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Our Company was originally incorporated as Indian Telephone Industries Private Limited on January 25, 1950 at Bengaluru, Karnataka, India as a private limited company under the Mysore Companies Act, XVII of 1938. Subsequently, the name of our Company was changed to Indian Telephone Industries Limited pursuant to a notification no. G.S.R 1234 dated December 30, 1958 issued by the Ministry of Commerce and Industry. Our Company became a deemed public limited company under Section 43A(1A) of the Companies Act, 1956 with effect from July 1, 1975. Thereafter, the name of our Company was changed from Indian Telephone Industries Limited to its present name, ITI Limited, and a fresh certificate consequent upon change of name dated January 24, 1994 was issued by the Registrar of Companies, Karnataka at Bengaluru ("RoC"). For further details relating to incorporation, corporate structure, change in registered office of our Company, please refer to the chapter "History and Certain Corporate Matters" beginning on page 144 of the Red Herring Prospectus ("RHP").

Registered and Corporate Office: ITI Bhavan, Doornanagar, Bengaluru 560 016, Karnataka, India; Tel: +91 80 2561 7486; Fax: +91 80 2561 4400; Company Secretary and Compliance Officer: S. Shannmuga Priya, Company Secretary and Compliance Officer; Tel: +91 80 2561 7486; Fax: +91 80 2561 7525; E-mail: cosecy_crp@itild.co.in; Website: www.itild-india.com; Corporate Identity Number: L32202KA1950GOI000640

PROMOTER OF OUR COMPANY: THE PRESIDENT OF INDIA, ACTING THROUGH THE DEPARTMENT OF TELECOMMUNICATIONS ("DOT"), MINISTRY OF COMMUNICATIONS, GOVERNMENT OF INDIA

FURTHER PUBLIC OFFERING OF UPTO [] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF ITI LIMITED (OUR "COMPANY" OR THE "ISSUER") AGGREGATING UPTO [] MILLION (THE "ISSUE") COMPRISING OF A FRESH ISSUE OF UPTO 180,000,000 EQUITY SHARES FOR CASH AT A PRICE OF ₹ [] PER EQUITY SHARE (THE "ISSUE PRICE"), (THE "NET ISSUE") AND AN ADDITIONAL ISSUE OF UPTO 1,800,000 EQUITY SHARES CONSTITUTING 1% OF THE NET ISSUE WHICH SHALL BE RESERVED FOR ALLOCATION AND ALLOTMENT ON A PROPORTIONATE BASIS TO ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION") FOR CASH AT A PRICE OF ₹ [] PER EQUITY SHARE (THE "EMPLOYEE PRICE"). THE ISSUE SHALL CONSTITUTE []% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, AND THE NET ISSUE SHALL CONSTITUTE []% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

QIB Portion: Not less than 75% of the Issue
Retail Portion: Not more than 10% of the Issue
Non-Institutional Portion: Not more than 15% of the Issue
Employee Reservation Portion: 1% the Net Issue

Price Band: ₹ 72 to ₹ 77 per Equity Share of face value of ₹ 10 each.
The Floor Price is 7.2 times the face value of the Equity Shares and the Cap Price is 7.7 times the face value of the Equity Shares.
Bids can be made for a minimum of 150 Equity Shares and in multiples of 150 Equity Shares thereafter.

ASBA* Simple, Safe, Smart way of Application!!!

*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below. Mandatory in public issues. No cheque will be accepted.



UPI-Now available in ASBA for Retail Individual Bidders ("RIBs")**. Applicants to ensure PAN is updated in Bank Account being Blocked by ASBA Bank.

*ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by Retail Individual Bidders. For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 344 of the RHP. The process is also available on the website of AIBI and Stock Exchanges in the General Information Document. ASBA Forms can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in. **List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and Banks live on IPO, please refer to the link: www.sebi.gov.in. ICICI Bank Limited has been appointed as Sponsor Bank for the Issue, in accordance with the requirements of the SEBI Circular dated November 1, 2018. For issue related grievance investors may contact: BOB Capital Markets Limited - Nivedika Chavan (+91 22 6138 9300) (iti.fpo@bobcaps.in); Karvy Investor Services Limited - P. Balraj/Bhavin Vakil (+91 40 2342 8774) (cmg@karvy.com); PNB Investment Services Limited - Abhishek Gaur/Vinay Rane - (+91 22 2653 2745) (iti.fpo@pnbsl.com). For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and Mail Id: ipo.upi@npci.org.in.

Risks to Investors:

- The three Book Running Lead Managers associated with the Issue have handled two public issues in the past three years out of which one closed below the issue price on listing date.
The Issue Price at the upper end of the Price Band is at ₹ 77 per Equity Share.
The Price/Earnings ratio based on diluted basic and EPS for fiscal 2019 is not measurable as there are no listed companies in India that are engaged in a similar portfolio as that of the Company.
Weighted Average Return on Net Worth not calculated as networth of the Company is negative for last three financial years.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and is justified on the basis of the following qualitative and quantitative factors. See the section "Risk Factors" beginning on page 14 and the consolidated and standalone restated financial statements as set out in "Financial Statements" beginning on page 179 for a more informed view. The trading price of the Equity Shares of the Company could decline due to the factors mentioned in "Risk Factors" and you may lose all or part of your investment. The face value of the Equity Shares is ₹10 each and the Issue Price is 7.2 times the face value at the lower end of the Price Band and 7.7 times the face value at the higher end of the Price Band.

Qualitative Factors
Competitive strengths
Diverse product and services offering across sectors; Well established relationship with PSUs, the Ministry of Defence, other Gov agencies and state governments; Strong Order Book comprising of a diversified suit of products and services across various sectors; Modern manufacturing infrastructure, equipment and technology; Revitalized Company with improving financial performance; Experienced Board, management team and skilled workforce.
For further details regarding some of the qualitative factors which form the basis for computing the Issue Price, see "Our Business" on page 119 of the RHP.

Quantitative Factors
Information presented in this section is derived from our Restated Financial Statements for the six month period ended September 30, 2019 and for Fiscals 2019, 2018 and 2017 in the section titled "Financial Statements" on page 179 of the RHP.
Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

Table with 4 columns: Financial Year, Basic EPS (₹), Diluted EPS (₹), Weight. Rows include Fiscal 2019, Fiscal 2018, Fiscal 2017, Weighted Average, and Six month period ended September 30, 2019.

Notes:
(a) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]
(b) EPS calculations have been done in accordance with Indian Accounting Standard (Ind AS) -33- "Earning per share" issued by the Institute of Chartered Accountants of India.
Basic Earnings Per Share (₹) = Net Profit after tax (as restated) attributable to Shareholders / Weighted Average Number of Equity Shares outstanding for the period/year
Diluted Earnings Per Share (₹) = Net Profit after tax (as restated) attributable to Shareholders / Weighted Average Number of Equity Shares
For the end of the period/year and potential Equity Shares if any, for diluted EPS.

Table with 3 columns: Particulars, P/E Ratio at the Lower end of Price band (no. of times), P/E Ratio at the Upper end of Price band (no. of times). Rows include Basic EPS for the year ended March 31st 2019 on a Standalone Basis, Basic EPS for the year ended March 31st 2019 on a Consolidated Basis, Diluted EPS for the year ended March 31st 2019 on a Consolidated Basis, Diluted EPS for the year ended March 31st 2019 on a Standalone Basis.

As per Restated Consolidated Financial Information of our Company: Table with 3 columns: Period, RoNW (%)*, Weights. Rows include Fiscal 2019, Fiscal 2018, Fiscal 2017, Weighted Average, and Six month period ended September 30, 2019.

Notes:
(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]
(2) EPS calculations have been done in accordance with the Indian Accounting Standards (IND AS) - 33 - "Earning per share" issued by the ICAI
(3) Average Return on Net Worth (%) = Net Profit after Tax (as restated) divided by Net worth at the end of the year/period
(4) Net worth has been computed by aggregating Equity share capital and Other Equity excluding Revaluation Reserve as per the restated financial statements.

As per Restated Standalone Financial Information of our Company: Table with 3 columns: Period, RoNW (%), Weights. Rows include Fiscal 2019, Fiscal 2018, Fiscal 2017, Weighted Average, and Six month period ended September 30, 2019.

Table with 3 columns: Particulars, Standalone (%), Consolidated (%). Rows include At the Floor Price, At the Cap Price.

Table with 3 columns: Period, Standalone NAV (₹), Consolidated NAV (₹). Rows include 2019, 2018, 2017, Six month period ended September 30, 2019, Issue Price*.

After the Issue on a standalone basis:
(a) At the Floor Price: 7.12
(b) At the Cap Price: 7.96
After the Issue on a consolidated basis:
(a) At the floor Price: 7.48
(b) At the Cap Price: 8.33

6. Comparison with industry peers
There are no listed companies in India that are engaged in a similar business portfolio as that of the Company. Hence, it is not possible to provide an industry comparison in relation to the Company.
7. The Issue Price will be [] times of the face value of the Equity Shares
The Issue Price of ₹ [] has been determined by our Company, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the aforementioned qualitative and quantitative factors. For further details, please see the section titled "Risk Factors" on page 14 and "Financial Statements" on page 179 of the RHP.

For further details, please see the chapter titled "BASIS FOR ISSUE PRICE" on page 90 of the RHP.

BID / ISSUE PROGRAMME*

BID/ISSUE OPENS ON JANUARY 24, 2020 * | BID/ISSUE CLOSURES ON JANUARY 28, 2020

*Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date, in accordance with the 2018 SEBI/ICDR Regulations.

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days subject to Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank. However, in case of revision of Price Band, Bid Lot shall remain the same. The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("2009 SEBI ICDR Regulations"). The Issue is being made through the Book Building Process in compliance with Regulation 26(2) of the 2009 SEBI ICDR Regulations, wherein at least 75% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"). Further, 5% of the QIB Category shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the 2018 SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, upto 1,800,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received from them at or above the Issue Price. All potential Bidders are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA"), process providing details of their respective ASBA accounts, and the UPI ID, in case of RIBs, if applicable, by providing the details of their respective bank accounts, in which the corresponding Bid Amounts will be blocked by the SCSBs. For details, see "Issue Procedure" on page 344 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.
AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 35,000,000,000 divided into 2,800,000,000 Equity Shares of ₹ 10 each and 70,000,000 Redeemable Cumulative Preference of ₹ 100 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 8,970,000,000 divided into 897,000,000 Equity Shares of ₹ 10 each. For details of the capital structure, see "Capital Structure" on page 73 of the RHP.

NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: Governor General of India by V K R Menon, A. F. Bennett, V K R Menon and R Narayanaswami were allotted 10,000, 6667, 100 and 100 equity shares respectively. For details of the share capital history and capital structure of the Company see "Capital Structure" beginning on page 73 of the RHP.

LISTING: The Equity Shares are listed on BSE and NSE. Our Company has received an "in-principle" approval from the BSE and the NSE for the listing of the Equity Shares pursuant to their letters dated October 19, 2018 and December 11, 2018, respectively. For the purposes of this Issue, BSE shall be the Designated Stock Exchange. A copy of this Red Herring Prospectus and the Prospectus shall be delivered to the RoC for filing in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents which shall be available for inspection from the date of filing of this Red Herring Prospectus with the RoC, until the Bid/Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 422 of the RHP.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Issue or the specified securities stated in the Issue Document. The investors are advised to refer to page 323 of the RHP for the full text of the Disclaimer Clause of SEBI.

DISCLAIMER CLAUSE OF BSE (The Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The investor is advised to refer to the page 328 of the Red Herring Prospectus for the full text of the Disclaimer clause of the BSE Limited.

DISCLAIMER CLAUSE OF NSE: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 328 of the RHP for the full text of the Disclaimer Clause of NSE.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue, including the risks involved. The Equity Shares offered in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 14 of the RHP.

Table with 5 columns: BOBCAPS, KARVY INVESTMENT BANKING, PNB INVESTMENT SERVICES LTD, KFINTECH, COMPANY SECRETARY AND COMPLIANCE OFFICER. Each column contains contact details for the respective entity.

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 14 of the RHP before applying in the Issue. A copy of the RHP is available on the website of the SEBI at www.sebi.gov.in, the websites of the BRLMs at www.bobcaps.in, www.karvyinvestmentbanking.com and www.pnbsl.com and the Stock Exchanges at www.bseindia.com and www.nseindia.com.
AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of Company, ITI Limited; Tel: +91 80 2561 7486; Fax: +91 80 2561 4400; BRLMs: BOB Capital Markets Limited, Tel: +91 22 61389300, Fax: +91 22 61389300; Karvy Investor Services Limited, Tel: +91 40 23428774, Fax: +91 40 23428774 and PNB Investment Services Limited, Tel: +91 22 2653 2745, Fax: +91 22 2653 2687; Syndicate Member: Emkay Global Financial Services Limited, Tel: +91 22 6612 1268, Fax: +91 22 6612 1299 and Prabhudas Lilladher Private Limited, Tel: +91 22 6632 2222, Fax: +91 22 6632 2229 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Issue. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.
SUB-SYNDICATE MEMBERS: Anand Rathi, Axis Capital Limited, Bonanza Portfolio Limited, Centrum Broking Limited, Edelweiss Securities Limited, Eurekha Stock & Share Brokers Limited, HDFC Securities Limited, HEM Securities Limited, ICICI Securities Limited, IDBI Capital Markets & Securities Limited, IIFL Securities Limited, JM Financial Services Limited, Keynote Capital Limited, Kotak Securities Limited, LKP Securities Limited, Mottal Oswal Financial Services Limited, Prabhudas Lilladher Private Limited, Pravin Ratilal Share & Stock Brokers Limited, RR Equity Brokers Private Limited, SBICAP Securities Limited, Sharekhan Limited, SMC Global Securities Limited, TradeBulls Securities Private Limited, YES Securities (India) Limited, Zerodha Capital Private Limited.
BANKER(S) TO THE ISSUE: ICICI Bank Limited.
PUBLIC ISSUE ACCOUNT BANK/REFUND BANK/ SPONSOR BANK: ICICI Bank Limited.
UPI: Retail Individual Bidders can also Bid through UPI mechanism.
All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Bengaluru
Date: January 22, 2020
For ITI Limited
On behalf of the Board of Directors
Sd/-
Company Secretary & Compliance Officer

ITI Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make a further public offer of its equity shares ("Equity Shares") and has filed a red herring prospectus ("RHP") with the Securities and Exchange Board of India and the Registrar of Companies, Karnataka situated at Bengaluru. The RHP is available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the book running lead managers, BOB Capital Markets Limited, Karvy Investor Services Limited and PNB Investment Services Limited at www.bobcaps.in, www.karvyinvestmentbanking.com and www.pnbsl.com, respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to such risks, see "Risk Factors" on page 14 of the RHP.

This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from such registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or the selling security holder and that will contain detailed information about the company and management, as well as financial statements. No public offering or sale of securities in the United States is contemplated.