



Research Report

ITI Limited

PREPARED BY

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About

ITI Limited, established in 1948, is India's pioneering Central Public Sector Undertaking in telecommunications. Headquartered in Bangalore, it operates six manufacturing facilities nationwide. Its diverse portfolio covers telecom equipment, defence electronics, ICT solutions like secure networks, smart cards, and IoT products. ITI has extensive R&D capabilities and offers turnkey solutions, serving both government and private sectors, and continues to innovate in areas such as 4G, 5G, and cybersecurity.

Business Segments

The first sector name in ITI Limited's revenue mix is Government contracts & PSU orders, which accounts for approximately 65% of the company's revenue. This sector involves large government and public sector projects, including broadband rollouts and secure network infrastructure.

Revenue Breakup – Q1 FY25 (%)

Government Contracts & PSU Orders	: 65%
Service Activities	: 20%
Manufacturing, Emerging Tech	: 15%

Synopsis of Financials

ITI Limited's Q1 FY26 performance showed narrowing losses despite a slight drop in revenue. Improved EBITDA and cost control helped reduce the net loss year-on-year, indicating gradual operational recovery.

Revenue: ₹498.01 crore (↓ 4.23% YoY)

Profit After Tax (PAT): -₹63.61 crore (Loss reduced by 30.34% YoY)

EBITDA: Improved despite revenue decline

Standalone Revenue: ₹498.01 crore

Standalone PAT: -₹63.32 crore (Loss reduced by 30.48% YoY)

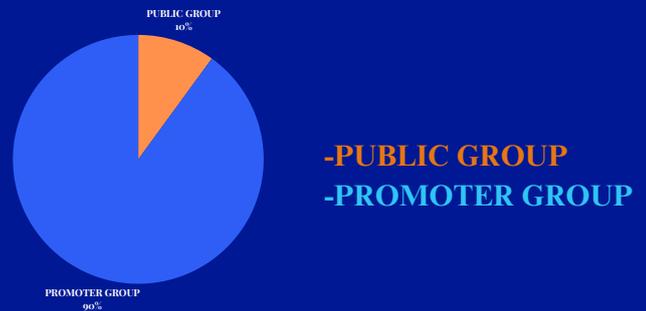
Stock data (as 19th Aug 2025)

Nifty Price	: 24,973.87
Market Capitalization	: 28,404.56
Total Debt (FY22P)	: 1,481 Cr
PE/PB	: -138.36 / 17.87
52 week H/L (₹)	: 592.85/210.20
Face Value	: ₹ 10.0
NSE/BSE Code	: INE248A01017

Stock data



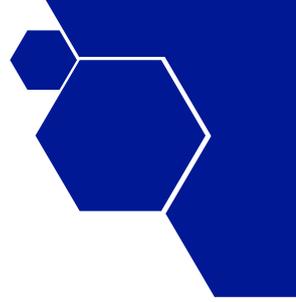
Shareholding Pattern (June 2025)



Financial Summary

Particulars	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales -	2,362	1,861	1,395	1,264	3,616
Sales Growth %	15%	-21%	-25%	-9%	186%
Expenses	2,311	1,752	1,549	1,582	3,676
Operating Profit	51	109	-154	-318	-60
OPM %	2%	6%	-11%	-25%	-2%
Interest	160	192	210	241	224
Net Profit +	11	120	-360	-569	-233
EPS in Rs	0.12	1.29	-3.79	-5.92	-2.43

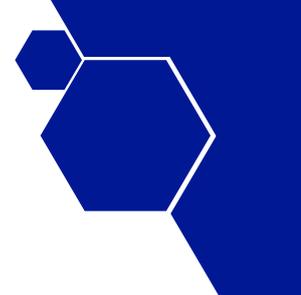
Quarterly Results



	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Sales +	246	259	601	520	1,016	1,035	1,046	498
Expenses +	299	302	775	533	1,025	1,045	1,074	505
Operating Profit	-53	-43	-174	-13	-9	-11	-28	-7
OPM %	-21%	-17%	-29%	-2%	-1%	-1%	-3%	-1%
Other Income +	10	13	9	-11	14	20	98	9
Interest	69	57	60	53	62	64	45	51
Depreciation	13	14	14	14	14	13	29	15
Profit Before Tax	-126	-102	-239	-91	-70	-67	-5	-63
Tax %	0%	0%	0%	0%	0%	0%	0%	0%
Net Profit +	-126	-102	-239	-91	-70	-67	-5	-63
EPS in Rs	-1.31	-1.06	-2.49	-0.95	-0.73	-0.7	-0.05	-0.66

Source: Screener

Yearly Results



	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Capital	934	934	950	961	961
Reserves	1,475	1,640	1,390	789	611
Borrowings +	1,465	1,613	1,877	1,796	1,481
Other Liabilities +	5,043	5,394	5,280	6,060	7,297
Total Liabilities	8,917	9,580	9,497	9,605	10,349
Fixed Assets +	2,702	2,729	2,752	2,732	2,710
CWIP	169	150	139	142	19
Investments	0	0	0	0	0
Other Assets +	6,046	6,701	6,605	6,731	7,620
Total Assets	8,917	9,580	9,497	9,605	10,349

Synopsis Quarter Results

Concall Notes - July -2025: Key Highlights

Overall Performance – ITI Limited (Q1 FY26)

ITI Limited reported a marginal decline in revenue but showed signs of operational recovery with narrowing losses. The company posted consolidated revenue of ₹498.01 crore, down 4.23% year-on-year. Despite top-line pressure, ITI reduced its net loss to ₹63.61 crore, an improvement of 30.34% compared to the loss of ₹91.31 crore in Q1 FY25.

Key drivers were improved EBITDA, cost-control measures, and efficiency gains, which contributed to the reduced loss despite the reduced revenue. Standalone figures reflected similar trends, with revenue stable at ₹498.01 crore and net loss shrinking by 30.48% year-on-year to ₹63.32 crore.

ITI continues to focus on diversifying its portfolio with investments in emerging technologies such as AI-powered pilots and expanded telecom solutions, signaling strategic growth beyond traditional manufacturing.

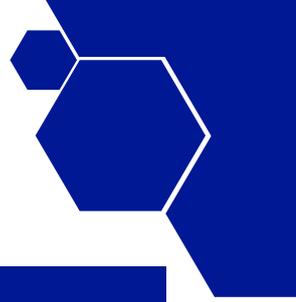
Financial Metrics Highlights:

- Revenue: ₹498.01 crore (↓ 4.23% YoY)
- Profit After Tax (PAT): -₹63.61 crore (Loss narrowed by 30.34% YoY)
- EBITDA: Improved, lowering operating losses
- Standalone Revenue: ₹498.01 crore
- Standalone PAT: -₹63.32 crore (Loss narrowed by 30.48% YoY)

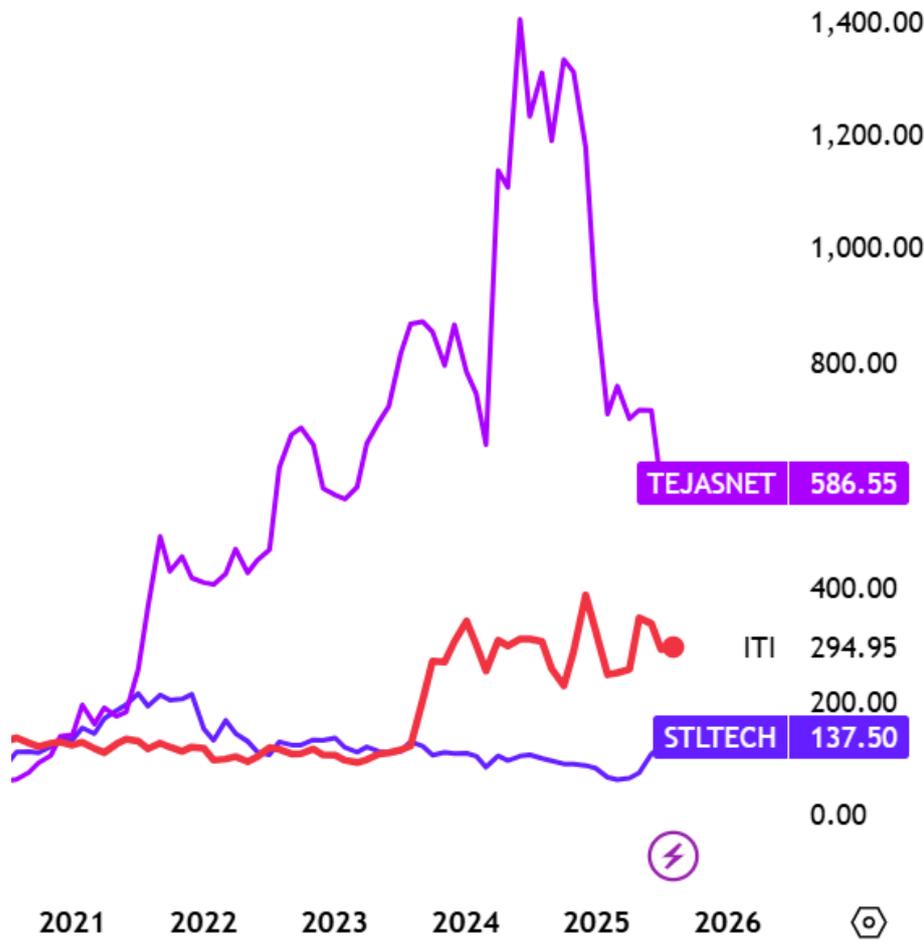
Strategic Focus:

- Continued investments in AI and technology-driven projects
- Emphasis on operational efficiency and cost management
- Gradual recovery momentum despite challenging industry conditions

Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
ITI	291.45		28046.75	0.00	-63.32	7.58	498.01	-4.23	-1.33
Tejas Networks	553.85	55.84	9782.49	0.45	-193.87	-350.22	201.98	-87.08	15.47
Sterlite Tech.	134.75		6577.74	0.00	10.00	120.83	1019.00	16.86	2.86
Optimus Infra.	575.10	80.01	5066.56	0.00	22.46	-6.57	449.26	-8.33	14.41
Valiant Commun.	972.70	66.19	741.98	0.00	4.72	51.28	18.32	34.11	22.10

Source: Screener

Final Outlook

ITI Limited : **HOLD** | LTP: 296.00

ITI Limited – Fundamental Outlook

- ITI Limited's financial performance in the fiscal year 2024-25 reflects a gradual improvement characterized by narrowing losses and increased revenues, although the company remains in a challenging phase. In the third quarter of FY25, ITI significantly reduced its net loss to Rs 48.88 crore from Rs 101.25 crore in the same quarter the previous year. This period also saw a remarkable surge in consolidated revenue, which increased over fourfold to Rs 1,034.54 crore, signaling recovery momentum largely driven by government-backed projects and operational restructuring under a revival plan.
- Despite these positive signs, the company continues to face profitability pressures in the current quarters. The first quarter of FY25 recorded a net loss of Rs 63.32 crore, which, while still substantial, was an improvement over the Rs 91.08 crore loss in Q1 of the previous year. Revenue in this quarter declined slightly, revealing ongoing challenges in scaling operations sustainably. The second quarter, however, showed a deterioration with revenue dropping by more than half compared to the previous quarter, EBITDA collapsing drastically, and a worsening net loss of Rs 63.61 crore. These fluctuations emphasize the volatility in ITI's financial health linked to operational inefficiencies and cash flow constraints.
- Valuation metrics and risk factors underpin a cautious outlook for ITI Limited. The negative price-to-earnings ratio, moderate price-to-book, and price-to-sales figures indicate a company grappling with structural constraints despite government support and a strong order book, including the Rs 8,280 crore ASCON Phase IV project. Auditor concerns about receivables, inventory valuation, and delays in statutory payments highlight persistent financial vulnerabilities. While the stock has experienced significant volatility through the year, the fundamental trajectory suggests a transition phase where sustainable turnaround depends on improved operational execution and resolution of financial pressures. Overall, ITI is on a recovery path but remains exposed to challenges that could impact near-term profitability and investor confidence.

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