short term deposits			1.77		1.75		1.72		11.67
TOTAL			3800.58		3281.11		2534.60		2498.86
GRAND TOTAL			3854.75		3334.81		2588.22		2691.75

a) Claims and expenses recoverable - inland- includes ₹169.02millions recoverable from M/s HCL Infosystem Ltd . as compensation on account of excess amount spent by ITI Ltd. MANKAPUR. The above is on the basis of agreement entered into between ITI, HCL and Alcatel.

b) Claims and expenses recoverable - inland- Rs.14.03 million (Rs. 14.03 million) is due from Punjab National Bank towards interest charged in excess of SBAR w.e.f. 01.04.2009 and the same is expected to get realised during 2018-2019

c) Claim Recoverable - in land - Rs.104.94 millions due from M/S Himachal futuristic communications towards LD. The Company has filed a legal case and the matter is pending before Delhi High court.

d) Rent Receivable of Rs. 584.79 millions on a premises leased out upto the period ended 31.03.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainity of realization

NOTE NO. 10

STATEMENT OF CONSOLIDATED OTHER CURRENT ASSETS

Taxes & Duties in put		432.09		56.74		59.38		0.75
Deposits with Customs Department		0.51		6.54		0.71		0.85
Payment of Advance tax (Net of refunds)		8.88		2.84		45.63		38.99
Deposits with Excise Authorities		45.50		227.19		250.18		245.88
WCT Recoverable		1.28		1.54		1.57		1.56
TOTAL			488.25		294.85		357.46		288.02

NOTE NO. 11

STATEMENT OF CONSOLIDATED EQUITY SHARE CAPITAL

a) Authorised				
80,00,00,000 equity shares of ₹10 each	8000.00	8000.00	8000.00	8000.00
b) Issued				
76,00,00,000 equity shares of ₹10 each	7600.00	5600.00	2880.00	2880.00
c) Subscribed and Fully Paid-up				
76,00,00,000 equity shares of ₹10 each	7600.00	5600.00	2880.00	2880.00
d) Subscribed & not fully paid up	0.00	0.00	0.00	0.00
e) Par value per share	0.00	0.00	0.00	0.00
f) Calles un paid	0.00	0.00	0.00	0.00
g) Forfeited shares	0.00	0.00	0.00	0.00

h) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
	No.of shares	No.of shares	No.of shares	No.of shares
Number of shares outstanding O.B	560000000	288000000	288000000	288000000
Add: Issues during the year	200000000	272000000	0	0
Less: Buy back/forfiture during the year	0	0	0	0
Number of shares outstanding C.B	760000000	560000000	288000000	288000000

i) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of Equity share is entitled to one vote per share.

- In the event of liqudation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferencial amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
j)List of share holders holding more than 5% shares								
Name	No.of shares held		No.of shares held		No.of shares held		No.of shares held	
1. President of India		730887500		530887500		258887500		258887500
k)During last 5 years:								
i)Aggregate number of shares allotted without being received in cash		Nil		Nil		Nil		Nil
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares		Nil		Nil		Nil		Nil
iii)Aggregate number and class of shares bought back		Nil		Nil		Nil		Nil
NOTE NO. 12								
STATEMENT OF CONSOLIDATED								
1)Capital Reserves								
i)Free Land Gifted								
O.B As per last B/S	2.53		2.53		2.53		2.53	
Additions	0.00		0.00		0.00		0.00	
Total	2.53		2.53		2.53		2.53	
Deductions	0.00		0.00		0.00		0.00	
Closing balance		2.53		2.53		2.53		2.53
ii) Capital Grant in aid								
As per last Balance Sheet	27487.20		27487.20		27305.70		27127.00	
Transfer from Grant in aid (capital)	0.00		0.00		181.50		178.70	
Closing Balance		27487.20		27487.20		27487.20		27305.70
TOTAL CAPITAL RESERVES		27489.73		27489.73		27489.73		27308.23
2) Securities premium reserve								
O.B as per last B/S	2.96		2.96		2.96		2.96	
Additions	0.00		0.00		0.00		0.00	
Total	2.96		2.96		2.96		2.96	
Deductions	0.00		0.00		0.00		0.00	
Closing balance		2.96		2.96		2.96		2.96
3) Revaluation Reserve								
i) Revaluation reserves- Land								
Opening balance as per last B/S	22761.12		22761.12		22761.12		22761.12	
Less-Reversal on sale of land	37.28		0.00		0.00		0.00	
Closing Balance		22723.85		22761.12		22761.12		22761.12
ii)Revaluation reserves-Buildings								
Opening balance as per last B/S	722.02		782.56		842.93		983.01	
Less-Transfer to General Reserve	55.07		60.54		60.37		140.08	
Closing Balance		666.95		722.02		782.56		842.93
TOTAL-REVALUATION RESERVE		23390.80		23483.14		23543.68		23604.06
4)Retained Earnings								
i) General reserve:								
Opening balance as per last B/S	84.97		26.80		0.00		0.00	
Prior Period Adjustments	0.00		-2.37		-33.57		0.00	
Add: Transfer from Revaluation Reserve (Dep)	55.07		60.54		60.37		0.00	
Less-Transfer to P&L	0.00		0.00		0.00		0.00	
Less-Transfer to Surplus	-0.82		0.00		0.00		0.00	
Closing Balance		140.87		84.97		26.80		0.00
ii)Profit on Sale of Fixed Assets								
Opening balance as per last B/S	0.00		0.00		0.00		0.00	
Less-Transfer to Surplus	0.00		0.00		0.00		0.00	
Closing Balance		0.00		0.00		0.00		0.00
iii) Sale of Technical know-how								
As per last Balance Sheet	0.35		0.35		0.35		0.35	
Less-Transfer to P&L	0.00		0.00		0.00		0.00	
Closing Balance		0.35		0.35		0.35		0.35
iv) Industrial Housing Subsidy								
As per last Balance Sheet	0.68		0.68		0.68		0.68	
Less-Transfer to P&L	0.00		0.00		0.00		0.00	
Closing Balance		0.68		0.68		0.68		0.68
v)Investment allowance reserve								
As per last Balance Sheet	0.00		0.00		0.00		0.00	
LESS: Transfer to General reserve	0.00		0.00		0.00		0.00	
Closing Balance		0.00		0.00		0.00		0.00
vi)Surplus								
As per last Balance sheet	-46628.86		-49291.23		-51663.41		-48692.14	
Add:Profit/(Loss) for the year	2305.64		2663.91		2372.18		-2979.95	
Add: Transfer from General Reserve	0.00		0.00		0.00		0.00	
Add: Transfer from Profit on sale of fixed assets	0.00		0.00		0.00		0.00	
TOTAL	-44323.22		-46627.33		-49291.23		-51672.09	
Less- Appropriations	0.00		1.53		0.00		-8.68	
Less-Transfer from P&L A/C-(Loss for the year)	0.00		0.00		0.00		0.00	
Closing Balance		-44323.22		-46628.86		-49291.23		-51663.41
TOTAL-RETAINED EARNINGS		-44181.32		-46542.86		-49263.40		-51662.38

5)Share application money pending allotment*		1370.00		0.00		1920.00		1920.00
6)Other Comprehensive Income								
Remeasurement of Defined Benefit Plans (Acturial Gain)								
Opening Balance	560.57		173.26		0.00		0.00	
Changes during the Year	45.68		387.30		173.26		0.00	
Closing balance		606.24		560.57		173.26		0.00
GRAND TOTAL - OTHER EQUITY with REVALUATION RESERVE		8678.41		4993.54		3866.23		1172.86
Less: Revaluation Reserve		-23390.80		-23483.14		-23543.68		-23604.06
GRAND TOTAL - OTHER EQUITY without REVALUATION RESERVE		-14712.39		-18489.60		-19677.45		-22431.19

* 137 million additional equity shares were alloted to President of India on 15.05.2018

NOTE NO. 13

STATEMENT OF CONSOLIDATED NON-CURRENT LIABILITIES

Government Grants								
i)Free Equipment gifted								
Opening balance as per last B/S	15.62		25.00		34.37		43.74	
Less-Transfer to P&L	9.37		9.37		9.37		9.37	
Closing Balance		6.25		15.62		25.00		34.37
ii)Grant-in-aid (Capital) :								
As per last Balance Sheet	0.46		0.69		38.28		78.65	
Add:Receipts during the year	0.00		0.00		181.50		178.62	
Total	0.46		0.69		219.78		257.27	
Less: Transfer to revenue GIA/Capital reserves	0.00		0.00		181.50		178.70	
Less: Transfer to Profit & Loss Account	0.00		0.22		37.60		40.29	
Closing Balance		0.46		0.46		0.69		38.28
iii)Grant-in-aid (Revenue)								
As per last Balance Sheet	1212.84		0.00		0.00		0.00	
Add : Receipts during the year	1329.80		5000.00		4940.20		1650.00	
Total	2542.64		5000.00		4940.20		1650.00	
Less: Transfer to Profit & Loss Account	1358.46		3787.16		4940.20		1650.00	
Closing Balance		1184.18		1212.84		0.00		0.00
GRAND TOTAL		1190.89		1228.93		25.68		72.65

-Unspent portion of government grants (as per the conditions of grant document) are classified separately from other equity and shown as Non-current liabilities

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
NOTE NO. 14								₹ In millions
STATEMENT OF CONSOLIDATED NON-CURRENT LIABILITIES								
FINANCIAL LIABILITIES - LOANS								
i) Secured Loans								
Floating Rate Bonds	0.00		0.00		0.00		0.00	
Term Loans from Banks	0.00		0.00		0.00		0.00	
Others	0.00		0.00		0.00		0.00	
TOTAL		0.00		0.00		0.00		0.00
II) Unsecured Loans								
Loan from Government of India*	3000.00		3000.00		3000.00		3000.00	
Interest accrued and due on the above	0.00		0.00		0.00		0.00	
Floating Rate Bonds	0.00		0.00		0.00		0.00	
Term Loans from Banks	0.00		0.00		0.00		0.00	
Deferred payment liabilities	0.00		0.00		0.00		0.00	
Deposits	0.00		0.00		0.00		0.00	
Loans and advances from related parties	0.00		0.00		0.00		0.00	
Long term maturities of finance lease obligation	0.00		0.00		0.00		0.00	
Other loan - Ku Band	0.00		0.00		0.00		0.00	
TOTAL		3000.00		3000.00		3000.00		3000.00
GRAND TOTAL		3000.00		3000.00		3000.00		3000.00

*As there is an ambiguity on the repayment schedule of the above specified loan i.e. year of profit(operational profit without any grants) based on which repayment schedule is constructed, the carrying amount is being continued as Non-current Financial Liability.

NOTE NO. 15

STATEMENT OF CONSOLIDATED NON-CURRENT FINANCIAL LIABILITIES - OTHERS

Security deposit received	75.88		68.81		75.69		47.39	
Interest accrued and but not due on Loan from GOI*	105.62		75.62		45.62		15.62	
GRAND TOTAL		181.50		144.42		121.31		63.01

*As there is an ambiguity on the repayment schedule of the above specified loan i.e. year of profit(operational profit without any grants) based on which repayment schedule is constructed, the carrying amount of Interest on Govt. of India Loan is being continued as Non-current Financial Liability.

NOTE NO. 16

STATEMENT OF CONSOLIDATED NON CURRENT PROVISIONS

For privilege Leave								
As per Last Balance Sheet	569.33		820.13		863.58		1017.04	
Less : Transfer to Corporate	0.00		0.00		0.00		0.00	
Add: Provision for the year	90.84		-250.80		5.12		-153.46	
Less: Payments	0.00		0.00		48.57		0.00	
TOTAL		660.17		569.33		820.13		863.58
For sick Leave								
As per Last Balance Sheet	13.78		18.95		23.87		26.71	
Less : Transfer to Corporate	0.00		0.00		0.00		0.00	
Add: Provision for the year	-4.99		-5.17		-4.92		-2.85	
Less: Payments	0.00		0.00		0.00		0.00	
TOTAL		8.79		13.78		18.95		23.87
ii) Others		11.09		0.00		0.00		0.00
GRAND TOTAL		680.04		583.11		839.08		887.45

NOTE NO. 17

STATEMENT OF CONSOLIDATED CURRENT LIABILITIES

i) Current Financial Liabilities - Loans								
Loans repayable on demand								
-Secured Loans								
Cash credit from State Bank of India and other members of the consortium of Banks against hypothecation of stocks,stores & raw materials, debts & advances and second charge on all Fixed Assets both movable and immovable.	9263.22		8791.69		8389.14		9208.31	
-Unsecured Loans								
Loans and advances from related parties	0.00		0.00		0.00		0.00	
Deposits	0.00		0.00		0.00		0.00	
Other loans and advances	0.00		0.00		0.00		0.00	
TOTAL		9263.22		8791.69		8389.14		9208.31

NOTE NO. 18

STATEMENT OF CONSOLIDATED CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

For goods supplied								
- Micro small and medium enterprises	0.38		0.78		1.38		0.54	
- Others	16765.45		14961.01		13075.48		14348.97	
TOTAL	16765.83		14961.79		13076.86		14349.50	
For Expenses and Services	2712.10		2263.32		3590.66		5724.00	
For Other Liabilities	3138.56		2534.88		4385.78		2756.68	
TOTAL		22616.49		19759.99		21053.30		22830.18

A list of micro, small and medium enterprises to whom the Company owe any sum together with interest outstanding to the extent identified.

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)

NOTE NO.19

₹ In millions

STATEMENT OF CONSOLIDATED CURRENT FINANCIAL LIABILITIES - OTHERS

Interest Accrued but not due on Borrowings	0.00	0.00	0.00	0.00	
Interest Accrued and due on Borrowings	0.00	0.00	0.00	0.00	
Unpaid matured deposits and interest accrued thereon	0.00	0.00	0.00	0.00	
Unpaid matured debentures and interest accrued thereon	0.00	0.00	0.00	0.00	
For Expenses and Services	566.34	393.27	320.89	494.55	
For Other Liabilities (including Excise Duty on Stock in Trade NIL Previous year ₹ NIL millions)	4085.78	3286.70	3877.77	3798.53	
Other payables	2.06	3.33	187.74	190.41	
Salary Payable	40.94	0.00	0.00	0.00	
Unclaimed Dividend	0.00	0.00	0.00	0.00	
Misc.Liabilities	0.00	0.00	0.00	0.00	
Royalty Payable	21.28	0.00	0.00	0.00	
Wage revision Arrears	108.33	108.79	314.55	475.95	
Preference Shares*	3000.00	3000.00	3000.00	3000.00	
Deposits from Contractors	416.71	443.80	390.51	378.66	
TOTAL	8241.43	7235.90	8091.46	8338.10	

*As the preference shares are non convertible and overdue, the same has been removed from the share capital and classified as current financial liability. Inerest/Dividend has not been provided in the

Preference Shares:

a) Authorised

40000000 Preference Shares of ₹100 each 8.75% Cumulative Redeemable Preference Shares	4000.00	4000.00	4000.00	4000.00

b) Issued

10000000, 8.75% Cumulative Redeemable Preference Shares of ₹100 each Redeemable at par in 5 equal instalment from March 2005	1000.00	1000.00	1000.00	1000.00

c) Subscribed and Fully Paid-up

10000000, 8.75% Cumulative Redeemable Preference Shares of ₹100 each Redeemable at par in 5 equal instalment from March 2005	1000.00	1000.00	1000.00	1000.00

d) Subscribed & not fully paid up

e) Calls un paid

f) Forfeited shares

g) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
	No.of shares held	No.of shares held	No.of shares held	No.of shares held
Number of shares outstanding O.B	10000000	10000000	10000000	10000000
Add issues during the year	0	0	0	0
Less: Buy back/forfeiture during the year	0	0	0	0
Number of shares outstanding C.B	10000000	10000000	10000000	10000000

h) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of preference shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to preference shares.

- In the event of liqudation of the company, the holders of preference shares will be entitled to receive assets of the company, before distribution to equity share holders. The distribution will be in proportion to the number of shares held by the shareholders.

j)List of share holders holding more than 5% shares

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
Name	No.of shares held	No.of shares held	No.of shares held	No.of shares held
1.Mahanagar Telephone Nigam Ltd.	10000000	10000000	10000000	10000000

j)During last 5 years:

i)Aggregate number of shares allotted without being received in cash	0.00	0.00	0.00	0.00
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares	0.00	0.00	0.00	0.00
iii)Aggregate number and class of shares brought back	0.00	0.00	0.00	0.00

Dividend in respect of following class of Cumulative Redeemable Preference Shares are in arrears as detailed below:

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
				₹ In millions
a) On 8.75% Cumulative Preference Shares from 2002-03	1400.00	1312.50	1225.00	1137.50
(The figures indicated are excluding Dividend Distribution Tax)				
Redemption installments in respect of the following Cumulative Redeemable Preference shares issued by the company have not been paid on due dates on account of fund constraints				
Redemption installments due from 31st March 2005 to 31st March 2009 in respect of 8.75 % Preference Shares of ₹1000 millions	1000.00	1000.00	1000.00	1000.00
7% Cumulative Redeemable Preference Shares				
a) Issued				
20000000, 7.00% Cumulative Redeemable Preference shares of ₹100 each, redeemable at par in 5 equal installments from March 2006, with call option to BSNL after expiry of one year from the date of investment 31.03.2003	2000.00	2000.00	2000.00	2000.00
b) Subscribed and Fully Paid-up				
20000000, 7.00% Cumulative Redeemable Preference shares of ₹100 each, redeemable at par in 5 equal installments from March 2006, with call option to BSNL after expiry of one year from the date of investment 31.03.2003	2000.00	2000.00	2000.00	2000.00
c) Subscribed & not fully paid up				
d) Par value per share(₹100)	0.00	0.00	0.00	0.00
e) Calls un-paid	0.00	0.00	0.00	0.00
f) Forfeited shares	0.00	0.00	0.00	0.00
g) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
	No.of shares held	No.of shares held	No.of shares held	No.of shares held
Number of shares outstanding O.B	20000000	20000000	20000000	20000000
Add issues during the year	0	0	0	0
Less: Buy back/forfeiture during the year	0	0	0	0
Number of shares outstanding C.B	20000000	20000000	20000000	20000000

h) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of the preference shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to preference shares.

- In the event of liquidation of the company, the holders of preference shares will be entitled to receive assets of the company, before distribution to equity share holders. The distribution will be in proportion to the number of shares held by the shareholders.

i)List of share holders holding more than 5% shares	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015(Proforma)
Name	No.of shares held	No.of shares held	No.of shares held	No.of shares held
1.Bharat Sanchar Nigam Ltd.	20000000	20000000	20000000	20000000
j)During last 5 years:				
k)Aggregate number of shares allotted with out being received in cash	0.00	0.00	0.00	0.00
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares	0.00	0.00	0.00	0.00
iii)Aggregate number and class of shares brought back	0.00	0.00	0.00	0.00
a) On 7.00% Cumulative Preference Shares from 2003-04	2100.00	1960.00	1820.00	1680.00
(The figures indicated are excluding Dividend Distribution Tax)				
Redemption installments in respect of the following Cumulative Redeemable Preference shares issued by the company have not been paid on due dates on account of fund constraints				
Redemption installments due from 31st March 2006 to 31st March 2010 in respect of 7% Preference Shares of ₹2000 millions	2000.00	2000.00	2000.00	2000.00

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015(Proforma)	
NOTE NO. 20								₹ In millions
STATEMENT OF CONSOLIDATED CURRENT PROVISIONS								
For Taxation								
As per last Balance Sheet	5.37		5.38		5.37		5.38	
Add: Provisions during the year	0.00		0.00		0.00		0.00	
Less: Adjustments of provisions relating to earlier years	5.37		0.00		0.00		0.00	
Total		0.00		5.38		5.37		5.38
For Gratuity								
As per Last Balance Sheet	1085.03		2017.96		3020.11		2793.04	
Add: Provision for the year	198.95		-2.94		297.85		227.07	
Less: Transfer to gratuity trust	430.00		930.00		1300.00		0.00	
Add: Transfer from gratuity trust	468.91		789.27		593.91		647.64	
Add: Transfer from Corporate	0.00		0.00		0.00		0.00	
Less: Payments	468.91		789.27		593.91		647.64	
Total		853.97		1085.02		2017.96		3020.11
For Privilege Leave								
As per Last Balance Sheet	374.94		376.94		472.38		509.23	
Less : Transfer to Corporate	0.00		0.00		0.00		0.00	
Add: Provision for the year	65.50		181.84		54.26		137.37	
Less: Payments	111.61		183.84		149.70		174.21	
Total		328.84		374.94		376.94		472.38
For Sick Leave								
As per Last Balance Sheet	0.36		0.27		11.20		10.34	
Add: Provision for the year	-0.12		0.08		-10.93		0.87	
Less: Payments	0.00		0.00		0.00		0.00	
Total		0.24		0.36		0.27		11.20
For L L T C provision								
As per Last Balance Sheet	18.01		18.48		16.19		10.56	
Add: Provision for the year	10.28		3.40		4.37		7.42	
Less: Payments	10.75		3.87		2.08		1.79	
Total		17.53	0.00	18.01	0.00	18.48	0.00	16.19
GRAND TOTAL		1200.58		1483.70		2419.03		3525.27
NOTE NO. 21								
STATEMENT OF CONSOLIDATED OTHER CURRENT LIABILITIES								
Income received in advance	0.00		0.00		0.00		0.00	
Duties & Taxes	636.49		75.28		83.61		65.89	
Advances from Customers	6786.43		2231.74		7579.26		1362.67	
TOTAL		7422.92		2307.02		7662.87		1428.55
NOTE NO. 22								
STATEMENT OF CONSOLIDATED REVENUE FROM OPERATIONS								
i)Sale of Products (Incl. Excise duty and net of sales tax & GST)								
Sale of Finished Goods	6733.20		1850.23		1021.72		833.38	
Sale of Traded Goods	956.56		2014.03		5874.06		1214.67	
TOTAL	7689.76		3864.27		6895.78		2048.05	
ii) Sale of services	6613.17		11605.09		5026.58		3731.53	
iii) Other Operating Revenues:								
a) Sale of Scrap	0.05		0.04		0.11		0.08	
b) Income from DLRC Project	8.65		11.97		10.99		11.46	
c) Non competing fee	0.00		0.00		0.00		0.00	
d) Grant In Aid-Revenue	530.00		0.00		0.00		0.00	
TOTAL	14841.62		15481.37		11933.46		5791.12	

Particulars	For the year ended on 31.03.2018		For the year ended on 31.03.2017		For the year ended on 31.03.2016		For the year ended on 31.03.2015(Proforma)	
NOTE NO. 23								₹ In millions
STATEMENT OF CONSOLIDATED OTHER INCOME								
a) Interest Income								
i) Interest on Inter Corporate Advances	0.00		0.00		0.00		0.00	
ii) Interest - Others	15.98		10.00		22.66		25.84	
Total		15.98		10.00		22.66		25.84
b) Dividend from Non-Trading Investments		0.00		0.00		0.00		0.00
c) Net Gain/Loss on Sale of Investment		0.00		0.00		0.00		0.00
d) Other Non-operating income (Net of expenses directly attributable to such income)								
i) Profit on Sale of Assets	0.00		0.00		0.00		0.31	
Less:Transfer to Capital Reserves	0.00		0.00		0.00		0.00	
TOTAL	0.00		0.00		0.00		0.31	
ii)Commission	0.00		0.00		0.00		0.00	
iii)Rent	157.23		154.43		180.96		182.65	
iv) Lease Rent	0.00		0.00		0.00		0.00	
v) Transport Charges	0.02		0.02		0.03		0.30	
vi) Sale of Scrap	11.90		2.35		1.31		1.64	
vii) Water Charges/Electricity Charges	0.89		0.63		0.31		20.07	
viii) Forfeited Bank Guarantee	0.00		0.00		0.00		0.00	
ix) Excess Provision Withdrawn	5.37		0.00		84.69		15.08	
x) Reimbursement of VRS	0.00		0.00		0.00		0.00	
xi) Withdrawl of Liability no Longer Required	1121.45		1157.85		270.13		387.30	
xii) Waiver of Liquidated Damages	0.00		0.00		3.64		55.33	
xiii)Compensation for Srinagar Loss	131.48		22.35		34.40		86.50	
xiv) Waiver of Interest Charges	0.00		0.00		0.00		0.00	
xv) Transfer from Revenue Grant-in-Aid	799.80		1960.00		3815.20		0.00	
xvi) Revenue Grant-in-Aid - VRS	28.66		337.16		0.00		0.00	
xvii) Revenue Grant-in-Aid	9.37		9.37		9.37		0.00	
xviii) Transfer from Capital Grant-in-Aid	0.00		0.22		37.60		40.29	
xix) Compansation for Acquisition of Land by BMRCL	921.15							
xx) Misc. Income	71.24		104.32		349.97		20.07	
TOTAL(i to xix)		3258.56		3748.70		4787.60		809.54
e) Adjustment to the carrying value of investments(write back)		0.00		0.00		0.00		0.00
f) Grants relating to Previous Years		0.00		1647.10		1125.00		0.00
g) Net gain /loss on foreign currency translation and transaction(other than considered as finance cost)		0.00		0.00		34.40		13.79
G.TOTAL		3274.54		5405.79		5969.65		849.17
NOTE NO. 24								
STATEMENT OF CONSOLIDATED CONSUMPTION OF RAW MATERIALS & PRODUCTION STORES								
Opening Stock	816.07		575.16		587.09		570.45	
ADD: Prior Period Adjustment due to Price Revision	0.00		0.00		0.00		0.00	
Purchases/Transfers	3023.15		1096.68		453.22		491.10	
Material for Installation & Maintenance	0.00		0.00		0.00		0.00	
TOTAL		3839.21		1671.84		1040.31		1061.54
Less: Closing Stock	719.84		816.07		575.16		587.09	
Issue to Revenue and Others	-2.36		-62.16		55.08		50.56	
Material Transferred to Other Units	0.00		0.00		0.00		0.00	
TOTAL		717.48		753.90		630.24		637.65
RM & Prodn. Stores		12.71		7.81		3.27		6.37
CONSUMPTION		3134.44		925.75		413.33		430.27
Rawmaterials consumed under broad heads								
particulars				Amount		Amount		Amount
1. Electronic Goods & Components	3120.47		630.74		412.56		430.27	
2. MNIC	13.97		295.01		0.77		0.00	
Total		3134.44		925.75		413.33		430.27
Value of Imports on CIF basis		Current Year TOTAL		Previous Year TOTAL		Previous Year TOTAL		Previous Year TOTAL
Raw Materials and Production Stores		1894.01		441.62		127.12		77.09
Components and Spare Parts		0.01		0.05		0.12		0.73
Material in transit		365.38		0.00		0.00		26.24
Capital Goods		652.18		253.72		550.81		0.93
TOTAL		2911.58		695.39		678.05		104.99

Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption.

	2017-18		2016-17		2015-16		2014-15	
Particulars	₹millions	%	₹millions	%	₹millions	%	₹millions	%
Imported	1540.25	48.83	425.83	44.57	103.54	23.85	136.13	29.99
Indigenous	1613.79	51.17	529.56	55.43	330.69	76.15	317.81	70.01
Total	3154.04	100.00	955.39	100.00	434.23	100.00	453.94	100.00

Particulars	For the year ended on 31.03.2018	For the year ended on 31.03.2017	For the year ended on 31.03.2016	For the year ended on 31.03.2015(Proforma)
NOTE NO. 25				₹ In millions
STATEMENT OF CONSOLIDATED PURCHASE OF STOCK-IN-TRADE	2319.76	5121.91	6282.47	1420.59
Goods purchased under broad heads				
Particulars	Amount	Amount	Amount	Amount
1. Telephone	0.00	0.00	0.00	0.00
2. STM	0.00	0.00	0.00	0.00
3. DWDM	0.00	0.00	0.00	0.00
4. SOLAR	22.27	1.30	0.00	0.69
5. SSTP	0.00	0.00	0.00	0.00
6. CDMA	0.00	0.00	0.00	0.00
7. SMPS	0.00	0.00	0.00	24.31
8. ASCON	21.95	61.74	26.34	64.47
9. GSM	287.84	0.00	0.00	141.01
10. IT	0.00	153.75	57.47	0.00
11. APDRP	71.12	156.98	331.80	643.71
12. Others	1916.58	4748.14	5866.85	546.40
TOTAL	2319.76	5121.91	6282.47	1420.59

NOTE NO. 26

STATEMENT OF CONSOLIDATED CHANGES IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS AND STOCK-IN-TRADE

Accretion/(Decretion) to WIP								
WIP - Production :								
Closing Balance	415.00		393.33		199.45		244.27	
Less: Opening Balance	525.28		199.45		244.27		248.73	
TOTAL	-110.28		193.88		-44.82		-4.45	
Add: Write Off during the Year	3.13		0.00		0.00		0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00		0.00		0.00		0.00	
TOTAL		-107.15		193.88		-44.82		-4.45
WIP - Installation:								
Closing Balance	0.00	0.00	0.00		0.00		0.00	
Less: Opening Balance	0.00	0.00	0.00		0.00		0.00	
TOTAL	0.00	0.00	0.00		0.00		0.00	
Add: Write Off during the Year	0.00	0.00	0.00		0.00		0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00	0.00	0.00		0.00		0.00	
TOTAL	0.00	0.00		0.00		0.00		0.00
Accretion/(Decretion) to Manufacturing Components								
Closing Balance	94.05		97.46		133.97		105.33	
Less: Opening Balance	96.77		133.97		105.33		122.84	
TOTAL	-2.72		-36.51		28.64		-17.51	
Add: Write Off during the Year	0.63		0.00		0.00		0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00		0.00		0.00		0.00	
TOTAL		-2.09		-36.51		28.64		-17.51
WIP - Installation:								
Closing Balance	0.00		0.00		0.00		0.00	
Less: Opening Balance	0.00		0.00		0.00		0.00	
TOTAL	0.00		0.00		0.00		0.00	
Add: Write Off during the Year	0.00		0.00		0.00		0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision/effects of WIP	0.00		0.00		0.00		0.00	
TOTAL		0.00		0.00		0.00		0.00
Accretion/(Decretion) to Stock-in-Trade								
Stock-in-Trade :								
Closing Balance	170.04		186.07		167.21		155.41	
Less: Opening Balance	178.56		167.21		155.41		154.01	
Total	-8.53		18.86		11.80		1.39	
Add: Write Off during the Year	0.11		0.00		0.00		0.01	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00		0.00		0.00		0.00	
TOTAL		-8.42		18.86		11.80		1.40
Stock of Scrap								
Closing Balance	0.00		0.00		0.00		0.00	
Less: Opening Balance	0.00		0.00		0.00		0.00	
ADD : Prior Period Adjustments	0.00		0.00		0.00		0.00	
TOTAL		0.00		0.00		0.00		0.00
GRAND TOTAL		-117.65		176.22		-4.38		-20.56

Particulars	For the year ended on 31.03.2018		For the year ended on 31.03.2017		For the year ended on 31.03.2016		For the year ended on 31.03.2015(Proforma)	
NOTE NO. 27								₹ In millions
STATEMENT OF CONSOLIDATED EMPLOYEE BENEFIT EXPENSES								
i)SALARIES & WAGES								
Salaries & Wages	1582.88		2010.38		2355.00		2556.69	
Less: Other Revenue Accounts	0.00		0.00		0.00		0.00	
TOTAL	1582.88		2010.38		2355.00		2556.69	
Bonus	0.33		0.45		0.00		0.00	
Wage revision arrear payments	0.00		0.00		0.00		0.00	
Incentive	10.19		4.36		6.05		5.31	
TOTAL		1593.41		2015.19		2361.05		2562.00
ii)CO'S CONTRIBUTION TO PF AND OTHER FUNDS:								
Providend Fund & Pension Fund	181.21		212.52		275.08		283.91	
Employees State Insurance	0.44		0.19		0.13		0.46	
Gratuity Trust Fund	199.57		-2.94		301.57		227.07	
Leave Salary- PL	100.79		-80.66		59.27		-15.22	
Sick Leave	-5.08		-5.08		-15.85		0.41	
Deposit Linked Insurance/Group Insurance	1.82		1.75		5.10		3.65	
TOTAL		478.75		125.77		625.31		500.28
iii)WORKMEN AND STAFF WELFARE EXPENSES								
Welfare Expenses - Canteen	28.53		28.05		28.24		25.72	
Welfare Expenses - Education	4.49		41.42		39.69		28.98	
Medical Expenses	48.52		61.75		74.45		78.06	
LTC/LLTC	11.48		4.32		14.50		8.02	
Uniforms	0.05		1.16		2.00		1.06	
Others	15.46		6.60		6.11		7.76	
TOTAL		108.54		143.29		164.98		149.60
iv) VOLUNTARY RETIREMENT SCHEME								
VRS Payments		28.66		337.16		0.00		0.00
v) Actuarial Gain/(Loss)		45.68		387.30		173.26		0.00
GRAND TOTAL		2255.04		3008.72		3324.59		3211.89

RELATED PARTY TRANSACTIONS

KEY MANAGERIAL PERSONNEL-SALARY & PERQUISITES ₹ In millions

Name	2017-18	2016-17	2015-16	2014-15
Shri Gopu-Designate CMD & Director (HR) -Salary & perquisites	1.40	1.33	1.40	1.30
Shri P K Gupta -Ex CMD & Director (Marketing)-Salary & Perquisites	0.00	1.66	1.47	1.40
Smt Dr. Janaki Ananthakrishnan-Director (Finance)-Salary & Perquisites	1.83	2.65	1.25	0.00
Shri Alagesan K -Director (Production)-Salary & Perquisites	1.44	1.37	0.24	0.00
Shri K K Gupta-Ex. CMD & Director (Production) -Salary & Perquisites	0.00	0.00	1.58	1.54
Shri K L Dhingra-EX. CMD-Salary & Perquisites	0.00	0.00	0.83	2.30

NOTE NO. 28

STATEMENT OF CONSOLIDATED FINANCE COSTS

i) Interest Expense:								
Cash Credit	1247.45		1235.62		1281.88		1327.34	
Public Deposits	0.00		0.00		0.00		0.00	
Bonds	0.00		0.00		0.00		0.00	
Term Loan	0.00		0.00		0.00		0.00	
Others	136.58		168.47		225.06		133.90	
ii) Bank charges	146.09		122.06		64.61		111.29	
iii) Government Guarantee Fee	0.00		0.00		0.00		0.00	
iv) Expenses on Issue of Bonds/Loans	0.00		0.00		0.00		0.00	
v) NET GAIN/LOSS FROM FOREIGN CURRENCY TRANSLATIONS& TRANSACTIONS	3.99		0.00		0.00		0.00	
TOTAL		1534.11		1526.15		1571.55		1572.54

NOTE NO. 29

STATEMENT OF CONSOLIDATED DEPRECIATION AND AMORTIZATION EXPENSES

Fixed Assets	248.03		169.45		128.84		302.29	
Tools and Gauges	0.53		0.00		0.18		0.40	
TOTAL	248.55		169.45		129.02		302.69	
Less: Transfer from Revaluation Reserve	0.00		0.00		0.00		149.45	
NET DEPRECIATION		248.55		169.45		129.02		153.24

Particulars	For the year ended on 31.03.2018		For the year ended on 31.03.2017		For the year ended on 31.03.2016		For the year ended on 31.03.2015(Proforma)	
NOTE NO. 30								₹ In millions
STATEMENT OF CONSOLIDATED OTHER EXPENDITURE								
DRE Written off		0.00		0.00		0.00		0.00
VRS Expenditure		0.00		0.00		0.00		0.00
MANUFACTURING EXPENSES:								
Cosumption of Stores and Spares		19.60		29.64		20.90		23.67
Power and Light		136.37		150.50		144.92		188.78
Water Charges		29.00		27.30		28.65		26.22
Excise Duty		90.16		200.17		28.92		47.80
REPAIRS AND MAINTENANCE:								
i)Plant Machinary and Equipment	19.19		11.57		12.76		10.02	
ii)Vehicles	6.93		3.88		2.16		2.85	
iii)Buildings	84.37		71.69		46.52		48.17	
iv)Other Equipments	9.32	119.81	17.70	104.85	8.55	69.99	18.88	79.92
Cost and Expenses on Tools		0.18		0.00		0.00		0.02
Experimental Work and Training Expenses		5.92		1.70		3.95		0.42
Expenses on Minor Equipment & Work		3.36		0.00		0.00		0.01
Royalty		0.00		0.00		0.00		0.00
Scrap and Salvages		0.05		0.04		0.19		0.01
Factory Expenses		94.32		80.67		34.84		24.17
TOT CHARGES:								
i)Technical Assistance	0.00		0.00		0.00		0.00	
ii)Technical Knowhow fee	0.13		2.01		0.00		0.00	
iii)Documentation Charges	0.00		0.00		0.00		0.00	
iv)Training Assistance	0.00		0.00		0.00		0.00	
v) Others	0.00	0.13	0.00	2.01	0.00	0.00	0.00	0.00
Liquidated Damages		104.78		255.73		52.35		14.32
Demurage Charges		0.45		0.00		0.04		0.00
Net gain /loss on foreign currency translation and transaction(other than considered as finance cost)		0.00		0.00		0.00		0.00
TOTAL MANUFACTRUING EXPENSES		604.14		852.60		384.74		405.33
ADMINISTRATION EXPENSES:								
Rent	16.29		18.44		21.70		24.24	
Rates and Taxes	12.54		22.04		9.36		9.47	
Insurance	2.65		4.86		7.90		6.29	
TRAVELLING EXPENSES								
Inland	43.68		35.36		29.80		34.52	
Foreign	0.32		0.00		0.00		0.00	
Legal fees	5.07		7.06		6.19		5.31	
Postage, Telegram, Telex Expenses	3.12		3.22		3.29		5.39	
Telephone and Trunk Call Charges	7.14		8.38		9.04		9.20	
Remuneration to Auditors								
Audit Fees	1.87		1.15		1.45		1.18	
For Taxation Matters	0.04		0.11		0.03		0.04	
For Company Law Matters	0.00		0.00		0.00		0.00	
For Management Services	0.00		0.00		0.00		0.00	
For Reimbursement of Expenses	0.10		0.04		0.04		0.03	
For Other Services	0.05		0.57		0.33		0.06	
CISF/ Private Security Expenses	82.43		71.35		61.34		60.50	
Printing, Stationary and Duplicating Charges	6.04		5.19		6.01		5.77	
Transport Expenses	46.51		36.09		41.30		55.62	
News Papers, Magazines & Periodicals	1.12		1.84		2.09		2.29	
Mechanised Accounting Expenses	0.11		0.43		0.08		0.13	
Lease Charges	0.00		0.00		0.00		0.00	
Licence fee/Segment Charges	4.26		0.02		0.64		3.93	
Office Expenses	47.84		37.98		31.80		29.39	
Provision for Obsolescence of RM Stores	0.00		14.97		0.00		0.18	
Obsolete RM & Production Stores Write off	33.63		0.00		0.00		0.01	
Provision for Capital WIP Write off	0.00		0.00		0.00		0.00	
Provision for Debtors/Advance	0.00		27.36		0.00		0.00	
Bad Debts Write off	0.00		0.00		0.00		0.70	
Claims and Expenses Charge off	0.00		66.08		0.00		0.00	
Loss on Sale of Assets	0.00		0.00		0.00		0.00	
Irrecoverable ED	0.00		0.00		0.00		0.00	
Adjustment to the Carrying Amount Investments	0.00		0.00		0.00		0.00	
Net Loss on Sale of Investments	0.00		0.00		0.00		0.00	
ADMINISTRATION EXPENSES		314.81		362.53		232.38		254.25

Particulars	For the year ended on 31.03.2018		For the year ended on 31.03.2017		For the year ended on 31.03.2016		For the year ended on 31.03.2015(Proforma)	
SELLING EXPENSES								₹ In millions
Selling Agency Commission	0.00		0.01		0.01		0.14	
Advertisement Expenses	2.33		4.90		3.31		2.71	
Exhibition and Publicity Expenses	1.41		0.08		0.09		0.07	
Packing Expenses	1.01		4.53		2.37		2.89	
Forwarding Expenses	15.52		-5.12		1.90		3.06	
Discount Allowed	0.00		0.00		0.00		0.00	
Warrenty Expenses	0.00		7.53		0.42		3.58	
Sales Promotion Expenses	0.29		0.09		0.06		0.07	
Entertainment Expenses	0.47		-0.64		-0.39		0.10	
Cost of Tender Forms	0.26		0.21		0.15		0.20	
EXPENSES		21.29		11.59		7.92		12.83
EXPENSES		940.24		1226.70		625.04		672.40

Interest on Royalty payable to C-DOT has not been provided in view of substantial dues (which are more than the royalty amount) outstanding for a long time towards rent payable for the premises taken on lease by C-DOT.

In case of back to back arrangements, Liquidated damages is accounted on net basis.

Expenditure in Foreign Currency :				
Royalty	0.00	0.00	0.00	0.00
Knowhow	0.00	0.00	0.00	0.00
Professional / Consultation Fees	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

NOTE NO. 31

STATEMENT OF CONSOLIDATED CONTINGENT LIABILITIES

Contingent Liability in respect of :				
- Outstanding letters of credit & guarantees	7182.56	4317.22	1874.75	2380.31
- Sales Tax demand /Service Tax/Income Tax	456.04	319.10	372.15	314.56
- Non receipt of C/D forms	3032.94	3833.15	2416.78	2607.03
- Excise Duty Demand/CENVAT Disallowance	256.97	254.65	264.00	264.16
- ESI demand	0.00	0.00	0.00	0.00
- Demand of interest & penalty by KVAT	22.60	22.60	0.00	0.00
- Claims against the Company not acknowledged as debts	505.25	399.36	383.34	382.48
- Unexpired Guarentees	179.76	745.26	0.00	0.00

Annexure VI(c)- First time adoption of Indian Accounting Standards

A. The Company is preparing the Consolidated Financial Statements including Joint Venture(M/s India Satcom Limited) for the first time(FY 2017-18) as the Financial Statements(FYs' 2014-15, 2015-16 & 2016-17) of the said joint venture were not available on or before adoption of financial statements in the board meeting of ITI of respective years. So, the IGAAP figures of Consolidated financial statements for the purpose of reconciliation with Ind AS figures are not available. Hence First time adoption of Ind AS along with reconciliation of total equity has not been prepared.

B. Restated Standalone Statement of Material adjustments & regrouping							
Sl. No	**Particulars**		**31/03/2018**	**31/03/2017**	**31/03/2016**	**31/03/2015**	**31/03/2014**
	Profit after tax as per Audited financial statements prepared under applicable GAAP		**2351.32**				
A	Effect of changes in Accounting Policy						
B	Effect of auditors' qualifications accounted for						
a	Diminution in the Value of Investment in JV Company	1a	4.06				
b	**Non provision towards claims doubtful of recovery**						
	1. Rent receivable	2a	584.79				
	2. Liquidated Damages						
	3. Conditional Reimbursement						
c	Under statement of Loss						
d	Over statement of Loss					**NA**	
e	Reversal of provisions						
C	Effect of other restated adjustments						
	Prior period adjestments of previous years						
D	Tax adjustment for earlier year on A, B, C above						
	Total Adjustments		**-588.85**				
	Total profit after the above adjustments		1762.48				
	Other Comprehensive Income for the year (Net of tax) after the above adjustments		45.68				
	Total Comprehensive Income for the year after the above adjustments		1808.15				

Auditors Qualifications

a. Matters adjusted in restated financial statements

Auditors Report 2017-18

1a. Investment of Rs 4.06 million in the unquoted equity shares of a Joint Venture(JV) Company being continued to be shown at cost, considering net worth the JV is totally eroded and Statutory Auditors of the JV have expressed their inability to comment on the going concern concept adopted by the said JV and no impairment loss has been ascertained and provided for.

Reasons – The assets of the JV company (Land), which has been revalued by the SBI panel valuer carries a value very much more than the cost of the investment. Hence the investment of Rs.4.06 million has been shown at cost.

2a. Non provision of Rs. 584.79 million towards claims doubtful of recovery comprising of Rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled.

For & On Behalf of Board of Directors

As per our report of even date
For SANKARAN & KRISHNAN
Chartered Accountants
Firm's Registration NO.03582S

Sd/-
VV Krishnamurthy
Partner
M. No. 027044

Sd/-
S SHANMUGA PRIYA
Company Secretary

Sd/-
MALATHY M
CHIEF FINANCIAL OFFICER

Sd/-
CHITTARANJAN PRADHAN
Director-Finance

Sd/-
ALAGESAN K
Chairman and Managing Director

Place: New Delhi
Date: 25-July-2018

Annexure VII(c)- Accounting Ratios

STATEMENT OF CONSOLIDATED ACCOUNTING RATIOS

₹ In millions

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015
Earning Per Share excluding exceptional items (Equity Shares, Par Value of ₹ 10/- each)				
Basic (₹)	3.18	6.77	7.89	-11.29
Diluted (₹)	3.18	6.77	7.89	-11.29
Earning Per Share including exceptional items (Equity Shares, Par Value of ₹ 10/- each)				
Basic (₹)	3.18	6.72	7.82	-9.74
Diluted (₹)	3.18	6.72	7.82	-9.74
Return on networth with revaluation of Assets %	**0.14**	**0.28**	**0.35**	**-0.56**
Net asset value per equity share (₹) with revaluation reserve	**21.91**	**19.64**	**24.91**	**15.62**
Net asset value per equity share (₹) without revaluation reserve	**-8.87**	**-22.30**	**-56.84**	**-66.34**
Weighted average number of equity shares outstanding during the year for calculation of Basic Earnings per Share	643333333	410000000	288000000	288000000
Weighted average number of equity shares outstanding during the year for calculation of Diluted Earnings per Share	643333333	410000000	288000000	288000000
Net profit after tax as	**2320.22**	**3028.55**	**2525.74**	**-2533.81**
Share Capital	7600.00	5600.00	2880.00	2880.00
Other Equity, as	9051.09	5397.32	4292.67	1619.01
Networth with Revaluation of Assets	**16651.09**	**10997.32**	**7172.67**	**4499.01**
Less:Revaluation of Assets	23390.80	23483.14	23543.68	23604.06
Networth without Revaluation of Assets	**-6739.70**	**-12485.82**	**-16371.01**	**-19105.05**
CURRENT RATIO:	**0.82**	**0.73**	**0.69**	**0.64**
1. The ratios on the basis of financial information have been computed as below:				
Net profit as , attributable to equity shareholders	2046.41	2754.74	2251.92	-2805.29
Basic Earnings per share (₹) =	**3.18**	**6.72**	**7.82**	**-9.74**
Weighted average number of equity shares outstanding during the year	643333333	410000000	288000000	288000000
Net profit as , attributable to equity shareholders	2046.41	2754.74	2251.92	-2805.29
Diluted Earnings per share (₹) =	**3.18**	**6.72**	**7.82**	**-9.74**
Weighted average number of dilutive equity shares outstanding during the year	643333333	410000000	288000000	288000000

2. Earning per share calculations are done in accordance with Indian Accounting Standards 33 "Earnings Per Share" issued by the Institute of Chartered Accountants of India.

Caluclation of EPS Working

Profit after tax	2320.22	3028.55	2525.74	-2533.81
(-) Preference Dividend	227.50	227.50	227.50	227.50
Dividend tax	46.31	46.31	46.31	43.98
Profit available to equity shareholders	2046.41	2754.74	2251.92	-2805.29
No. of Shares at beginning of the year	560000000	288000000	288000000	288000000
No. of Shares at the end of the year	760000000	560000000	288000000	288000000
Weighted average no of shares during the period	643333333	410000000	288000000	288000000
Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	**3.18**	**6.72**	**7.82**	**-9.74**

Annexure VIII(c)- Capitalisation

STATEMENT OF CONSOLIDATED CAPITALISATION

₹ In millions

Particulars	For the year ended 31st March 2018	As adjusted for issue*
Debt		
Government Loan	**3000.00**	
Cash Credit from SBI Consortium	**9263.22**	
Preference Shares	**3000.00**	
Total	**15263.22**	
Shareholder's funds		
- Share Capital	**7600.00**	
- Other Eq;uity	**-14339.70**	
Total Shareholder's funds	**-6739.70**	
Debt / Equity Ratio	**-**	

*The Company is unable to calculate the shareholder's funds as the further public offer is based on BOOK BUILDING Process, no. of shares to be issued and the price of each share is yet to be decided.

Annexure IX(c)-Dividend Paid

Statement of Dividend Paid*

₹ In millions

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015
Number of equity shares outstanding	760000000	560000000	288000000	288000000
Dividend paid (₹ in Million)	0.00	0.00	0.00	0.00
Interim Dividend (₹ in Million)	0.00	0.00	0.00	0.00
Rate of Dividend (%)	0.00	0.00	0.00	0.00
Dividend per Equity Share (₹)	0.00	0.00	0.00	0.00

* Refers to dividend actually paid during the respective year

Annexure X(c)- Tax Shelters

Statement of Tax Shelters as per income tax return

₹ In millions

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015
	Provisional			
Profit before tax - As (A)	2351.32	3051.21	2545.44	-2979.95
National Tax Rate (B)	0.31	0.31	0.31	0.31
Tax as per National rate on Profit (C)	726.56	942.82	786.54	-920.80
ADJUSTMENTS:				
Tax Impact of Permanent Differences due to:				
R & D weighted deductions	0.00	0.00	-293.79	-129.46
40(a)(3)	0.00	0.00	10.71	2.74
Violation of Law	0.00	84.23	0.00	0.00
Withdrawal of Liability	0.00	0.00	-270.14	-387.30
Total Tax impact on Permanent Differences (D)	**0.00**	**26.03**	**-170.94**	**-158.83**
Tax Impact of Temporary Differences due to:				
Depreciation under Companies Act	248.55	169.45	129.02	153.24
Depreciation as per IT Act	-416.63	-218.71	-144.38	-103.03
Disallowances under Sec 43B	0.00	-823.66	-2608.93	393.46
Provision for Doubtful Debts	0.00	0.00	-250.62	0.63
Provision for Gratuity	0.00	350.78	0.00	0.00
Provision for non moving stores and spares	0.00	0.00	-1.01	0.11
Transfer from Grant in Aid	0.00	0.00	-37.60	-40.29
Allowances u/s 35A, 35AB, 35ABB, 35D, 35E etc., VRS	0.00	-82.86	-0.46	-2.00
Employees Contribution	0.00	109.78	369.72	381.82
MODVAT Disallowance u/s 145A	0.00	285.47	42.85	-57.97
40(a)(ia) TDS Default	0.00	602.70	0.00	0.00
Others	0.00	7.53	-0.18	-0.71
Total Tax impact of Timing Difference (E)	**-51.94**	**123.75**	**-772.99**	**224.10**
Net Adjustment F = (D+E)	-51.94	149.77	-943.93	65.28
Adjusted Tax Liability (C+F)	674.62	1092.60	0.00	0.00
Less: Relief u/s 91	0.00	0.00	0.00	0.00
Adjusted Tax Liability	674.62	1092.60	0.00	0.00
Total Tax as per Return of Income after adjustment of unabsorbed losses	0.00	0.00	0.00	0.00
	* Return not filed			

Significant Accounting Policies

ANNEXURE-V(C)

Corporate Information

India's first Public Sector Unit (PSU) - ITI Ltd was established in 1948. Ever since, as a pioneering venture in the field of telecommunications, it has contributed to 50% of the present national telecom network. With state-of-the-art manufacturing facilities spread across six locations and a countrywide network of marketing/service outlets, the company offers a complete range of telecom products and total solutions covering the whole spectrum of Switching, Transmission, Access and Subscriber Premises equipment.

ITI joined the league of world class vendors of Global System for Mobile (GSM) technology with the inauguration of mobile equipment manufacturing facilities at its Mankapur and Rae Bareli Plants in 2005-06. This ushered in a new era of indigenous mobile equipment production in the country. These two facilities supply more than nine million lines per annum to both domestic as well as export markets.

1) **Basis of Preparation**

   The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP), on accrual basis of accounting, except as stated herein. GAAP comprises the mandatory Accounting Standards (IND -AS) [as notified under section 133 of the Companies Act, 2013 read Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015] to the extent applicable, provisions of the Companies Act, 2013, which have been consistently applied except where a new Accounting Standard is initially adopted or revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

   Basis of Measurement

   The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value:

   a. Derivative financial instruments, if any
   b. Financial assets and liabilities that are qualified to be measured at fair value
   c. Defined benefit asset/(liability) recognised at the present value of defined benefit obligation less fair value of plan assets.

2) **Use of Estimates**

   The preparation of the financial statements in conformity with the Ind AS requires that the management make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all the available information, actual results could differ from the estimates and such differences are recognised in the period in which the results are ascertained.

3) **Functional and presentation currency**

   Financial statements are presented in Indian Rupee (INR) which is the functional and presentation currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

4) **Revenue Recognition**

   a. **Sale of goods**

      Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when significant risks and reward of ownership

have been transferred to the customer as per the terms of sale agreement, neither continuing management involvement nor effective control over the goods is retained, recovery of the consideration is probable, and the amount of cost incurred and the revenue can be measured reliably. Timing of transfer of risks and rewards is evaluated based on Inco-terms of the sales agreement.

b. Ex- Works Contract

When specified goods are unconditionally appropriated to the contract after prior Inspection and acceptance, if required.

c. FOR Contracts

In the case of FOR contracts, sale is recognised when goods are handed over to the carrier for transmission to the buyer after prior inspection and acceptance, if stipulated, and in the case of FOR destination contracts, if there is a reasonable expectation of the goods reaching destination within the accounting period. Revenue is recognised even if goods are retained with the Company at the request of the customer.

d. Bill and Hold Sales

For bill-and-hold transactions, revenue is recognised when the customer takes title, provided that:

i. it is probable that delivery will be made;
ii. the item is on hand, identified and ready for delivery to the buyer at the time when the sale is recognised;
iii. the buyer specifically acknowledges the deferred delivery instructions;

the usual payment terms apply

e. Construction contracts

Contract revenue includes initial amount agreed in the contract and any variations in the contract work, claims and incentive payments, to the extent it is probable that they will result in revenue and can be measured reliably.

Contract revenue is recognised in proportion to the stage of completion of the contract. Stage of completion is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract.

If the outcome cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognized to the extent of costs incurred.

When it is probable that contract costs at completion will exceed total contract revenue, the expected loss at completion is recognised immediately as an expense.

f. Price escalations

In case of contracts where additional consideration is to be determined and approved by the customers, such additional revenue is recognised on receipt of confirmation from the customer(s).

Where break up prices of sub units sold are not provided for, the same are estimated.

g. Bundled contracts

In case of a Bundled contract, where separate fee for installation and commissioning or any other separately identifiable component is not stipulated, the Company applies recognition criteria to separately identifiable components (sale of goods, installation, commissioning, etc.) of the transaction and allocates revenue to those separate components based on their relative fair value.

h. Multiple elements

In cases where the installation and commissioning or any other separately identifiable component is stipulated and price for the same agreed separately,

the Company applies the recognition criteria to separately identified components (sale of goods and installation and commissioning, etc.) of the transaction, allocates the revenue to those separate components based on the contract.

i. **Sales exclude Sales Tax / Value Added Tax (VAT)/Goods and Service Tax (GST)/Service Tax.**

   Export Sales are treated as sales on issue of Bill of Lading

   Provision is made separately for likely disallowance by customers including Liquidated Damages for contracts executed during the year.

j. **Supply of services**

   Revenue from annual maintenance contracts relating to the year is recognised when the contracts are entered into on time proportion basis. Revenue is recognized at the time of rendering services.

   For other fixed-price contracts (including sale of software related services), revenue is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the work performed. No revenue is recognised if there is significant uncertainty regarding recovery of the consideration due or if the costs incurred or to be incurred cannot be measured reliably.

k. **Interest income**

   Interest income is recognized using the effective interest rate method.

l. **Dividend**

   Dividend income is recognised when the Company's right to receive dividend is established

m. **Rental income**

   Rental income arising from operating leases is accounted for on a straight-line basis over the lease term unless increases in rentals are in line with the expected inflation or otherwise justified (Fair Value).

n. **Duty Drawbacks**

   Duty drawback claims on exports are accounted on preferring the claims.

o. **Other Income**

   Other Income not specifically stated above is recognised on accrual basis.

5) **Property, plant and equipment, Capital Work-in progress**

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the PPE to its working condition for its intended use. Borrowing and other attributable costs relating to acquisition of the PPE which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such PPE are ready to be put to use. PPE are eliminated from the financial statements, either on disposal or when retired from such use. When significant parts of Plant and Equipment are required to be replaced at intervals, the same is recognised as a separate component.

Assets acquired free of cost or received as gift are stated at fair value which is credited to Other Equity at the time of acquisition or receipt less accumulated depreciation and impairment losses.

Capital work-in-progress

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work-In-Progress.

Income pertaining to construction period such as interest on advance to contractors, sale of tender documents etc., is set off against expenditure during construction.

Expenditure on development of leasehold land is capitalised as Land Development Expenditure and amortised over the lease period or useful, life whichever is lower.

In the event of revaluation of entire class of PPE, if the revalued amount is greater than the carrying amount of the PPE, such difference is taken to the Revaluation Reserve. If the revalued amount is lower than the carrying amount of the PPE and if the class of PPE has already been revalued, difference is set off against the amount available under the Revaluation Reserve for the same class of PPE and excess thereof, life any, is charged to the statement of Profit and Loss.

6) Intangible Assets, Intangible Asset under Development

a. Cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits, is recognised as an intangible asset when the same is ready for use. Intangible Assets not yet ready for their intended use as at the Balance Sheet date are classified as “Intangible Assets under Development
b. Cost of developmental work which is completed, wherever eligible, is recognized as an Intangible Asset.
c. Cost of developmental work under progress, wherever eligible, is classified as “Intangible Assets under Development”.
d. Carrying amount includes amount funded by the Company to external agencies towards developmental project(s) and expenditure incurred by the Company towards material cost, employee cost and other direct expenditure.

7) Research and development expenses:

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product’s technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

8) Impairment of Non-financial assets

At the end of each Balance Sheet date, carrying amount of assets are reviewed, if there is any indication of impairment based on internal/external factors. If the estimated recoverable amount is found to be lower than the carrying amount, then the impairment loss is recognised and assets are written down to the recoverable amount.

9) Depreciation /Amortisation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

Depreciation on additions and deletions to fixed assets during the year is provided on pro-rata basis as under:

a. Depreciation is reckoned in full for the month of addition for the assets commissioned on or before 15th day of a month while no depreciation is reckoned for the month of addition for the assets commissioned after 15th of the month.
b. In respect of assets sold, discarded, damaged or destroyed on or before 15th day of a month no depreciation is reckoned for the month of deletion while for the assets sold, discarded, damaged or destroyed after 15th of the month depreciation is reckoned in full for the month of deletion.
c. Where cost of a part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset,

useful life of that significant part is determined separately and depreciated on straight line method over its estimated useful life.

d. The Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Amortization

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed periodically at each financial year end.

In the case of depreciable assets which have been revalued, depreciation is calculated on straight line method on the revalued amount. Incremental depreciation on account of Revaluation is recouped as a credit to the general Reserve, as per the Schedule II of the Companies Act 2013.

Disposal of property, plant and equipment

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

Particulars	(Years)
A. (a)Building (other than factory buildings)	60
(b)Factory building	30
(c)Purely temporary erections	3
(d)Building with dwelling units each with	30
plinth area not exceeding 80 sqm.	
B. Furniture & Fittings	10
C. Plant & Machinery	
(a) General Rate (on double shift basis)	15
(b) Special Rate: - Servers & Networks	6
(c)Data Processing Machines including Computers	3
D. Roads and compound Walls	10
E. Office Machinery and Equipment	5
F. Vehicles	8
G. Assets costing less than ₹5,000/- are depreciated @ 100%	
However, in respect of assets having original cost of ₹50,000/- and above, a residual balance of ₹5/- has been retained in the books.	

10) Leases

A lease is classified at the inception date as a finance lease or an operating lease.

Company as a Lessee

Finance leases are capitalised at lower of fair value and the present value of the minimum lease payments on commencement of the lease. Finance charges are recognised as Finance Costs in the Statement of Profit and Loss. A leased asset is depreciated over the useful life of the asset or lease term, whichever is lower.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, except when the lease payments escalate in accordance general inflation or are otherwise justified

Company as a lessor

Operating lease income is recognised over the lease term on straight line basis, except when the escalations are due to general inflation or otherwise justified. Contingent rents, if any, are recognised as revenue in the period in which they are earned.

In case of a finance lease, amounts due from lessees are recorded as receivables as the Company's net investment in the leases. Finance lease income is recognised in the Statement of Profit and Loss.

11) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale is capitalised as part of the cost of the asset.

General borrowing costs are capitalised to qualifying assets by applying a capitalisation rate, which is the weighted average of the borrowing costs applicable to the general borrowings outstanding, other than specific borrowings, to the expenditure on that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds, as also exchange differences to the extent regarded as an adjustment to the borrowing costs.

12) Government Grants

Grants from Government are measured at fair value and initially recognized as Deferred Income.

Amount lying under Deferred Income on account of acquisition of Fixed Assets is transferred to the credit of the Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

Amount lying under Deferred Income on account of revenue expenses is transferred to the credit of the Statement of Profit and Loss to the extent of expenditure incurred in the ratio of the funding to the total sanctioned cost, limited to the grant received.

13) Investments in joint venture and associates

Company accounts for its interests in associates and joint ventures at cost or in accordance with Ind AS 109 in the standalone financial statements but in the consolidated Financial statements under equity method.

14) Inventories

Raw materials, components and stores purchased for manufacturing/production activities are valued at lower of cost and net realizable value, after providing for obsolescence, if any. Cost is calculated on weighted average rate as at the end of the year. Where same items are purchased as also manufactured, manufacturing costs are generally adopted.

Raw materials and production stores with ancillaries and fabricators are valued at lower of cost at the time of such issue and net realizable value, after providing for obsolescence, if any.

Manufactured items in stock and stock-in-trade are valued at lower of cost excluding interest charges, administration overheads & sales overheads and at the net realisable value, after providing for obsolescence, if any.

Precious metals scrap is brought to books at the year end at net realizable value.

15) Work-in-process

a. Work-in-process (production) is valued on the basis of physically verified quantities at lower of cost excluding interest charges, administration & sales

overheads and at the net realisable value, after providing for obsolescence, if any.

b. Work-in-process (Installation) is valued at lower of cost as recorded in the work orders and net realizable value, after providing for obsolescence, if any.

16) Tools and Gauges

Expenditure on special purpose tools and fixtures is initially capitalized at cost and then amortized over production on a systematic basis, based on technical assessment.

Loose tools are charged to revenue at the time of issue.

17) Financial assets (Trade Receivables & Other receivables)

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that the assets may be impaired, same is reviewed for impairment.

18) Errors and Estimates

The Company revises its accounting policies, if the change is required due to a change in the Ind AS or if the change provides more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied prospectively.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of Profit or Loss is applied prospectively in the period(s) of change.

Discovery of errors and results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. Opening balances of the earliest period presented are also restated.

19) Income taxes

Income tax comprises of current and deferred income tax

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

20) Warranty Liability

Warranty liability for contractual obligation in respect of equipment sold to customers is accounted for the basis of an annual technical assessment.

21) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the functional currency exchange rate at the dates of the initial transactions.

22) Employee benefits

a. Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
b. Post-employment benefit viz. gratuity and other long-term employee benefits viz. Privilege Leave, Sick Leave and LLTC are recognised as an expense in the Statement of Profit and Loss of the year in which the employee has rendered services. Expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques.
c. Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.
d. Expenditure related to voluntary retirement scheme (VRS) is written off in the year of incidence.

23) Provision & Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. Expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets are not recognised in the financial statements but are disclosed in the notes.

Onerous Contracts

A provision for onerous contracts other than construction contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

24) Fair value measurement

The Company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For purposes of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

25) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

26) Financial Instruments

a. **Initial recognition and measurement**

   All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through the Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset are included in the cost of the asset.

b. **Subsequent measurement**

c. For purposes of subsequent measurement, financial assets are classified in four categories:

   i. Debt instruments at amortised cost,
   ii. Debt instruments at fair value through other comprehensive income (FVTOCI),
   iii. Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL),
   iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Derecognition

A financial asset or part of a financial asset is derecognised when• The rights to receive cash flows from the asset has expired

Embedded derivative

Embedded derivative, if required, is separated from host contract and measured at fair value.

27) Forward Contracts

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

28) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

29) Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

a. Time barred dues from the Government / Government Departments / Government Companies are generally not considered as increase in credit risk of such financial asset.
b. Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.
c. In case of dues outstanding for a significant period of time, on a case to case basis

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ (income) in the Statement of Profit and Loss. This amount is reflected in a separate line in Profit and Loss Statement as an impairment gain or loss.

30) Financial Liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at fair value through Profit and Loss as loans, borrowings, payables, or derivatives, as appropriate.

Loans, borrowings and payables, are stated net of transaction costs that are directly attributable.

b. Subsequent measurement

Measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at fair value through profit or loss.
ii. Financial liabilities at fair value through Profit or Loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

   Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

c. **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

d. **Trade and other payables**

Liabilities are recognised for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

31) Reclassification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively.

32) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

33) Cash dividend and non-cash distribution to equity shareholders

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Company.

34) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

35) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

36) New standards and interpretations not yet effective:

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2017 and have not been applied in preparing these financial statements. The effect of the same is being evaluated by the Company.

37) Consolidation

ITI has invested in 49% of Equity Share Capital of its Joint Venture "India Satcom Limited" for the cost of ₹40.55 lakhs.

According to Ind AS 28, the consolidation of interest in joint ventures can be done by using "Equity Method", wherein the share of investor in the net worth of investee can be directly taken as value of investment in the books of investor and the difference between old value and new value will be credited/debited to Other Comprehensive income as the investment in equity shares has been classified as "Equity Instruments through Other Comprehensive Income".

As per our report of even date

For & On Behalf of Board of Directors

For SANKARAN & KRISHNAN
Chartered Accountants
Firm's Registration NO.03582S

Sd/-
S SHANMUGA PRIYA
Company Secretary

Sd/-
MALATHY M
CHIEF FINANCIAL OFFICER

Sd/-
CHITTARANJAN PRADHAN
Director-Finance

Sd/-

VV Krishnamurthy

Partner

M. No. 027044
Place: New Delhi
Date: 25-July-2018

Sd/-
ALAGESAN K
Chairman and Managing Director

ITI LIMITED

Annexure I(b)

Restated summary of Assets & Liabilities

Particulars	Note No.	31.03.2014	
			Rs. in millions
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	5880.00	
(b) Reserves and Surplus	2	(21436.23)	
(c) Money received against share warrants	3	0.00	(15556.23)
(2) Share application money pending allotment	4		0.00
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	0.00	
(b) Trade Payables	6	2559.65	
(c) Other Long term liabilities	7	50.07	
(d) Long term provisions	8	1043.75	3653.47
(4) Current Liabilities			
(a) Short-term borrowings	9	8759.27	
(b) Trade payables	10	20344.26	
(c) Other current liabilities	11	6602.35	
(d) Short-term provisions	12	3328.55	
Total			39034.43
Grand Total			27131.67
II.ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	768.79	
(ii) Intangible assets	14	15.68	
(iii) Capital work-in-progress	15	211.46	
(iv) Intangible assets under development	16	0.00	
(b) Non-current investments	17	4.06	
(c) Deferred tax assets (net)	18	0.00	
(d) Long term loans and advances	19	19.48	
(e) Trade receivables	20	2081.17	3100.63
(2) Current assets			
(a) Current investments	21	0.00	
(b) Inventories	22	962.06	
(c) Trade receivables	23	19435.24	
(d) Cash and cash equivalents	24	323.40	
(e) Short-term loans and advances	25	3306.90	
(f) Other current assets	26	3.45	
Total			24031.04
Grand Total			27131.67

The accounting policies & accompanying notes form part of the financial statements

As per our report even dated 0.00
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-	sd/-	sd/-	sd/-	sd/-
VV Krishnamurthy	S Shanmuga Priya	MALATHY M	CHITTARANJAN PRADHAN	ALAGESAN K
Partner	Company Secretary	Chief Financial Officer	Director-Finance	Chairman and Managing Director

M. No. 027044

Place: Bangalore
Date : 25-July-2018

ITI LIMITED

Annexure II(b)

Restated Summary of Profit or Loss

Particulars	Note No.	31.03.2014	
			Rs. in millions
INCOME			
I. Revenue from operations	27	7087.21	
II. Other Income	28	370.68	
III. Total Revenue (I +II)			7457.89
IV.EXPENSES:			
Cost of materials consumed	29	792.40	
Purchase of Stock-in-Trade	30	577.13	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	31	19.85	
Installation & Maintenance Charges		3815.32	
Employee benefit expense	32	3373.16	
Finance costs	33	1223.14	
Depreciation and amortization expense	34	172.19	
Other expenses	35	947.77	
Total Expenses*		10920.94	
Less: Transfer to Capital Account	36	0.00	10920.94
IV(A) Prior period adjustments(Net)	37		20.47
V.Profit/(Loss) before exceptional and extraordinary items and tax(III-IV-IV(A))			(3442.58)
VI. Exceptional Items	38		0.00
VII. Profit/(Loss) before extraordinary items and tax (V - VI)			(3442.58)
VIII. Extraordinary Items	39		0.00
IX. Profit/(Loss) before tax (VII + VIII)			(3442.58)
X. Tax expense:			
(1) Current tax			0.00
(2) Deferred tax			0.00
XI. Profit(Loss) for the period from continuing operations (IX-X)			(3442.58)
XII. Profit/(Loss) from discontinuing operations			0.00
XIII. Tax expense of discontinuing operations			0.00
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)			0.00
XV. Profit/(Loss) for the period (XI + XIV)			(3442.58)
XVI. Earning per equity share before extraordinary items			
Basic & Diluted(in Rs.)			(12.88)
Earning per equity share after extraordinary items			
Basic & Diluted(in Rs.)			(12.88)

The accounting policies & accompanying notes form part of the financial statements

As per our report even dated
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-	sd/-	sd/-	sd/-	sd/-
VV Krishnamurthy	S Shanmuga Priya	MALATHY M	CHITTARANJAN PRADHAN	ALAGESAN K
Partner	Company Secretary	Chief Financial Officer	Director-Finance	Chairman and Managing Director

M. No. 027044

Place: Bangalore
Date : 25-July-2018

ITI LIMITED

Annexure III(b)

Restated Summary of Cash Flow Statement

Rs. in millions

Particulars	FOR THE YEAR ENDED 31st MARCH 2014	
A.CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) Before Tax		(3442.58)
Adjustment For:		
Depreciation	172.19	
Financing Charges	1223.14	
Profit On Sale Of Investments	0.00	
Interest/Dividend Received	(9.91)	
Loss On Sale Of Asset	0.00	
Profit On Sale Of Asset	(10.39)	
Provision For Tax Of Earlier Years No Longer Required		
Transfer From Grant-In-Aid	(46.88)	
Transfer From Grant-In-Aid(Prior Period Adj.)	(16.68)	
Non-Cash Expenditure	2.86	1314.33
Operating Cash Profit/(Loss) Before Working Capital Changes		(2128.25)
Adjustment For:		
Trade And Other Receivables	19154.23	
Inventories	86.27	
Trade Payables	(18365.22)	
Direct Taxes Paid	(18.14)	857.15
CASH GENERATED FROM OPERATIONS		(1271.10)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		(1271.10)
Extraordinary Items		0.00
NET CASH FROM OPERATING ACTIVITIES [A]		(1271.10)
B.CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase Of Fixed Assets Including Capital Work-In-Progress	(209.45)	
Sale Of Fixed Assets	10.39	
Investments	0.00	
Interest Received	9.91	
Dividend Received		
NET CASH USED IN INVESTING ACTIVITIES [B]		(189.15)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Short Term Borrowings	2701.05	
Grant-In-Aid Received	137.00	
Financing Expenses	(1223.14)	
NET CASH USED IN FINANCING ACTIVITIES [C]		1614.91
NET INCREASE IN CASH AND CASH EQUIVALENTS	[A+B+C]	154.66
CASH AND CASH EQUIVALENTS [OPENING BALANCE]		168.74
CASH AND CASH EQUIVALENTS [CLOSING BALANCE]		323.40

Note: previous year figures have been regrouped wherever necessary to conform to this year's classifications.

As per our report even dated
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-	sd/-	sd/-	sd/-	sd/-
VV Krishnamurthy	S Shanmuga Priya	MALATHY M	CHITTARANJAN PRADHAN	ALAGESAN K
Partner	Company Secretary	Chief Financial Officer	Director-Finance	Chairman and Managing Director

M. No. 027044

Place: Bangalore
Date : 25-July-2018

Annexure IV(b)

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

1.01. The Financial Statements have been prepared as a going concern, under the historical cost convention modified by accounting for fixed assets acquired free of cost or by gift, at the market value at the time of such acquisition and revaluation of certain fixed assets, on accrual basis of accounting, unless otherwise stated, in compliance with all material aspects with the Accounting Standards notified by Companies (Accounting Standards) rules 2006 (as amended) and all the relevant provisions of the Companies Act, 1956 read with General Circular No. 15/2013 dated 13th September 2013, issued by Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.

1.02. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

2. Fixed Assets

2.01. Fixed Assets are stated at cost of acquisition / installation (net of Modvat / Cenvat credit availed), less accumulated depreciation and impairment losses.

2.02. Fixed Assets acquired free of cost or gifted to ITI are stated at Market Value which is credited to the Capital Reserve, at the time of acquisition less accumulated depreciation and impairment losses.

2.03. Any Capital Grant-in-Aid given for a specific project by any agency is initially credited to Grant-in-Aid (Capital) and this amount is adjusted to the statement of Profit and Loss over the useful life of the assets.

2.04. Expenditure on development of leasehold land is capitalised as Land Development Expenditure and is amortized over a period of 5 years, commencing from the year in which such expenditure is incurred.

2.05. Capital work in progress is stated at the amount expended up to the date of Balance Sheet.

2.06. In the event of revaluation of entire class of fixed assets, if the revalued amount is greater than the carrying amount of the fixed asset, such difference is taken to the revaluation reserve. If the revalued amount is lower than the carrying amount of the fixed asset and if the class of the asset has already been revalued, difference is set off against the amount available under the revaluation reserve for the same class of asset and excess thereof is charged to the statement of Profit and Loss.

3.00 Inventories.

3.01. Raw materials, components and stores purchased for manufacturing/production activities are valued at lower of cost and net realizable value, after providing for obsolescence, if any. Cost is calculated on weighted average rate as at the end of the year. Where the same items are both purchased and manufactured, manufacturing costs are generally adopted.

3.02. Raw materials and production stores with ancillaries and fabricators are valued at lower of cost at the time of such issue and net realizable value, after providing for obsolescence, if any.

3.03. Manufactured items in Stock and Stock-in-Trade are valued at lower of cost excluding interest charges, administration overheads and sales overheads and at the net realisable value, after providing for obsolescence, if any.

3.04. Work-in-process

(i). Work-in-process (production) is valued on the basis of physically verified quantities at lower of cost excluding interest charges, administration overheads and sales overheads or at the net realisable value, after providing for obsolescence, if any.

(ii). Work-in-process (Installation) is valued at lower of cost as recorded in the Work Orders and net realizable value, after providing for obsolescence, if any.

3.05. Precious metals scrap is valued at net realizable value and brought to books at the year end.

4. Tools and Gauges

4.01. Expenditure on special purpose tools and fixtures is initially capitalized at cost and then amortized over production on a systematic basis, based on technical assessment.

4.02. Loose tools are charged to revenue at the time of issue.

5. Investments

Current Investments are carried at lower of cost and fair market value. Long term investments are carried at cost and provision for diminution in the value of such long term investments, other than temporary in nature, is made.

6. Intangible Assets

6.01. Expenses incurred during research phase till the establishment of commercial feasibility is charged off to Statement of Profit and Loss.

6.02. Expenditure on development of new products / technologies, development of software are capitalized individually at cost once their technical feasibility is established in accordance with the requirements of Accounting Standard 26, 'Intangible Asset'.

7. Depreciation

7.01. Depreciation is charged on Straight Line Method in accordance with the useful life of the asset as assessed by the Management. However the rates of depreciation adopted in the books are not less than the rates specified in Schedule-XIV of the Companies Act, 1956.

7.02. Depreciation on additions and deletions to fixed assets during a year is provided on pro rata basis as follows:

(a). Depreciation is reckoned in full for the month of addition for the assets commissioned on or before 15th day of a month while no depreciation is reckoned for the month of addition for the assets commissioned after 15th of the month.

(b). In respect of assets sold, discarded, damaged or destroyed on or before 15th day of a month no depreciation is reckoned for the month of deletion while for the assets sold, discarded, damaged or destroyed after 15th of the month depreciation is reckoned in full for the month of deletion.

7.03 Intangible assets are amortized and charged to revenue based on the economic benefits drawn by the company over the useful life not exceeding ten years based on techno commercial assessment..

7.04. In the case of depreciable assets which have been revalued, depreciation is calculated on straight line method on the revalued amount. Difference between depreciation on the asset based on revaluation and that on original cost, is transferred from revaluation reserve to the Statement of Profit and Loss.

8.00 Prior period items.

Adjustments arising due to errors or omissions in the financial statements of earlier years are accounted under "Prior Period Adjustments", if the amount involved is Rs. 0.50 million or more in each transaction.

9. Foreign currency transactions

9.01. Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

9.02. Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

10. Revenue Recognition

a) Sales include Excise Duty & Service Tax and excludes Sales Tax..

b) Revenue from sale of goods is recognized based on valid sales contract..

c). Revenue from customer accepted sale of goods/other sale of goods is recognized on the date of dispatch of goods from the company's premises to the customer. In the case of FoR destination contracts, if there is a reasonable expectation of the goods reaching destination within the accounting period, revenue is recognised. Goods ready for dispatch but held in the Company's premises at the customers specific request is also recognised as sale of goods.

d). Where prices are not established, sales are set up provisionally at prices likely to be realized.

e). Export sales are treated as sales on issue of Bill of Lading.

f). Revenue from installation and commissioning services is recognized on completion of installation and commissioning.

g). Revenue from annual maintenance contracts relating to the year is recognized when the contracts are entered into on a time proportionate basis.

h). Provision is made separately for likely disallowance by customers including Liquidated Damages for contracts executed during the year.

Revenue Recognition on Construction / Turnkey Contracts.

i) Revenue is recognised on percentage completion method. Contract revenue and costs associated with the contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. Expected loss on the contract is fully accounted..

11.00 Other Income.

a). Insurance and Customs Duty claims are accounted as and when claims are accepted by the respective authorities.

b). Rental income is accounted on the basis of lease agreements entered with the parties to whom premises of the company are given under lease.

c). Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

d). Dividend is accounted when the right to receive dividend is established by the Balance Sheet Date.

12. Warranty Liability

Warranty liability for contractual obligation in respect of equipments sold to customers is accounted on the basis of an annual technical assessment.

13. Government Grants

a). Government grants relating to Revenue are initially credited to Grant-in-Aid(Revenue).

b). Where the grants are intended to compensate cost/s incurred in an accounting year, an amount of grant to the extent of related cost are recognized as income in the Statement of Profit and Loss.

c). Where the grants are for purpose of giving immediate financial support/compensation for expenses incurred in a previous accounting period, with no further related cost/s, these are recognized as Extraordinary income in the Statement of Profit and Loss in the year of receipt.

14. Employee Benefits

a). Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.

b). Post employment benefit viz. gratuity and other long term employee benefits viz. Privilege Leave, Sick Leave and LLTC are recognised as an expense in the Statement of Profit & Loss of the year in which the employee has rendered services. Expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit & Loss.

c). Expenditure related to voluntary retirement scheme (VRS) is written off in the year of incidence.

15.00 Borrowing Cost.

Borrowing cost, that is directly attributable to the acquisition/production or construction of inventories or fixed assets which require a substantial period to get ready for its intended use or to bring them to saleable condition is capitalised as part of the cost of the inventory or fixed assets valuation respectively..

16.00 Impairment of Assets.

At the end of each Balance sheet date, the carrying amount of assets are reviewed, if there is any indication of impairment based on internal / external factors. If the estimated recoverable amount is found lesser than the carrying amount, then the impairment loss is recognized and assets are written down to the recoverable amount..

17.00 Current Tax and Deferred Tax.

a). Tax expense comprises of current income and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

b). Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

c). Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

18.00 Trade Receivables.

Provision for Doubtful Trade Receivables is made on a case to case basis, on detailed review.

19.00 Provisions / Contingencies:.

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote.

20.00 Earnings Per Share:.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

21.00 Segment Reporting:.

The Company has 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.

As per our report even dated
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

sd/-	sd/-	sd/-	sd/-	sd/-
VV Krishnamurthy	**S Shanmuga Priya**	**MALATHY M**	**CHITTARANJAN PRADHAN**	**ALAGESAN K**
Partner	**Company Secretary**	**Chief Financial Officer**	**Director-Finance**	**Chairman and Managing Director**

M. No. 027044
Place: Bangalore
Date : 25-July-2018

NOTES FORMING PART OF RESTATED FINANCIAL STATEMENTS

Rs. in millions

Particulars	As at 31.03.2014
Note No.1	
a)SHARE CAPITAL	
I)Equity	
a)Authorised	
30,00,00,000 equity shares of Rs.10 each	3000.00
b)Issued	
28,80,00,000 equity shares of Rs.10 each	2880.00
c) Subscribed and Fully Paid-up *	
28,80,00,000 equity shares of Rs.10 each	2880.00
d) Subscribed & not fully paid up	0.00
e) Par value per share	0.00
f) Calles un paid	0.00
g) Forfeited shares	0.00
h) Reconciliation of the number of shares outstanding at the	
Number of shares outstanding O.B	288000000.00
Add issues during the year	0.00
Less: Buy back/forfiture during the year	0.00
Number of shares outstanding C.B	288000000.00
i) The rights and preferences and restrictions attaching to the	
- Each holder of Equity share is entitled to one vote per share.	
- In the event of liqudation of the company, the holders of equity	
j)List of share holders holding more than 5% shares	
Name	No.of shares held
1. President of India	259200000.00
* Government of India has disinvested 7% of the Equity shares to	
k)During last 5 years:	
i)Aggregate number of shares allotted without being received in	Nil
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil
iii)Aggregate number and class of shares bought back	Nil
II) Preference Shares	
Authorised	
40000000 Preference Shares of Rs.100 each	
-8.75% Cumulative Redeemable Preference Shares	4000.00
a) Issued	
10000000, 8.75% Cumulative Redeemable Preference Shares of	1000.00
b) Subscribed and Fully Paid-up	
10000000, 8.75% Cumulative Redeemable Preference Shares of	1000.00
c) Subscribed & not fully paid up	
d) Par value per share(Rs.100)	0.00
e) Calls un paid	
f) Forfeited shares	
g) Reconciliation of the number of shares outstanding at the	
Number of shares outstanding O.B	10000000.00
Add issues during the year	0.00
Less: Buy back/forfeiture during the year	0.00
Number of shares outstanding C.B	10000000.00
h) The rights and preferences and restrictions attaching to the	
- Each holder of preference shares is entitled to one vote per share	
- In the event of liqudation of the company, the holders of	
i)List of share holders holding more than 5% shares	

Particulars	As at 31.03.2014
	Rs. in millions
Name	No.of shares held
Mahanagar Telephone Nigam Ltd.	10000000.00
j)During last 5 years:	
i)Aggregate number of shares allotted without being received in	0.00
ii)Aggregate number of shares allotted as fully paid up by way of	0.00
iii)Aggregate number and class of shares brought back	0.00
Dividend in respect of following class of Cumulative Redeemable	
a) On 8.75% Cumulative Preference Shares from 2002-03	1050.00
(The figures indicated are excluding Dividend Distribution Tax)	
Redemption installments in respect of the following Cumiulative	
Redemption installments due from 31st March 2005 to 31st March	1000.00
-7% Cumulative Redeemable Preference Shares	
a) Issued	
20000000, 7.00% Cumulative Redeemable Preference shares of	2000.00
b) Subscribed and Fully Paid-up	
20000000, 7.00% Cumulative Redeemable Preference shares of	2000.00
c) Subscribed & not fully paid up	
d) Par value per share(Rs.100)	
e) Calles un paid	
f) Forfeited shares	
g) Reconciliation of the number of shares outstanding at the	
Number of shares outstanding O.B	20000000.00
Add issues during the year	0.00
Less: Buy back/forfeiture during the year	0.00
Number of shares outstanding C.B	20000000.00
h) The rights and preferences and restrictions attaching to the abov	
- Each holder of the preference shares is entitled to one vote per	
- In the event of liquidation of the company, the holders of	
i)List of share holders holding more than 5% shares	
Name	No.of shares held
Bharat Sanchar Nigam Ltd.	20000000.00
j)During last 5 years:	
k)Aggregate number of shares allotted with out being received in	0.00
ii)Aggregate number of shares allotted as fully paid up by way of	nil
iii)Aggregate number and class of shares brought back	nil
Dividend in respect of following class of Cumulative Redeemable Preference Shares are in arrears:	
On 7.00% Cumulative Preference Shares from 2003-04	1540.00
(The figures indicated are excluding Dividend Distribution Tax)	
Redemption installments in respect of the following Cumulative Redeemable Preference shares issued by the company have not been paid on due dates on account of fund constraints	
Redemption installments due from 31 st March 2006 to 31st March 2010 in respect of 7% Preference Shares of Rs.2000 million	2000.00
Cumulative Redeemable Preference shares amounting to Rs.3000 million overdue for redemption are continued to be shown under Share Capital since the redemption is part of the BIFR package envisaged for the Company.	

Note No. 2

RESERVES AND SURPLUS

a)Capital Reserves		
i)Free Land Gifted		
O.B As per last B/S	2.53	
Additions	0.00	
Total	2.53	
Deductions	0.00	
Closing balance	0.00	2.53
ii)Free Equipment gifted		
Opening balance as per last B/S	53.12	
Less-Transfer to P&L	9.37	
Closing Balance		43.74
iii) Capital Grant in aid		
As per last Balance Sheet	26990.00	
Transfer from Grant in aid (capital)	137.00	
Closing Balance		27127.00
b)Capital Redemption Reserve		
O.B as per last B/S	0.00	
Additions	0.00	
Total	0.00	
Deductions	0.00	
Closing balance		0.00

Particulars	As at 31.03.2014	
c) Securities premium reserve		Rs. in millions
O.B as per last B/S	2.96	
Additions	0.00	
Total	2.96	
Deductions	0.00	
Closing balance		2.96
d) Debenture Redemption reserve		
Opening balance as per last B/S	21.00	
Less-Transfer to General Reserve	21.00	
Closing Balance		0.00
e) Revaluation Reserve		
i) Revaluation reserves- Land		
Opening balance as per last B/S	22761.12	
Less-Reversal on sale of land	0.00	
Closing Balance		22761.12
ii)Revaluation reserves-Buildings		
Opening balance as per last B/S	1140.71	
Less-Transfer to P&L	157.69	
Closing Balance		983.01
f)Other Reserves		
i) General reserve:		
Opening balance as per last B/S	0.00	
Add: Transfer from Bonds Redemption Reserve	21.00	
Less-Transfer to P&L	0.00	
Less-Transfer to Surplus	21.00	
Closing Balance		0.00
ii)'Profit on Sale of Fixed Assets		
Opening balance as per last B/S	16.68	
Less-Transfer to Surplus	16.68	
Closing Balance		0.00
iii) Sale of Technical know-how		
As per last Balance Sheet	0.35	
Less-Transfer to P&L	0.00	
Closing Balance		0.35
iv) Industrial Housing Subsidy		
As per last Balance Sheet	0.68	
Less-Transfer to P&L	0.00	
Closing Balance		0.68
v)Investment allowance reserve		
As per last Balance Sheet	0.00	
LESS: Transfer to General reserve	0.00	
Closing Balance		0.00
g)Surplus		
As per last Balance sheet	(45270.48)	
Add:Profit/(Loss) for the year	(3442.58)	
Add: Transfer from General Reserve	21.00	
Add: Transfer from Profit on Loss of sale of fixed assets	0.00	
Total	(48692.06)	
Less- Appropriations	0.00	
Less-Transfer from P&L A/C-(Loss for the year)	0.00	
Closing Balance		(48692.06)
h) Grant-in-Aid		
i)'Grant-in-aid (Capital) :		
As per last Balance Sheet	125.45	
Add:Receipts during the year	137.00	
Total	262.45	
Less:Transfer to revenue GIA/Capital reserves	137.00	
Less:Transfer to Profit & Loss Account	46.88	
Closing Balance		78.57
ii)Grant-in-aid (Revenue)		
As per last Balance Sheet	0.00	
Add : Receipts during the year	0.00	
Total	0.00	
Less:Transfer to Profit & Loss Account	0.00	
Closing Balance		0.00
Total Grant-in-Aid		78.57
TOTAL RESERVES AND SURPLUS with REVALUATION RESERVE		2307.91
LESS: Revaluation Reserve		23744.13
TOTAL RESERVES AND SURPLUS withOUT REVALUATION RESERVE		(21436.23)

Particulars	As at 31.03.2014	
Note No.3		Rs. in millions
Money received against share warrants		0.00
Note No.4		
Share application money pending allotment		0.00
Note No.5		
NON-CURRENT LIABILITIES		
LONG TERM BORROWINGS		
i) SECURED LOANS		
Floating Rate Bonds	0.00	
Term Loans from Banks	0.00	
Others	0.00	
TOTAL		0.00
II) UNSECURED LOANS		
Loan from Government of India	0.00	
Interest accrued and due on the above	0.00	
Floating Rate Bonds	0.00	
Term Loans from Banks	0.00	
Deferred payment liabilities	0.00	
Deposits	0.00	
Loans and advances from related parties	0.00	
Long term maturities of finance lease obligation	0.00	
Other loan - Ku Band	0.00	
TOTAL		0.00
G.TOTAL		0.00
Note No.6		
Trade Payables-Non current		
For goods supplied		
- Micro small and medium enterprises	0.00	
- Others	2513.99	
TOTAL	2513.99	
For Expenses and Services	13.85	
For Other Liabilities	31.81	
TOTAL		2559.65
Note No.7		
Other Long Term Liabilities		
Security deposit received	50.07	
Others	0.00	
G.TOTAL		50.07
Note No.8		
For privilege Leave		
As per Last Balance Sheet	1234.37	
Less : Transfer to Corporate	0.00	
Add: Provision for the year	(197.03)	
Less: Payments	20.30	
TOTAL		1017.04
For sick Leave		
As per Last Balance Sheet	30.89	
Add: Provision for the year	(4.18)	
Less: Payments	0.00	
TOTAL		26.71
ii) Others		0.00
G. TOTAL		1043.75

Particulars	As at 31.03.2014	
Note No.9		Rs. in millions
CURRENT LIABILITIES		
i) Short term borrowings		
Loans repayable on demand		
-secured loans		
Cash credit from State Bank of India and other members of the consortium of Banks against hypothecation of stocks,stores & rawmaterials, debts& advances and second charge on all Fixed Assets both movable and immovable.(Limit Rs. 9676 millions, P.Y. Rs. 8450 millions)	8759.27	
-Unsecured loans		
Loans and advances from related parties	0.00	
Deposits	0.00	
Other loans and advances	0.00	
TOTAL		8759.27
Note No.10		
Trade Payables		
For goods supplied		
- Micro small and medium enterprises	1.04	
- Others	12497.30	
TOTAL	12498.34	
For Expenses and Services	5098.44	
For Other Liabilities	2747.49	
For goods received and in transit adv as per contra in Note No. 22	0.00	
TOTAL		20344.26
Deposits, fallen due and not claimed for refunds, is shown as current liabilities as at 31.03.2014		2.80
A list of micro, small and medium enterprises to whom the Company owe any sum together with interest outstanding to the extent identified.		
AS PER ENCLOSURE		
Disclosure of dues/payments to micro and small enterprises to the extent such enterprises are identified by the company.		
(a) Principal amount remain unpaid on 31.03.2014.		0.00
(b) Interest due thereon remaining unpaid on 31.03.2014.		0.00
(c) The amount of interest paid and principal paid beyond the appointed day during the financial year 2013-14.		0.00
(d) Amount of interest due and payable for delay in payments(which have been paid beyond the appointed day during the F.Y.2013-14) but without adding interest under the MSMED Act, 2007.		0.00
(e) Amount of interest accrued and remaining unpaid on 31.03.2014.		0.00
(f) Amount of further Interest remaining due and payable even in succeding years (until such interest dues are paid to small enterprises).		0.00
Note No.11		
Other current liabilities		
current maturities of long term debts		
"I" series Bonds of Rs..1000000/- each:		
-6.40% Issues in March 2004 redeemable at par in March 2009(with put/call option after 3 years from the date of allotment)*	0.00	
Period of continuing default in the repayment of loans: 36 Months		
Interest Accrued and due on Bonds	0.00	
Period of continuing default in the repayment of interest: 36 Months		
Secured by first charge on all fixed assets of the company both movable and immovable present and future and ranking pari passu in favour of bond holders.Charges are created in favour of Canara Bank as agents and trustees of Bond holders.		
Current maturities of finance lease obligations	0.00	
Interest Accrued but not due on Borrowings	0.00	
Interest Accrued and due on Borrowings	0.00	
Income received in advance	0.00	
Unpaid matured deposits and interest accrued thereon	0.00	
Unpaid matured debentures and interest accrued thereon	0.00	
For Expenses and Services	369.50	
For Other Liabilities (including Excise Duty on Stock in Trade Rs. 0.04 millions Previous year Rs. 19.05 millions	191.74	
Other payables	4283.41	
Salary Payable	0.00	
Duties & Taxes	14.78	
Advances from Customers	1352.68	
Unclaimed Dividend	0.00	
Interest accrued but not due on Loans	0.00	
Apprentices Security Deposit	0.82	
Deposits from Contractors	389.43	
TOTAL		6602.35

Particulars	As at 31.03.2014	
Note No.12		Rs. in millions
SHORT TERM PROVISIONS		
For Taxation		
As per last Balance Sheet	5.38	
Add: Provisions during the year	0.00	
Less: Adjustments of provisions relating to earlier years	0.00	
Total		5.38
For gratuity		
As per Last Balance Sheet	2783.46	
Add: Provision for the year	9.59	
Less: Transfer to gratuity trust	0.00	
Add: Transfer from gratuity trust	628.71	
Add: Transfer from Corporate	0.00	
Less: Payments	628.72	
Total		2793.04
For privilege Leave		
As per Last Balance Sheet	462.35	
Less : Transfer to Corporate	0.00	
Add: Provision for the year	285.39	
Less: Payments	238.51	
Total		509.23
For sick Leave		
As per Last Balance Sheet	10.05	
Add: Provision for the year	0.28	
Less: Payments	0.00	
Total		10.34
For L L T C provision		
As per Last Balance Sheet	26.07	
Add: Provision for the year	(6.74)	
Less: Payments	8.76	
TOTAL		10.56
G.TOTAL		3328.55

NOTE NO. 13

Fixed Assets

Tangible assets

Rs. in millions

PARTICULARS	LAND -FREE HOLD*	LAND -LEASE HOLD ****	ASSETS GIVEN ON LEASE	LAND DEVELOP MENT	BUILDING**	PLANT& MACHINERY***	OFFICE M/C & EQPT	FURNITURE FIXTURE& FITTINGS	VEHICLES	TOTAL
Gross Block As At 31.03.2013	**22860.15**	**14.28**	**0.75**	**2.14**	**5298.52**	**7948.01**	**247.63**	**198.87**	**91.89**	**36662.23**
Additions During The Year	0.00	0.00	0.00	0.00	1.20	9.25	0.84	0.00	0.64	11.93
Sub Total	22860.15	14.28	0.75	2.14	5299.72	7957.26	248.47	198.87	92.53	36674.16
Assets Sold/ Scrapped During The Year	0.00	0.00	0.00	0.00	0.00	0.80	0.00	0.00	0.00	0.80
Transfers And Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.65	0.00	0.65
Gross Block As At 31.03.2014	**22860.15**	**14.28**	**0.75**	**2.14**	**5299.72**	**7956.46**	**248.46**	**198.22**	**92.53**	**36672.71**
Accumulated Depreciation Upto 31.03.13	**0.00**	**2.36**	**0.75**	**2.14**	**3906.86**	**7404.13**	**242.25**	**192.40**	**86.25**	**11837.14**
Depreciation For The Year	0.00	0.03	0.00	0.00	182.40	136.29	2.23	1.58	0.86	323.40
Sub Total	0.00	2.38	0.75	2.14	4089.27	7540.43	244.48	193.97	87.12	12160.53
Assets Sold/ Scrapped During The Year	0.00	0.00	0.00	0.00	0.00	0.75	0.00	0.00	0.00	0.75
Transfers And Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	-0.12	0.11	0.00	-0.01
Impairment Loss/Reversal Of Impairment Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation Upto 31.03.2014	**0.00**	**2.38**	**0.75**	**2.14**	**4089.27**	**7539.67**	**244.60**	**193.86**	**87.12**	**12159.79**
Net Carrying Value As At 31.03.2014 with Revaluation Reserve	**22860.15**	**11.90**	**0.00**	**0.00**	**1210.45**	**416.79**	**3.86**	**4.36**	**5.41**	**24512.93**
Less: Revaluation Reserve	-22761.12	0.00	0.00	0.00	-983.01	0.00	0.00	0.00	0.00	-23744.13
Net Carrying Value As At 31.03.2014 without Revaluation Reserve	**99.03**	**11.90**	**0.00**	**0.00**	**227.44**	**416.79**	**3.86**	**4.36**	**5.41**	**768.79**

Notes

1. Company has not adopted the enhanced estimated useful life of the asset, suggested by registered valuer as this would have resulted in not complying with the requirment of charging minimum depreciation contemplated by schedule XIV of Companies Act, 1956. Consquently company charged off Rs.167.07 millions (Previous year Rs.168.18 millions) as depreciation on revalued asset for the year. However this has no effect on the losses of the year, as this amount is transferred from the revaluation reserve.

2.There is a charge of Rs.0.7 millions on 400 D type and 624 E type quarters in favour of Govt. of Karnataka towards subsidy received in terms of Subsidised Industrial housing Scheme.

3. Factory building is on the leased land,measuring 36 Kanals and 13 Marlas for which extension for lease is under process with J&K Government.

4. With reference to Accounting Policy No.6 depreciation has been charged on Fixed assets over their assessed useful life as under.

Fixed Assets	**(Years)**
A. (a)Building (other than factory buildings)	50
(b)Factory building	28
(c)Purely temporary erections	Year of construction
(d)Building with dwelling units each with plinth area not exceeding 80 sqm.	13
B. Furniture & Fittings	10
C. Plant & Machinery	
(a)General Rate (on double shift basis)	10
(b)Special Rate : - Data Processing Machines including Computers	6
D. Roads and compound Walls	10
E. Office Machinery and Equipment	7
F. Vehicles	7

G. Assets costing less than Rs.5,000/- are depreciated @ 100%

However, in respect of assets having original cost of Rs.50,000/- and above, a residual balance of Rs.5/- has been retained in the books.

* i) Includes Rs.2.5 millions value of land (Before revaluation) gifted by UP Govt. credited to Capital Reserve.

ii) (a) Land measuring 4653.75 sq.metres has been leased to Department of Telecommunications for a period of 99 years commencing from 3.10.1983.

(b) Formal Conveyance/lease deeds in respect of Land (excepting part of lands at Bangalore & Mankapur) are yet to be executed by the respective State Governments.

(c) Land measuring 1256.86 Sq. metres has been leased to Dept. of Telecommunications for a period of 99 years commencing from 10.07.1991.

(d) Registered valuers have revalued Land of the company on 31.3.2006. Land with original cost of Rs Rs.100 millions and written down value of Rs.100. millions have been revalued at Rs.22863.7 millions, resulting in an increase in value by Rs. 22763.7 millions.

iii) 1.83 acres of land is leased to Southern Railways and 0.286 acres of land is leased to ESI corporation.

** Registered valuers have revalued Buildings of the company on 31.3.2006. Buildings with original cost of Rs.1527.7 millions and written down value of Rs. 463.1 millions have been revalued at Rs. 4238.8 millions, resulting in an increase in value by Rs. 3775.7 millions.

*** i) Includes Rs.8.5 millions of plant & machinery given free of cost by UNIDO.

ii) Includes Rs.6.0 millions of plant & machinery cost of which is borne by Ministry of Information Technology.

iii) Includes cost of fixed assets worth Rs.500.0 millions procured out of Grant received from Government of India during 2004-05.

iv) Includes Rs.93.7 millions of plant, machinery and Equipments received free of cost by Rae Bareli unit.

**** Includes Rs.2.694 millions payment made to J&K Govt for which lease deed proceedings are in process.

NOTE NO. 14

Intangible Assets

Rs. in millions

PARTICULARS	INTERNALLY GENERATED ASSETS	EXTERNALLY GENERATED ASSETS	TOTAL
	PROJECT DEVELOPMENT EXS	TECHNICAL KNOWHOW	
Gross Block As At 31.03.2013	**134.73**	**156.78**	**291.50**
Additions During The Year	0.00	0.00	0.00
Sub Total	134.73	156.78	291.50
Assets Sold/ Scrapped During The Year	0.00	0.00	0.00
Transfers And Adjustments	0.00	0.00	0.00
Gross Block As At 31.03.2014	**134.73**	**156.78**	**291.50**
Accumulated Amortization Upto 31.03.13	**134.73**	**125.42**	**260.15**
For The Year	0.00	15.68	15.68
Sub Total	134.73	141.10	275.83
Assets Sold/ Scrapped During The Year	0.00	0.00	0.00
Transfers And Adjustments	0.00	0.00	0.00
Impairment Loss/ Reversal Of Impairment Loss	0.00	0.00	0.00
Accumulated Amortization Upto 31.03.2014	**134.73**	**141.10**	**275.83**
Net Carrying Value As At 31.03.2014	**0.00**	**15.68**	**15.68**

Note No.15

CAPITAL WORK-IN-PROGRESS

Capital Work-in-Progress at Cost	**203.64**	
Less: Provision	**0.04**	
Total		**203.60**
Materials with Contractors	**2.89**	
Less : Provision	**2.89**	
Total		**0.00**
Machinery at Cost		
In-Transit	**0.66**	
Awaiting Acceptance / Installation	**7.81**	
Total	**8.47**	
Less:Provision	**0.61**	
TOTAL		**7.86**
G.TOTAL		**211.46**

Note no.16

Intangible assets under development		**0.00**

Note no.17

NON- CURRENT INVESTMENTS

Investment in Equity instruments		
Fully Paid at Cost (unquoted)	**4.06**	
16,21,800 Equity Shares of Rs.10/- each fully paid up in India Satcom Limited(joint venture with M/S Chris Tech System Pvt. Ltd) including 1216350 Bonus Shares(extent of investment 49%)	**0.00**	
TOTAL		**4.06**

Note no.18

Deferred tax assets(net)	**0.00**	
TOTAL		**0.00**

Particulars	As at 31.03.2014	
Note no.19		Rs. in millions
Long term loans and advances		
Secured and considered good:		
Capital Advances	0.11	
Security Deposits/ Margin money	0.00	
Loans and advances	0.00	
Considered Doubtful:		
Capital Advances	2.84	
Security Deposits	0.00	
Loans and advances	0.00	
Total	2.95	
less: provision	2.84	
TOTAL SECURED LOANS & ADVANCES		0.11
Un Secured and considered good:		
Capital Advances	0.16	
Security Deposits	0.06	
Loans and advances	1.88	
Considered Doubtful:		
Capital Advances	0.00	
Security Deposits	17.39	
Loans and advances	0.00	
Total	19.49	
less: provision	0.11	
Loans and advances due from related parties:		
ISL	0.00	
TOTAL UNSECURED LOANS& ADVANCES		19.38
TOTAL LOANS AND ADVANCES		19.48

Particulars	As at 31.03.2014	
Note No.20		Rs. in millions
Long Term trade Receivables		
Secured		
- Long term Trade Receivables(Outstanding for a period exceeding 6 months from the date they become due for payment)		
Considered Good	0.00	
Considered Doubtful	0.00	
- Others not exceeding 6 months	0.00	
Total	0.00	
less: Provision	0.00	
		0.00
Un Secured		
- Long term Trade Receivables(Outstanding for a period exceeding 6 months from the date they become due for payment)		
Considered Good	2081.17	
Considered Doubtful	333.91	
- Others not exceeding 6 months	0.00	
Total	2415.07	
less: Provision	333.91	
		2081.17
G.Total		2081.17
Note No.21		
CURRENT ASSETS		
Current investments		0.00

Particulars	As at 31.03.2014	
Note No.22		Rs. in millions
INVENTORIES		
(Valued as per Accounting Policy No.3.00)		
Stocks & Stores as taken and certified by Management		
a) Raw material and Production stores	560.42	
Less: Provision for Obsolescence	154.99	
		405.43
b)Material issued against Fabrication Contracts	10.02	
Less: Provision	9.55	
		0.47
Non-Production Stores	76.93	
Less: Provision for Obsolescence	25.16	
		51.78
d)Work-in-Process Production	248.71	
Less: Provision	27.38	
		221.33
e)Work-in-Process Installation	0.00	
Less: Provision	0.00	
		0.00
f)Manufactured Components	122.84	
Less: Provision	3.39	
		119.46
g) Finished Goods		
Stock-in-Trade	154.01	
(includes Rs. Nil millions, items despatched to customers awaiting billing(Previous year Rs.13.789 millions)		
Excise Duty thereon	5.30	
	159.31	
Less: Provision	104.46	
		54.85
h) Stock Reconciliation Account	0.86	
Less: Provision	0.86	
		0.00
i)Goods Pending Inspection / Acceptance		26.53
j)Material-in-Transit Advances		
Considered Good	77.71	
Considered Doubtful	8.22	
	85.93	
Less: Provision	8.22	
		77.71
k)Material received and In-Transit Advances		4.42
payable as per contra in Schedule 6.1		0.00
l)Tools and Gauges		0.08
TOTAL		962.06
DETAILS OF INVENTORY		
a) Raw material and Production stores		910.28
b) Others		51.78
Note No.23		
Trade Receivables(Current)		
Secured		
Outstanding for a period exceeding 6 months from the date they become due for payment		
Considered Good	0.00	
Considered Doubtful	0.00	
	0.00	
Other for a period of not exceeding 6 months: Considered Good	0.00	
	0.00	
Less:Provision	0.00	
		0.00
Un Secured		
Outstanding for a period exceeding 6 months from the date they become due for payment		
Considered Good	18347.83	
Considered Doubtful	344.43	
	18692.25	
Other for a period of not exceeding 6 months: Considered Good	1087.41	
	19779.66	
Less:Provision	344.43	
		19435.24
TOTAL TRADE RECEIVABLES		19435.24
(During the year 2013-14 an amount of Rs. 14808.1 millions lying under advance from customers (BSNL) has been netted off against Debtors.)		

Particulars	As at 31.03.2014	
Note No. 24		Rs. in millions
Cash and cash equivalents		
a)Cash-on-Transit	0.00	
b)Cash on hand	2.64	
c) Cheques & Stamps on Hand	0.10	
d)'Balance with Banks :		
- On Current Account	310.61	
- On Current Account (Apprentices)	0.00	
Unpaid Dividend	0.00	
Security deposits/others	0.00	
LC Margin money	0.00	
On Savings Account(Apprentices Security Deposits)	1.17	
On short term deposit (margin money)	8.31	
On current Account(Margin money)	0.00	
On Fixed Deposit Account- More than 12 months maturity	0.58	
On Fixed Deposit Account- Less than 12 months maturity	0.00	
TOTAL		323.40
Note No. 25		
Short-term loans and advances		
Secured Advances recoverable in cash or in kind or for value to be received		
Vehicles	0.00	
House building	0.01	
Deposits with Customs Department	0.76	
Deposits with Excise Authorities	309.27	
Other Deposits (includes Rs.0.00 millions of National saving Certificates.Previous year Rs. 0.00 millions)	269.31	
Less: Provision	25.07	
TOTAL		554.28
Un secured Advances recoverable in cash or in kind or for value to be received		
Considered Good	1245.93	
Considered Doubtful	79.27	
	1325.20	
Less: Provision	161.25	
		1163.95
Claims and Expenses Recoverable - Inland		
Considered Good	1435.90	
Considered Doubtful	67.87	
	1503.76	
Less: Provision	67.87	
		1435.90
Claims and expenses recoverable - Foreign		
Considered good	4.61	
Considered doubtful	120.43	
	125.04	
Less: Provision	120.43	
		4.61
Advance for Civil Works/ Capital Goods		
Considered good	0.00	
Considered doubtful	0.00	
	0.00	
Less: Provision	0.00	
		0.00
Payment of Advance tax (Net of refunds)		34.58
Vechicle advance		0.00
Other Deposits	107.00	
Less: Provision	0.54	
		106.46
Interest accrued but not due on short term deposits		7.13
TOTAL		2752.62
TOTAL SHORT TERM LOANS AND ADVANCES		3306.90

Claims and expenses recoverable - inland- includes Rs.169.02millions(previous year Rs.169.02 millions) recoverable from M/s HCL Infosystem Ltd . as compensation on account of excess amount spent by ITI Ltd. MANKAPUR. The above is on the basis of agreement entered into between ITI, HCL and Alcatel.

Note No. 26		
Other current assets		
Taxes & Duties in put	1.90	
WCT Recoverable	1.56	
Total		3.45

Particulars	For the year ended on 31.03.2014	
Note No. 27		Rs. in millions
I. REVENUE FROM OPERATIONS		
i)Sale of Products (Incl. Excise duty and net of Sales tax)	1463.39	
-Sale of Finished Goods Rs. 737.68 millions(P.Y. Rs.542.44 millions)		
-Sale of Traded Goods Rs. 725.7millions (P.Y.Rs. 1670.75millions)		
ii) Sale of services(Incl. Service Tax)	6235.58	
iii) Other Operating Revenues:		
a) Sale of Scrap	22.40	
b) Income from DLRC Project	10.20	
c) Non competing fee	0.00	
TOTAL	7731.57	
less: Excise Duty	72.37	
Less: Service Tax	571.98	
Total Revenue from operations-Net		7087.21
Sales accounted on provisional basis/prices for supply of 'various equipments. Variation, if any, will be accounted on the determination of final prices. Impact on profit is not ascertainable. Where firm rates for sales are not established accounting for refund/adjustment of Excise Duty/Sales Tax is on provisional basis. The aggregate provisional sales during the Year is Rs. Nil millions as against Rs.474.9 millions of the previous year. The reversal of the provisional sales relating to previous years during the Year is Rs. Nil.		0.00
Construction/ Turnkey Contracts:		
The company for the financial year 2013-14(p.y.2012-13) has recognised revenue on Construction/ Turnkey contracts based on stage of completion as determined with respect to completion of physical proportion of the contract as certified and furnished by Company's Engineers. Consequently,		
i. The contract revenue recognised in the period based on the above		0.00
ii. Aggregate amount of cost incurred upto reporting date *		34305.74
iii. Profit (net of loss, if any) recognised upto reporting date		178.08
iv. Amount of advance received		14808.10
v. Amount of retention money, if any		0.00
vi. Sundry Debtors as at the end of the period pertaining to the contracts		28849.05
vii. Contract Work-in-Progress as at 31st March 2014		0.00
* Includes allocation of Overheads made by Mankapur and Raebareli Plants.		
Sales under broad heads		
1. NPR	95.87	
2. Electonic Switching Equipments	29.86	
3. MLLN	0.00	
4. SIM Card	0.00	
5. Transmission Equipment	98.26	
6. Telephone	47.99	
7. STM	0.00	
8. DWDM	0.00	
9. SOLAR PANEL	168.64	
10.SWAN	0.00	
11. APDRP	0.00	
12.IT PRODUCTS	0.00	
13. Others	1022.77	
TOTAL		1463.39
Service Income under broad heads		
1. AMC	1134.70	
2. SSTP	0.00	
3. NPR & SECC	2342.50	
4. SECC	0.00	
5. Data Center	146.10	
6. IT	325.80	
7. SWAN	0.00	
8. Others	2286.48	
TOTAL		6235.58
Earnings in Foreign Currency		
Export of goods calculated on FOB basis	0.00	
Royalty, Knowhow, Professional and Consultancy fees	0.00	
Interest and Dividend	0.00	
Services	0.00	
Total		0.00

Particulars	For the year ended on 31.03.2014	
Note No.28		Rs. in millions
II- OTHER INCOME		
a) Interest Income		
i) Interest on Inter Corporate Advances	0.00	
ii) Interest - Others	9.91	
Total		9.91
b) Dividend from Non-Trading Investments		0.00
c) Net Gain/Loss on Sale of Investment		0.00
d) Other Non-operating income (Net of expenses directly attributable to such income)		
i) Profit on Sale of Assets	10.39	
Less:Transfer to Capital Reserves	0.00	
TOTAL	10.39	
ii)Commission	0.00	
iii)Rent	153.47	
iv) Lease Rent	0.00	
v) Transport Charges	0.40	
vi) Sale of Scrap	6.16	
vii) Water Charges/Electricity Charges	12.63	
viii) Forfeited Bank Guarantee	5.10	
ix) Excess Provision Withdrawn	10.54	
x) Reimbursement of VRS	0.00	
xi) Withdrawl of Liability no Longer Required	3.36	
xii) Waiver of Liquidated Damages	1.12	
xiii)Compensation for Srinagar Loss	89.38	
xiv) Waiver of Interest Charges	0.00	
xiii) Misc. Income	21.33	
xiv) Transfer from Revenue Grant-in-Aid	0.00	
xv) Revenue Grant-in-Aid - VRS	0.00	
xvi) Revenue Grant-in-Aid - Others	0.00	
xvii) Transfer from Capital Grant-in-Aid	46.88	
TOTAL(i to xvii)		360.76
e) Adjustment to the carrying value of investments(write back)		0.00
f) Net gain /loss on foreign currency translation and transaction(other than considered as finance cost)		0.00
G.TOTAL		370.68
Note No.29		
Consumption of Raw Materials & Production Stores		
Opening Stock	633.31	
ADD: Prior Period Adjustment due to Price Revision	0.00	
Purchases/Transfers	748.90	
Material for Installation & Maintenance	0.00	
TOTAL		1382.21
Less: Closing Stock	570.44	
Issue to Revenue and Others	27.82	
Material Transferred to Other Units	0.00	
TOTAL		598.27
Add: Stores Indirect expenses relating to RM & Prodn. Stores		8.45
CONSUMPTION		792.40
Rawmaterials consumed under broad heads		
particulars		
1. Electronic Goods & Components	792.40	
2. MNIC	0.00	
Total		792.40

Value of Imports on CIF basis

Particulars	CIF value	Custom Duty	Other Charges	TOTAL
Raw Materials and Production Stores	7237.96	90.76	2.79	817.34
Components and Spare Parts	11.58	0.02	0.04	1.22
Material in transit	503.62	26.44	0.00	76.80
Capital Goods	113.92	0.26	0.07	11.72
TOTAL	7867.08	117.47	2.90	907.08

Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption.

Particulars	Current Year Rs.millions	%
Imported	346.51	13.22
Indigenous	2275.47	86.78
Total	2621.98	100.00

Particulars	For the year ended on 31.03.2014	
Note No.30		Rs. in millions
Purchase of Stock-in-Trade		577.13
Goods purchased under broad heads		
Particulars		Amount
1. Telephone		0.00
2. STM		0.00
3. DWDM		0.00
4. SOLAR		166.61
5. SSTP		0.00
6. CDMA		0.00
7. SMPS		0.00
8. ASCON		29.06
9. GSM		0.00
10. IT		0.00
11. APDRP		0.00
12. Others		381.46
TOTAL		577.13
Note No.31		
Changes in inventories of Finished Goods,Work-in-Progress and Accretion/(Decretion) to WIP		
WIP - Production :		
Closing Balance	248.73	
Less: Opening Balance	268.50	
TOTAL	(19.78)	
Add: Write Off during the Year	0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up	0.00	
TOTAL		(19.78)
WIP - Installation:		
Closing Balance	0.00	
Less: Opening Balance	0.00	
TOTAL	0.00	
Add: Write Off during the Year	0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up	0.00	
TOTAL		0.00
Accretion/(Decretion) to Manufacturing Components		
Closing Balance	122.84	
Less: Opening Balance	122.42	
TOTAL	0.42	
Add: Write Off during the Year	0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up	0.00	
TOTAL		0.42
WIP - Installation:		
Closing Balance	0.00	
Less: Opening Balance	0.00	
TOTAL	0.00	
Add: Write Off during the Year	0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up	0.00	
TOTAL		0.00
Accretion/(Decretion) to Stock-in-Trade		
Stock-in-Trade :		
Closing Balance	154.01	
Less: Opening Balance	154.51	
Total	(0.49)	
Add: Write Off during the Year	0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up	0.00	
TOTAL	0.00	(0.49)
Stock of Scrap		
Closing Balance	0.00	
Less: Opening Balance	0.00	
ADD : Prior Period Adjustments	0.00	
TOTAL		0.00
G.TOTAL		(19.85)

Particulars	For the year ended on 31.03.2014	
Note No.32		Rs. in millions
EMPLOYEE BENEFIT EXPENSES:		
i)SALARIES&WAGES :		
Salaries & Wages	2798.92	
Less: Other Revenue Accounts	0.00	
TOTAL	2798.92	
Bonus	0.06	
Incentive	8.84	
G.TOTAL		2807.81
ii)CO'S CONTRIBUTION TO PF AND OTHER FUNDS:		
Providend Fund & Pension Fund	322.28	
Employees State Insurance	0.62	
Gratuity Trust Fund	9.59	
Leave Salary- PL	88.36	
Sick Leave	(3.89)	
Deposit Linked Insurance/Group Insurance	2.95	
TOTAL		419.90
iii)WORKMEN AND STAFF WELFARE EXPENSES		
Welfare Expenses - Canteen	27.69	
Welfare Expenses - Education	29.26	
Medical Expenses	85.91	
LTC/LLTC	(6.74)	
Uniforms	0.84	
Others	8.50	
TOTAL		145.46
iv) VOLUNTARY RETIREMENT SCHEME		
VRS Payments		0.00
G.TOTAL		3373.16

Compensation to employees of the company opted for Voluntary Retirement during 2012-13 has been charged off to the Profit & Loss account and the like amount has been withdrawn from Grant in Aid received from GOI and has been credited to Profit and Loss account .

Remuneration paid to Key Management Personnel	2013-14
[As required under AS-18]	
Shri. K.L.Dhingra - CMD - Salary and Perquisites	2.17
Shri Rajni Kumar Agarwal - Director (Marketing) - Salary and Perquisites	0.85
Shri. Ravi Khandelwal -Director (Finance) -Salary and Perquisites	0.17
Shri K.K.Gupta - Director (Production) - Salary and Perquisites	1.39

DISCLOSURE REPORT UNDER AS15[REVISED 2005]

Defined Benefit Plan

The Employees Gratuity Fund Scheme Managed by a Trust is a defined benefit Plan. The Present value of Obligation is determined based on Actuarial Valuation. The obligation for Leave encashment is recognized based on Actuarial Valuation which is unfunded.

I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	Gratuity 31/03/2014	Privilege Leave Encashment 31/03/2014
Discount Rate	8.70%	8.70%
Salary escalation rate	10.00%	10.00%
Attrition rate	14.17%	14.17%
Expected rate of return on Plan Assets	10.35%	0.00%

In the following tables,all amounts are in Rupees,unless otherwise stated

II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:		
PVO as at the beginning of the period	4064.96	1696.72
Interest Cost	292.55	122.19
Current service cost	117.51	45.29
Past service cost - (non vested benefits)	0.00	0.00
Past service cost - (vested benefits)	0.00	0.00
Benefits paid	(628.70)	(260.50)
Actuarial loss/(gain) on obligation (balancing figure)	(290.28)	(77.43)
PVO as at the end of the period	3556.04	1526.27

III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:		Rs. in millions
Fair value of plan assets as at the beginning of the period	**1281.50**	**0.00**
Expected return on plan assets	**100.10**	**0.00**
Contributions	**0.00**	**(260.50)**
Benefits paid	**(628.70)**	**(260.50)**
Actuarial gain/(loss) on plan assets [balancing figure]	**10.10**	**0.00**
Fair value of plan assets as at the end of the period	**763.00**	**0.00**
IV. ACTUAL RETURN ON PLAN ASSETS	**Gratuity**	**Privilege Leave Encashment**
Expected return on plan assets	**100.10**	**0.00**
Actuarial gain (loss) on plan assets	**10.10**	**0.00**
Actual return on plan assets	**110.20**	**0.00**
V. ACTUARIAL GAIN / LOSS RECOGNIZED		
Acturial gain / (loss) for the period - Obligation	**290.28**	**(77.43)**
Actuarial gain / (loss) for the period- Plan Assets	**10.10**	**0.00**
Total (gain) / loss for the period	**(300.38)**	**(77.43)**
Actuarial (gain) / loss recognized in the period	**(300.38)**	**(77.43)**
Unrecognized actuarial (gain) / loss at the end of the year	**0.00**	**0.00**
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES		
Present value of the obligation	**3556.04**	**1526.27**
Fair value of plan assets	**763.00**	**0.00**
Difference	**2793.04**	**1526.27**
Unrecognised transitional liabilty	**0.00**	**0.00**
Unrecognised past service cost - non vested benefits	**0.00**	**0.00**
Liability recognized in the balance sheet	**2793.04**	**1526.27**
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	**117.51**	**45.29**
Interest Cost	**292.55**	**122.19**
Expected return on plan assets	**(100.10)**	**0.00**
Net actuarial (gain)/loss recognised in the year	**(300.38)**	**(77.43)**
Transitional Liability recognised in the year	**0.00**	**0.00**
Past service cost - non-vested benefits	**0.00**	**0.00**
Past service cost - vested benefits	**0.00**	**0.00**
Expenses recognized in the statement of profit and loss	**9.59**	**90.05**
VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET		
Opening net liability	**2783.46**	**1696.72**
Expense as above	**9.59**	**90.05**
Contribution paid	**0.00**	**(260.50)**
Closing net liability	**2793.04**	**1526.27**
IX. AMOUNT FOR THE CURRENT PERIOD		
Present Value of obligation	**3556.04**	**1526.27**
Plan Assets	**(2793.04)**	**0.00**
Surplus (Deficit)	**(2959.57)**	**(1526.27)**
Experience adjustments on plan liabilities -(loss)/gain	**(55.45)**	**(132.50)**
Experience adjustments on plan assets -(loss)/gain	**10.10**	**0.00**
X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)		
Government of India Securities	0.00%	0.00%
State Government Securities	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	41.00%	0.00%
Others - PSU Bonds	59.00%	0.00%
Total	100.00%	0.00%

Rs. in millions

XI. ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR	2660.00
The obligation for Compensated absence of Sick Leave is a non contributory defined benefit scheme. The Obligation for Sick Leave is recognized based on Actuarial Valuation which is unfunded.	**Sick Leave**
I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	**31/03/2014**
Discount Rate	8.70%
Salary escalation rate	10.00%
Attrition rate	14.17%
Expected rate of return on Plan Assets	0.00%

II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:	2013-14
PVO as at the beginning of the period	**40.94**
Interest Cost	**3.19**
Current service cost	**4.37**
Past service cost - (non vested benefits)	**0.00**
Past service cost - (vested benefits)	**0.00**
Benefits paid	**0.00**
Actuarial loss/(gain) on obligation (balancing figure)	**(11.46)**
PVO as at the end of the period	**37.05**
III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:	
Fair value of plan assets as at the beginning of the period	**0.00**
Expected return on plan assets	**0.00**
Contributions	**0.00**
Benefits paid	**0.00**
Actuarial gain/(loss) on plan assets [balancing figure]	**0.00**
Fair value of plan assets as at the end of the period	**0.00**
IV. ACTUAL RETURN ON PLAN ASSETS	
Expected return on plan assets	**0.00**
Actuarial gain (loss) on plan assets	**0.00**
Actual return on plan assets	**0.00**
V. ACTUARIAL GAIN / LOSS RECOGNIZED	
Acturial gain / (loss) for the period - Obligation	**11.46**
Actuarial gain / (loss) for the period- Plan Assets	**0.00**
Total (gain) / loss for the period	**(11.46)**
Actuarial (gain) / loss recognized in the period	**(11.46)**
Unrecognized actuarial (gain) / loss at the end of the year	**0.00**
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES	
Present value of the obligation	**37.05**
Fair value of plan assets	**0.00**
Difference	**37.05**
Unrecognised transitional liabilty	**0.00**
Unrecognised past service cost - non vested benefits	**0.00**
Liability recognized in the balance sheet	**37.05**
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:	
Current service cost	**4.37**
Interest Cost	**3.19**
Expected return on plan assets	**0.00**
Net actuarial (gain)/loss recognised in the year	**(11.46)**
Transitional Liability recognised in the year	**0.00**
Past service cost - non-vested benefits	**0.00**
Past service cost - vested benefits	**0.00**
Expenses recognized in the statement of profit and loss	**(3.89)**

VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET	Rs. in millions
Opening net liability	40.94
Expense as above	(3.89)
Contribution paid	0.00
Closing net liability	37.05
IX. AMOUNT FOR THE CURRENT PERIOD	
Present Value of obligation	37.05
Plan Assets	0.00
Surplus (Deficit)	(37.05)
Experience adjustments on plan liabilities -(loss)/gain	8.59
Experience adjustments on plan assets -(loss)/gain	0.00
X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	
Government of India Securities	0.00%
State Government Securities	0.00%
High Quality Corporate Bonds	0.00%
Equity shares of listed companies	0.00%
Property	0.00%
Special Deposit Scheme	0.00%
Funds managed by Insurer	0.00%
Others - PSU Bonds	0.00%
Total	0.00%

XI. ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR

The obligation for Leave Travel Consession is a non contributory defined benefit scheme. The Obligation for LTC Availment & LLTC Encashment is recognized based on Actuarial Valuation which is unfunded.	LTC availment	LTC Encashment
I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	31/03/2014	31/03/2014
Discount Rate Year 1	8.70%	0.00%
Discount Rate Year 2	0.00%	0.00%
Attrition rate	14.17%	-
Present Value Obligation	10.56	-

Note No.33

FINANCE COSTS

Cash Credit	1071.38	
Public Deposits	0.00	
Bonds	0.00	
Term Loan	0.00	
Others	113.23	
ii) Bank charges	38.54	
iii) Government Guarantee Fee	0.00	
iv) Expenses on Issue of Bonds/Loans	0.00	
v) NET GAIN/LOSS FROM FOREIGN CURRENCY	0.00	
TOTAL		1223.14

In respect of interest charged by Banks in excess of State Bank Advance Rate (SBAR) w.e.f. 01.04.2009, aggregate refund received upto 31.03.2014 is Rs. 142.403 millions (refund received during 2013-14 is Rs. 20.972 millions) from State Bank of India, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala, State Bank of Bikaner & Jaipur, State Bank of Travancore, Canara Bank, Bank of Baroda, Central Bank of India, Vijaya Bank, Development Credit Bank Ltd., AXIS Bank Ltd.. The remaining Banks viz, Punjab National Bank, Indus Ind Bank Ltd. and Indian Bank are expected to refund interest charged in excess of SBAR w.e.f. 01.04.2009 during 2014-2015.

Note No.34

DEPRECIATION AND AMORTIZATION EXPENSES:

Fixed Assets	339.07	
Tools and Gauges	0.18	
TOTAL	339.25	
Less: Transfer from Revaluation Reserve	167.07	
Net Depreciation		172.19

Particulars	For the year ended on 31.03.2014	
Note No.35		Rs. in millions
OTHER EXPENDITURE:		
DRE Written off		0.00
VRS Expenditure		0.00
MANUFACTURING EXPENSES:		
Cosumption of Stores and Spares		23.10
Power and Light		209.15
Water Charges		24.22
REPAIRS AND MAINTENANCE:		
i)Plant Machinary and Equipment	13.65	
ii)Vehicles	3.53	
iii)Buildings	59.98	
iv)Other Equipments	18.54	95.70
Cost and Expenses on Tools		0.10
Experimental Work and Training Expenses		1.06
Expenses on Minor Equipment & Work		0.00
Royalty		0.00
Scrap and Salvages		0.57
Factory Expenses		20.06
TOT CHARGES:		
i)Technical Assistance	0.00	
ii)Technical Knowhow fee	0.00	
iii)Documentation Charges	0.00	
iv)Training Assistance	0.00	
v) Others	0.00	0.00
Liquidated Damages		178.32
Demurage Charges		0.10
Net gain /loss on foreign currency translation and transaction(other than considered as finance cost)		93.53
TOTAL MANUFACTRUING EXPENSES		645.91
ADMINISTRATION EXPENSES:		
Rent	25.46	
Rates and Taxes	17.80	
Insurance	7.02	
TRAVELLING EXPENSES		
-Inland	51.61	
-Foreign	0.09	
Legal fees	7.59	
Postage, Telegram, Telex Expenses	3.62	
Telephone and Trunk Call Charges	9.98	
REMUNERATION TO AUDITORS:		
-Audit Fees	0.51	
- Fpr Taxation Matters	0.07	
-For Company Law Matters	0.00	
-For Management Services	0.00	
-For Reimbursement of Expenses	0.08	
-For Other Services	1.36	
CISF/ Private Security Expenses	58.53	
Printing, Stationary and Duplicating Charges	6.82	
Transport Expenses	61.83	
News Papers, Magazines & Periodicals	2.50	
Mechainised Accounting Expenses	0.06	
Lease Charges	0.00	
Licence fee/Segment Charges	0.11	
Office Expenses	28.59	
Provision for Obsoloscence of RM Stores	0.00	
Obsolete RM & Production Stores Write off	0.00	
Provision for Capital WIP Write off	0.00	
Provision for Debtors/Advance	2.29	
Bad Debts Write off	0.00	
Claims and Expenses Charge off	0.00	
Loss on Sale of Assets	0.00	
Irrecoverable ED	0.17	
Adjustment to the Carrying Amount Investments	0.00	
Net Loss on Sale of Investments	0.00	
TOTAL ADMINISTRATION EXS		286.05

Particulars	For the year ended on 31.03.2014	
SELLING EXPENSES		Rs. in millions
Selling Agency Commission	0.86	
Advertisement Expenses	2.78	
Exhibition and Publicity Expenses	0.33	
Packing Expenses	6.75	
Forwarding Expenses	1.93	
Discount Allowed	0.00	
Warrenty Expenses	2.64	
Sales Promotion Expenses	0.06	
Entertainment Expenses	(0.09)	
Cost of Tender Forms	0.56	
TOTAL SELLING EXPENSES		15.81
TOTAL OTHER EXPENSES		947.77
Interest on Royalty payable to C-DOT has not been provided in view of substantial dues (which are more than the royalty amount) outstanding for a long time towards rent payable for the premises taken on lease by C-DOT.		
In case of back to back arrangements, Liquidated damages is accounted on net basis.		
Expenditure in Foreign Currency :		
Royalty	0.00	
Knowhow	0.00	
Professional / Consultation Fees	0.00	
Interest	0.00	
Others	0.07	0.07
Note No.36		
TRANSFER TO CAPITAL ACCOUNT	0.00	
CAPITAL WIP:	0.00	
OTHER ASSETS	0.00	
TOTAL		0.00
Note No.37		
PRIOR PERIOD ADJUSTMENTS(NET)		
INCOME		
Sales & Services	3.80	
Withdrawl of Liability no Longer Required	0.00	
Interest	0.00	
Others	16.68	
TOTAL		20.47
EXPENDITURE		
Consumption of Raw material and Production Stores	0.00	
Interest	0.00	
Depreciation	0.00	
Others	0.00	
TOTAL		0.00
NET PRIOR PERIOD ADJUSTMENTS		20.47
Note No.38		
EXCEPTIONAL ITEMS		
VRS Payments		0.00

Particulars	For the year ended on 31.03.2014
Note No.39	
Extra Ordinary Items	0.00

Annexure V(b)
ITI LIMITED
Additional Disclosures

1. Corporate information:

2. Execution and registration of sale deed for assets sold to DRDO for Rs. 260 millions during 2003-2004 is under process .

3. As per the Presidential directives and Tripartite agreement on wage settlement with employees, wage revision arrears for the period from 01.01.1997 to 31.03.2000 is to be paid by the Company in a phased manner on the improvement of profitability position and also generation and availability of funds. Since the company has already been declared by BIFR as a sick company and the condition for payment of wage revision arrears as per directives/agreement aforesaid are not prevalent, company has not provided any liability for payment of arrears of wage revision for this period amounting to Rs. 1650 millions. This amount has been included in the Rehabilitation Scheme approved by CCEA.

4. 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, TDS etc., are under confirmation/reconciliation. Adjustments, if any will be made on completion of such review / reconciliation / receipt of confirmations. However, in the opinion of the management, the Trade Receivables, current assets and loans and advances are not less than as stated, if realized in the ordinary course of the business.

5. 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.

6. As per Accounting Standard 18 on Related Party Disclosures the following transactions are entered into with the Joint Ventures of the company viz. India Satcom Ltd.,(ISL) and ITI Communications Pte. Ltd, Singapore(ITI-C).

Rs. in millions

Particulars	2013-14	
	ISL	ITI-C
Purchase of goods\Services	0	0
Sale of goods\Services	0	0
Amount Outstanding:		
- Due from the related party	0	4.79
- Due to the related party	0	0
Provision for doubtful debts against dues from related party.	0	4.79
Written Off during the Year	0	0

Particulars	2013-14
7. a) Earnings Per Share before Extraordinary items :	
Profit before Extraordinary items	-3442.58
(-) Preference Dividend	227.50
Dividend tax	38.66
Profit available to equity shareholders	-3708.75
Weighted Avg. No. of Shares	288000000.00
Earning per equity share before extraordinary items: Basic & Diluted(in Rs.)	-12.88
b) Earnings Per Share after Extraordinary items :	
Profit after tax	-3442.58
(-) Preference Dividend	227.50
Dividend tax	38.66
Profit available to equity shareholders	-3708.75
Weighted Avg. No. of Shares	288000000.00
Earning per equity share after extraordinary items: Basic & Diluted(in Rs.)	-12.88

8. Since the Company has no virtual certainty of sufficient future taxable income, deferred tax asset is not being recognised on unabsorbed depreciation and carried forward losses of the Company under Accounting Standard (AS)-22 "Accounting for Taxes on Income"

9. The Company has not provided for Rs. 268.5 millions being penalty on non payment of guarantee fee to the Government of India, since the Ministry of Communications & IT has agreed in principle to waive the same as part of the Company revival package.

10. JOINT VENTURES:

The financial reporting of interests in Joint Ventures as per AS-27:	2013-14
(a) India Satcom Limited	
No.2, Kadugodi Industrial Area, Whitefield, Bangalore - 560 067	
Company's stake in equity participation	49%
Place of incorporation of JV-India	
(b) ITI Communications Pte Limited	
No.5, Shenton way, #27-01, UIC Building, Singapore-068808	
Company's stake in equity participation	49%
Place of incorporation of JV-Singapore	
Aggregate amount of the assets	-
Aggregate amount of the liabilities	-
Aggregate amount of the income	-
Aggregate amount of the expenses	-

(Above figures are for ISL only and does not include that of ITI-C, Singapore, which is in the process of liquidation)

(Bank account of ISL in SBI-IFB became NPA during September 2009 and referred to Stressed Asset Management Branch of SBI. Under the securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act 2002 (SARFAESI), SBI has taken possession of the property of ISL factory at Bangalore in May 2011. The accounts of ISL for the year 2013-14 is yet to be received).

	Rs. in millions
11. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.00
Commitments in respect of other contracts not provided for-	0.00
12. Contingent Liability in respect of	
- Outstanding letters of credit & guarantees	2209.41
- Sales Tax demand /Service Tax/Income Tax	339.23
- Non receipt of C/D forms	288.44
- Disputed Excise Duty Demand/CENVAT Disallowance	252.98
- ESI demand	0.00
- Demand of interest & penalty by KVAT	1.37
- Claims against the Company not acknowledged as debts	372.57

Interest and penalties on arrears of all overdue statutory liabilities (including undisputed) could arise as and when assessed and determined by the respective authorities.

13. Other Income includes compensation relating to Srinagar unit losses for the years 2013-14 awaiting reimbursement from Ministry of Communications & IT.	89.38

14. Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption

	2013-14	%
Imported	346.51	13.22
Indigenous	2275.47	86.78
Total	2621.98	100.00

15. Accretion/Decretion to stock-in-trade is arrived at after considering due adjustment to difference in excise duty element in respect of opening and closing stock-in-trade.

16. Of the 12.15 acres of land proposed to be leased to Bangalore Metropolitan Transport Corporation, BMTC (which has not been revalued), 8.22 acres is already in possession of the BMTC. Pending Government of India approval for the lease, lease terms and agreement yet to be finalised. Lease rental will be recognised on finalisation of the terms. An amount of Rs. 28.5 millions received earlier from the BMTC is held under deposits.

17. National Highways Authority of India (NHAI) has acquired 1.375 acres of land in 2007-08 for public purpose for which compensation is yet to be received pending submission of certain records by the unit. Proportionate cost of the acquired land has been withdrawn from Freehold Land under fixed assets and compensation amount due is held as Claims Recoverable. On receipt of the compensation from the NHAI, necessary accounting adjustments will be carried out.

18. Karnataka Power Transmission Corporation Limited is using 5 Acres of Land and the same is not revalued.

19. Land Measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of Land as shown in the Balance Sheet includes the value of Land resumed by the Govt of Kerala.

20. Value of Imports on CIF basis	Rs. in Millions 2013-14
Raw Materials and Production Stores	817.34
Components and Spare Parts	1.22
Material in transit	76.80
Capital Goods	11.72
TOTAL	907.08

21. Rent from C-DoT, Government of India aggregating Rs. 584.790 millions has not been realised for the years 2005-06 to 2010-11. Due to uncertainity of realisation, recognition of gross rental revenue aggregating Rs. 301.518 millions for the financial years 2011-12,2012-13 & 2013-14 on accrual basis is deferred, which is in conformity with Accounting Standard 9.

22. Performance Indicators - Ratios

- Sales to Total Assets Sales incl. ED / Total Assets (Net Fixed Assets +Investments + Gross Current Assets)	Times	0.12
- Operating Profit to Capital employed Profit before tax / (Share holders' funds + Loan funds)	[%]	-ve
- Return on Net Worth (Profit after tax / Share holders' funds)	[%]	-ve
- Profit to Sales (Profit before tax to sales incl. ED & Service Tax)	[%]	-ve

23. Previous year's figures have been regrouped and reclassified wherever necessary to conform to current year's classification.

24. Figures in brackets indicated in the Accounts reflect negative balances.

Annexure VI(b)- Accounting Ratios

Statement of Accounting Ratios

Rs. in millions

Particulars	2013-14
Earning Per Share excluding extra-ordinary & exceptional items	
(Equity Shares, Par Value of ₹ 10/- each)	
Basic (₹)	-12.88
Diluted (₹)	-12.88
Earning Per Share including extra-ordinary & exceptional items	
Equity Shares, Par Value of ₹ 10/- each)	
Basic (₹)	-12.88
Diluted (₹)	-12.88
Return on networth with revaluation of Assets %	**-0.42**
Net asset value per equity share (₹) with revaluation reserve	**28.43**
Net asset value per equity share (₹) without revaluation reserve	**-54.01**
Weighted average number of equity shares outstanding during the year for calculation of Basic Earnings per Share	288000000
Weighted average number of equity shares outstanding during the year for calculation of Diluted Earnings per Share	288000000
Net profit after tax as restated	**-3442.58**
Share Capital	5880.00
Reserves & Surplus	2307.91
Networth with Revaluation of Assets	**8187.91**
Less:Revaluation of Assets	23744.13
Networth without Revaluation of Assets	**-15556.23**
CURRENT RATIO:	**0.62**

1. The ratios on the basis of Financial information have been computed as below:

Particulars	**2013-14**
7. a) Earnings Per Share before Extraordinary items :	
Profit before Extraordinary items	-3442.58
(-) Preference Dividend	227.50
Dividend tax	38.66
Profit available to equity shareholders	-3708.75
Weighted Avg. No. of Shares	288000000
Earning per equity share before extraordinary items: Basic & Diluted(in Rs.)	-12.88
b) Earnings Per Share after Extraordinary items :	
Profit after tax	-3442.58
(-) Preference Dividend	227.50
Dividend tax	38.66
Profit available to equity shareholders	-3708.75
Weighted Avg. No. of Shares	288000000
Earning per equity share after extraordinary items: Basic & Diluted(in Rs.)	-12.88

Annexure VII(b)-

Statement of Tax Shelters

Rs. in millions **Rs. in millions**

Particulars	For the year ended 31st March 2014
Profit before tax - As Restated (A)	-3442.58
National Tax Rate (B)	
Tax as per National rate on Profit (C)	-1063.76
ADJUSTMENTS:	
Tax Impact of Permanent Differences due to:	
R & D weighted deductions	
40(a)(3)	3.79
Violation of Law	
Withdrawal of Liability	

Rs. in millions

Particulars	For the year ended 31st March 2014
Total Tax impact on Permanent Differences (D)	1.17
Tax Impact of Temporary Differences due to:	
Depreciation under Companies Act	172.19
Depreciation as per IT Act	-119.58
Disallowances under Sec 43B	340.62
Provision for Doubtful Debts	-19.84
Provision for Gratuity	
Provision for non moving stores and spares	-3.75
Transfer from Grant in Aid	-46.88
Allowances u/s 35A, 35AB, 35ABB, 35D, 35E etc., VRS	-95.59
Employees Contribution	261.34
MODVAT Disallowance u/s 145A	44.72
40(a)(ia) TDS Default	
Others	-7.93
Total Tax impact of Timing Difference (E)	162.31
Net Adjustment F = (D+E)	163.49
Adjusted Tax Liability (C+F)	-
Less: Relief u/s 91	-
Adjusted Tax Liability	-
Total Tax as per Return of Income after adjustment of unabsorbed losses	-

* Return not filed

** Tax Liability as per MAT

Annexure VIII(b)-Dividend Paid

Statement of Dividend Paid*

Particulars	For the year ended 31st March 2014
Number of equity shares outstanding	288000000
Dividend paid (₹ in Million)	0.00
Interim Dividend (₹ in Million)	0.00
Rate of Dividend (%)	0.00%
Dividend per Equity Share (₹)	0.00

* Refers to dividend actually paid during the respective year