IT instruction means if-then and is used to check condition after IT specified and execute the instructions following it based on the condition.

ITTE instruction means IF-THEN-ELSE and was introduced in the Thumb-2 instruction set. It is used for handling small sequence of conditional code, up to 4 instructions. And also these four instructions must have specified its conditional part of their syntax, making them conditional instructions. These conditions can be logically same or inverse.

In the erroneous code:
ITTTE LT
MOV R3
Here the instruction following IT is not conditional compared to
ITTTE LT
ADDLT
MOVLT
MOVLT
SUBGE
where all the instructions after IT are conditional in execution.

This is the reason we got errors in above mentioned code