



Press Release

ITI Limited
February 5, 2026

Ratings

Instrument/Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Facilities	1450.00	IVR BBB-/Stable (IVR Triple B minus with Stable Outlook)	-	Assigned	Simple
Short Term Facilities	2771.39	IVR A3 (IVR A Three)	-	Assigned	Simple
Total	4221.39 (Four Thousand Two Hundred Twenty-One Crore and Thirty-Nine Lakh only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The assigned ratings favourably factors in ITI Limited's (ITI) ongoing land monetization to support debt reduction and liquidity profile. ITI is in the process of monetizing five major land parcels aggregating 122.019 acres, which are at different stages. Of these, the company has received earnest money deposit of Rs. 16.00 crore (approximately 2% of value) from Central Goods and Service Tax Department (CGST), Government of India for purchase of one land parcel at K.R. Puram in Bengaluru admeasuring 21.00 acres. The gross proceeds related to this transaction are estimated at Rs. 800.00 crore and is expected to be realized by March 2026. The proceeds from this transaction will be utilized primarily for reducing debt. The ratings also derive comfort from the Government of India (GoI) ownership (holding 89.97% stake) with a demonstrated track record of financial assistance in the form of capex and revenue grants. While the revenue grant has been fully received, out of the total capex grant of Rs. 2264.00 crore, Rs. 1191.56 crore is already received. The ratings are also supported by robust order book involving strategically important projects in defence, telecommunication and information technology segment and its established track record with reputed customer base. The ratings are however constrained by operating losses in the recent past owing to delay in receipt of design approvals for the orders resulting in slow pace of execution. However, Infomerics is given to understand that for the pending orderbook all the requisite approvals are in place and significant ramp up in execution is expected in certain high margin orders thereby resulting in an improvement in profitability from H2FY2026. Ability of the



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company to ramp up its execution and improve profitability remains critical from credit perspective. ITI's high receivable cycle and unbilled revenues resulted in stretched liquidity and high reliance on external debt. This along with operating losses resulted in weak debt protection metrics. The ratings also factor in the statutory audit qualifications and non-compliance on LODR requirements and exposure to technological risks along with tender-based nature of operations.

The stable outlook on the long-term rating reflects Infomerics's opinion that ITI will make meaningful progress on land monetisation resulting in significant reduction in debt and improvement in liquidity. This along with the ramp up in billing and improvement in profitability from Q4 FY2026 will support improvement in the debt protection metrics.

Key Rating Sensitivities:

Upward Factors

- Realization of land monetization proceeds as per the expected schedule resulting in significant debt reduction and improvement in liquidity
- Significant improvement in profitability.
- Substantial improvement in the working capital cycle

Downward Factors

- Any decline in total operating income and/or profitability leading to deterioration in debt protection indicators and/or any stretch in operating cycle impacting the liquidity position and capital structure
- Any delay in execution of existing order book as envisaged affecting the cash flow generating ability of the company.
- Weakening of support from Government of India

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Ongoing land monetization to support debt reduction and liquidity profile**
The Company is in the process of monetizing five major land parcels aggregating 122.019 acres, which are at different stages. Of these, the company has received Earnest Money



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Deposit of Rs. 16.00 crore (approximately 2% of value) from Central Goods and Service Tax Department (CGST), Government of India for purchase of one land parcel at K.R. Puram in Bengaluru admeasuring 21.00 acres. The gross proceeds related to this transaction are estimated at Rs. 800.00 crore and is expected to be realized by March 2026. The proceeds from this transaction will be utilized primarily for reducing debt. The remaining land parcels are expected to be sold through National Land Monetization Corporation (NLMC) by end of FY2027. The company intends to use the proceeds of the land monetization to fully repay existing debt and support its working capital requirements. Infomerics expects significant improvement in the leverage and liquidity profile of ITI over the next four quarters.

- **Government of India ownership and financial assistance**

ITI Limited, operates under the administrative control of the Department of Telecommunications (DoT), Ministry of Communications, Government of India. GOI through Government of India holds 89.97% stake.

The company received financial support from GOI in the past. In 2014, Cabinet Committee on Economic Affairs (CCEA) approved a revival package of Rs. 4,156.79 crore (Rs. 1,892.79 crore revenue grant and Rs. 2,264 crore capex). The revenue grant has been fully received and utilized, while Rs. 1,191.56 crore of capex grant has been received till FY2025 [refers to period April 1, 2024, to March 31, 2025]. Additionally, Rs. 299.69 crore was sanctioned in FY2021 [refers to period April 1, 2020, to March 31, 2021] towards statutory dues and has been received in full. The balance capex grant is contingent upon the capex ITI will do in the future.

- **Established track record with reputed customer base**

The Company has more than seven decades of experience in offering turnkey telecom solutions, and installation / commissioning of telecommunication networks. It caters to diverse clientele viz. Bharat Broadband Network Limited (BBNL), Bharat Sanchar Nigam Limited (BSNL), Gujarat Fibre Grid Network Limited, Indian Air Force, Maharashtra Information Technology Corporation Ltd (MITCL), Ministry of Defence, Bharti Airtel Limited, and various state governments.



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- **Strong order book, however, execution remains a key monitorable**

As of 31st July 2025, ITI Limited has a strong unexecuted order book of Rs. 19,198.56 crore, equivalent to 5.26 times its total revenue for FY2025 providing medium-term revenue visibility. Key projects include ASCON Phase IV, BharatNet Phase III, BSNL 4G, and data centers for the Indian Air Force. The company received proof of concept approvals for multiple projects resulting in improved pace of execution in FY2025. After witnessing a 185.15% growth in revenues in FY2025, the company has achieved total sales of Rs. 1069.27 crore with an EBITDA of Rs. 19.32 crore in H1FY2026. The total operating income is expected to grow at a CAGR of around 11.00% from FY2025 to FY2028.

Key Rating Weaknesses

- **Operating losses in the recent past; expected to witness improvement in EBITDA margin from H2FY2026**

While past performance was affected by COVID-19 disruptions and technical delays such as Proof-of-Concept for ASCON Phase IV and other approvals for BSNL 4G projects - these challenges have now been addressed. The operating losses for the company were reduced to 1.58% in FY2025 from 10.46% in FY2023. In H1FY26 the company managed to earn the revenue of Rs. 1069.27 crore & EBITDA margin of 1.81%. Starting Q4FY2026, major billing is expected from high margin orders viz. BharatNet Phase III project, ASCON project and BSNL 4G roll out which will support the margin profile of ITI going forward. Ability of the company to ramp up its execution and improve profitability remains critical from credit perspective.

- **High receivable cycle and stretched liquidity**

Elongated receivable cycle with debtor days of 337 days in FY2025 (750 days in FY2024) and high unbilled revenues resulted in stretched liquidity and high dependence on working capital borrowings. Approximately 60% of receivables as of 30th June 2025 are from the Ministry of Defence, BSNL, and the BharatNet Phase II project which are recoverable, as they pertain to government orders, mitigating the credit risk. The total indebtedness of the company is high as reflected by TOL/TNW stood at 5.40x as on March 31, 2025 (FY24: 4.38x).



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- **Statutory audit qualifications and non-compliance on LODR requirements**

The statutory auditors of the Company have continued providing a qualified opinion on the audited financial statements. Further, the Company has not complied with the provisions relating to quorum for Board Meetings as prescribed under Section 174 of the Companies Act, 2013. In addition, the Board composition is not in line with the Securities and Exchange Board of India's (SEBI) Listing Regulations due to an insufficient number of independent directors. The Company has not complied with the various provisions of SEBI's Listing Obligations and Disclosure Requirements (LODR).

- **Exposure to technological risks along with tender-based nature of operations**

ITI Limited operates in a highly competitive and rapidly evolving telecommunications & defense industry, which is characterized by continuous technological advancements, high capital intensity, and increasing customer expectations. The Company faces technological risk, as it must constantly upgrade its manufacturing capabilities, adopt new technologies, and modernize its supply chain to meet evolving requirements of telecom operators, government entities, defence and private clients. The industry is highly fragmented, with the presence of multiple organized and unorganized players, which limits the Company's pricing power and bargaining strength. Additionally, ITI Limited primarily secures orders through tenders floated by various government departments. Given the tender-driven nature of its business and the fragmented industry landscape, revenue and profitability can be volatile. Nonetheless, the Company's long-standing track record of over seven decades in the telecommunications sector, GOI ownership and its extensive experience provide comfort.

Analytical Approach: Consolidated

Infomerics has considered the consolidated financial profiles of ITI Limited and India Satcom Limited (ISL), together considered as ITI Group, to arrive at the rating. The consolidation is on account of common management i.e., ITI Limited holding 49.06% equity shares in ISL as on 31st March 2025. Extent of Consolidation: 49.06%.



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Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Rating Methodology for Trading Companies.](#)

[Rating Methodology for Service Sector Companies.](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for consolidation of companies](#)

[Criteria for Government Support](#)

Liquidity – Stretched

ITI Limited liquidity remains stretched as evidenced by the company's working capital utilization which stood at an average of ~ 96% against sanctioned limits for the last 12-month period ended July 2025. The company's Gross Cash Accruals (GCA) going ahead is expected to improve during the projected period with improved profitability and realisation of proceeds from monetisation of land bank. Cash & Bank Balances as on March 31, 2025, stood at Rs. 268.67 crore including balance in escrow account. Current Ratio for the company stood below unity at 0.88x as on March 31, 2025.

About the Company

Incorporated in 1948, ITI Limited is a public sector undertaking. It operates under the administrative control of the Department of Telecommunications (DoT), Ministry of Communications, Government of India. GOI holds 89.97% stake. The company has manufacturing facilities in Bengaluru, Naini, Rae Bareli, Mankapur, Palakkad and Sri Nagar along with an R&D centre in Bengaluru and 11 Marketing, Services & Projects (MSP) centres in India, which are located at Bengaluru, Chennai, Hyderabad, Mumbai, Ahmedabad, Kolkata, Guwahati, Bhopal, Delhi, Lucknow and Chandigarh. It deals into variety of products & services. It is listed on National Stock Exchange as well as Bombay Stock Exchange.

Financials (Consolidated):



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(Rs. crore)		
For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	1269.14	3618.96
EBITDA	-314.07	-57.35
PAT	-568.92	-214.89
Total Debt	1800.70	1480.67
Tangible Net Worth	1784.38	1624.58
EBITDA Margin (%)	-24.75	-1.58
PAT Margin (%)	-43.49	-5.78
Overall Gearing Ratio (x)	1.01	0.91
Interest Coverage (x)	-1.30	-0.26

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					-	-	-
1.	Cash Credit	Long Term	1377.16*	IVR BBB-/ Stable	-	-	-
2.	WCDL	Long Term	72.84	IVR BBB-/ Stable	-	-	-
3.	Bank Guarantee	Short Term	1881.39**	IVR A3	-	-	-
4.	Letter of Credit	Short Term	577.00	IVR A3	-	-	-
5.	Inland/Foreign Guarantee or ILC/FLC	Short Term	313.00	IVR A3	-	-	-

*Cash Credit includes proposed limits amounting to Rs. 119.72 crore.

**Bank Guarantee includes proposed BG/LC amounting to Rs. 360.85 crore.

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About Infomerics:

Infomerics Valuation and Rating Ltd. (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd.] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	385.00	IVR BBB-/Stable



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Cash Credit	-	-	-	-	48.82	IVR BBB-/Stable
Cash Credit	-	-	-	-	150.00	IVR BBB-/Stable
Cash Credit	-	-	-	-	290.16	IVR BBB-/Stable
Cash Credit	-	-	-	-	150.00	IVR BBB-/Stable
Cash Credit	-	-	-	-	46.98	IVR BBB-/Stable
Cash Credit	-	-	-	-	25.77	IVR BBB-/Stable
Cash Credit	-	-	-	-	17.60	IVR BBB-/Stable
Cash Credit	-	-	-	-	46.00	IVR BBB-/Stable
Cash Credit	-	-	-	-	10.00	IVR BBB-/Stable
Cash Credit	-	-	-	-	87.11	IVR BBB-/Stable
Proposed Cash Credit	-	-	-	-	119.72	IVR BBB-/Stable
WCDL	-	-	-	-	46.44	IVR BBB-/Stable
WCDL	-	-	-	-	26.40	IVR BBB-/Stable
Bank Guarantee	-	-	-	-	290.00	IVR A3
Bank Guarantee	-	-	-	-	600.00	IVR A3
Bank Guarantee	-	-	-	-	593.94	IVR A3
Bank Guarantee	-	-	-	-	21.00	IVR A3
Bank Guarantee	-	-	-	-	4.60	IVR A3
Bank Guarantee	-	-	-	-	1.00	IVR A3
Bank Guarantee	-	-	-	-	10.00	IVR A3
Letter of Credit	-	-	-	-	109.00	IVR A3
Letter of Credit	-	-	-	-	35.00	IVR A3
Letter of Credit	-	-	-	-	300.00	IVR A3
Letter of Credit	-	-	-	-	55.00	IVR A3
Letter of Credit	-	-	-	-	14.00	IVR A3
Letter of Credit	-	-	-	-	30.00	IVR A3
Letter of Credit	-	-	-	-	34.00	IVR A3
Proposed Bank Guarantee/Letter of Credit	-	-	-	-	360.85	IVR A3
Inland/Foreign Guarantee or ILC/FLC	-	-	-	-	113.00	IVR A3
Inland/Foreign Guarantee or ILC/FLC	-	-	-	-	200.00	IVR A3

Annexure 2: Facility wise lender details

[https://infomericstorage.blob.core.windows.net/uploads/len_ITIL_feb26_0e79ed4875.p
df](https://infomericstorage.blob.core.windows.net/uploads/len_ITIL_feb26_0e79ed4875.pdf)



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Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the Company	Consolidation Approach
India Satcom Limited (ISL)	49.06%*

**Intercompany transaction has been adjusted as per Infomerics standard*

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

