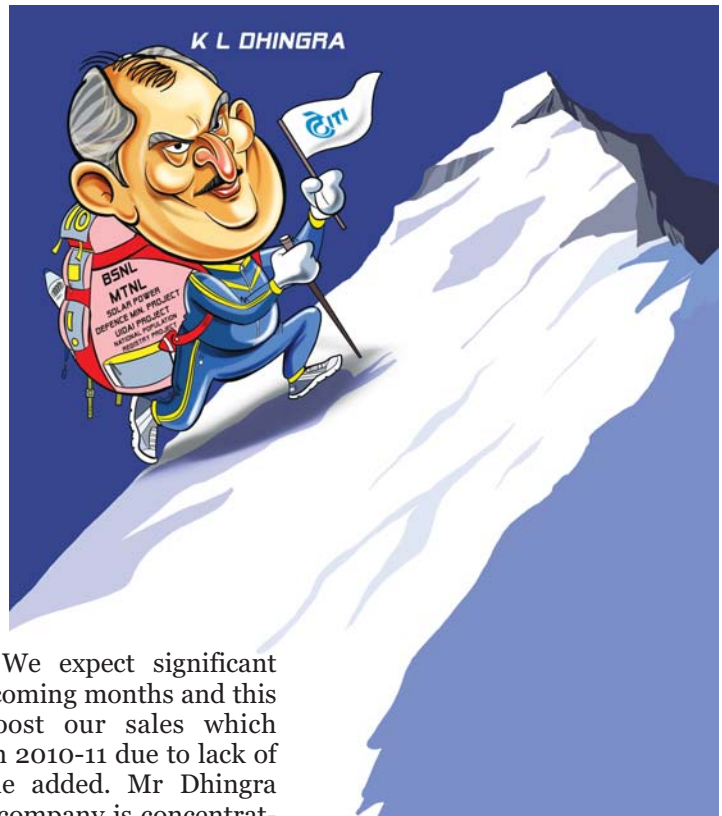


# Dhingra's mantra for profitability: 'Cementing old alliances & building new ones'

## ITI's yearly loss reduced to all time low in eight years



**I**TI LTD HAS REPORTED A NET loss of Rs 382 crores in the FY 2010-11 which is the lowest ever loss reported by the company in the last eight financial years, i.e. from 2003-04 to 2010-11. The net loss for the FY 2010-11 has come down by 16.77 per cent from a net loss of Rs 459 crores reported in the FY 2009-10.

The reduction in loss has come despite the decline in turnover by 54 per cent to Rs 2,143.77 crore in the FY 2010-11 from Rs 4,660.32 crore in the year ago period. The company attributes this to its prudent financial management. It claims that its expenditure in important areas like employee costs and financing costs have come down during 2010-11 as compared to 2009-10. It also claims to have reduced the expenses related to travel, over-time, etc., and stopped income leakages.

2009-10. We expect significant orders in coming months and this should boost our sales which declined in 2010-11 due to lack of orders”, he added. Mr Dhingra said, “the company is concentrating on new business opportunities in defense, banking, solar, LED lighting and railways, while cementing its existing business relationship with BSNL & MTNL.”

“We saw a huge drop in demand from our major customers BSNL and MTNL, which affected our turnover. Traditionally, we have been too dependent on both these companies for our revenues. Now, we are diversifying into newer areas such as defence and other allied sectors,” he said.

planning to introduce a voluntary retirement scheme (VRS) for employees. A proposal in this regard has been sent to the board of directors, which would take a decision on this in its next meeting, scheduled in July.

ITI is a loss-making state-run telecom equipment manufacturer. It has about 11,000 employees across its six manufacturing units. BSNL and MTNL are its largest customers. The turnover has dropped due to less demand for telecom equipment from these two state telcos.

ITI's turnover (in Rs crore)				
FY	MTNL	BSNL	Others	Total
2009-10	128.74	4,270.76	260.80	4,660.30
2010-11	45.25	1,858.62	239.93	2,143.80

“This is critical phase for us and we hope to achieve better results and even possible turn-around in next two years”, said KL Dhingra, CMD, ITI Ltd, who took over the rein of company in April 2010. Since his joining, the company is looking for a turn around.

“Our expenditure in important areas like employee cost, financing expenses, etc., has come down during 2010-11 as compared to

ITI is part of the consortium manufacturing the biometric cards for the Unique Identification Authority of India (UIDAI). Besides, ITI is also a hardware partner for the National Population Registry. The effort to bag defence contracts is on and the company has participated in some procedural tenders, Mr Dhingra said.

Meanwhile, the company is

Reducing losses at ITI (without considering grant) in Rs crore	
2003-04	706
2004-05	885
2005-06	429
2006-07	430
2007-08	710
2008-09	793
2009-10	770
2010-11	382