



# **MEDIA COVERAGE REPORT**

## **ITI to come out with follow-on public offer in January**

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# ITI to come out with follow-on public offer in January

Public sector unit aims to raise about ₹1,600 crore

**MINI TEJASWI**  
BENGALURU

Public sector ITI Ltd. is scheduled to float a follow-on public offer (FPO) to list an additional 18 crore equity shares in the third or fourth week of January.

Rakesh Mohan Agarwal, CMD, ITI, told *The Hindu* the public offer, to raise about ₹1,600-crore, will most likely open on January 20 and close on January 25 subject to board decision.

ITI has an order book worth ₹22,000 crore to be executed over three years. It has been a listed since the mid-90s. The Centre holds 89.7% stake in ITI with the Government of Karnataka holding 3%.

According to Securities and Exchange Board of India (SEBI) regulations, a listed company should have a minimum public shareholding of 25%. Post FPO, the go-



Rakesh Mohan Agarwal

vernment holding will come down to below 75%. QIIs (qualified institutional investors) will hold 15% and high networth individuals (HNIs) and general public 10%.

Mr. Agarwal said the top-most priority of the company was to turn cash rich. It had turned profitable a few years ago. "We had hit the ground and now on, we can only fly high," he said.

After making losses for 14 years, the company, which

was once the sole telecom equipment provider for the country, made a profit of ₹27 crore in 2017-18. A year later, it posted ₹1,870 crore turnover and a profit of ₹110 crore.

Mr. Agarwal said the ITI had changed its business model. Traditionally, the PSU was giving out telecom and defence projects it received to third party integrators and deployment partners and earned a certain margin. "We have realised this approach was hurting us financially and therefore we adopted a strategic shift in doing projects. As a result, currently, we are installing, implementing and maintaining all our projects by ourselves instead of giving it to third parties like L&T, Huawei and Ericsson and others. This is positively impacting our profitability and margins," he explained.

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Bharatnet has covered about some 1,700 gram panchayats in Gujarat, while another 2,200 gram panchayats will be covered in the next three months. ITI has a mandate to cover 8,000 gram panchayats in Maharashtra in the next eight months in a ₹2,600-crore project. Bharatnet phase II project is coming up in eight States, including Tamil Nadu, Odisha, West Bengal, many north-eastern States, Srinagar (J&K) and portions of Punjab. ITI would be a strong contender in all these States, he said. Commenting on the order pipeline, Mr. Agarwal said: "We have an order pipeline worth ₹22,000 crore with a deployment time line of six months to three years. Annual maintenance contracts alone account for ₹6,000 crore, while the rest are new project orders. We have participated in fresh tenders worth over ₹6,000 core in the last 2-3 2/3 months and our success rate is 40%. Therefore, our growth outlook is very positive and future looks bright."