

March 28, 2018

CIRCULAR ON ORDERS OF SUPREME COURT, HIGH COURTS AND CESTAT ACCEPTED BY THE DEPARTMENT AND ON WHICH NO REVIEW PETITIONS, SLPS HAVE BEEN FILED¹

1. Central Board of Excise and Customs has issued circular No. 1063/2/2018-CX dated 16.02.2018 on the subject "Orders of Supreme Court, High Courts and CESTAT accepted by the Department and on which no review petitions, SLPs have been filed", in relation to indirect taxes.
2. The Circular compiles 63 orders which have been accepted by the Department. In fourteen of these orders Hon'ble High Courts have decided various questions of law. In the rest the Hon'ble High Courts have delivered judgments on the basis of some settled case law or have decided points of facts or have dismissed the appeal on monetary grounds. The said orders which have been accepted by the Department have been complied in the Circular so that cases pending in the field can be expeditiously decided, if the questions of law or facts involved are identical.
3. This exercise has been undertaken as an endeavour to reduce litigations so that cases on similar questions of law or identical case on facts pending in the field can be decided.

CABINET ALLOWS M/S ITI LIMITED TO BRING A FURTHER PUBLIC OFFER FOR FRESH EQUITY SHARES TO ACHIEVE 25% MINIMUM PUBLIC SHAREHOLDING REQUIREMENT OF SECURITIES AND EXCHANGE BOARD OF INDIA, RAISE WORKING CAPITAL FOR NEW PROJECTS AND TO REDUCE ITS DEBT OBLIGATIONS²

The Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi, has given its approval for the following proposal of Department of Telecommunication to allow M/s ITI Limited to:

- i. Offer 18 crore fresh equity shares to General Public through a prospectus based Further Public Offer (FPO) in the domestic market as per SEBI Rules and Regulations to raise working capital for new projects, reduce its debt obligations and to meet SEBI's requirement of minimum 25 % public shareholding.
- ii. Keep a reservation of up to 5% of the offer over and above the fresh shares being offered in FPO for allotment to employees of ITI in accordance with DPE guidelines and ICDR Regulation 42.
- iii. Offer discount of up to five per cent to retail investors as well as employees in accordance with ICDR Regulation 29.
- iv. Select and appoint Advisor(s) to advise the Company and assist in the proposed transactions
- v. Appoint Merchant Bankers for Book building process and follow the procedures as per SEBI rules and Regulations in consultation with Merchant Bankers.

¹ Available at: <http://www.cbec.gov.in/resources//htdocs-cbec/press-release/press-release-16.02.2018.pdf>

² Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1526046>

Number of Beneficiaries:

The Further Public offer will provide the much needed working capital to the Company and help it to timely execute the orders that it has in hand and improve its margins. This, in turn, will help in protecting the current employment and generating more job opportunities in the company particularly in the field of new telecom technologies.

Implementation Strategy and Targets:

M/s ITI Limited shall offer requisite number of fresh equity shares to General public through Further Public Offer in the domestic market as per SEBI Rules and Regulations to meet for SEBI's minimum public shareholding requirement.

Major Impact:

M/s ITI Limited will be able to fulfil SEBI's Minimum Public Shareholding requirement and improve its working capital.

Background:

M/s ITI Limited is a listed Schedule "A" Central Public Sector Enterprise, under the administrative control of Ministry of Communications, Department of Telecommunication. The Company is a supplier for the Defence communication and networking needs and a major supplier of encryption products to Indian Army. The major customers are BSNL, MTNL, Defence, Paramilitary forces and State Governments. ITI has six manufacturing units at Bangalore (Karnataka), Raebareli, Naini and Mankapur (all in UP), Palakkad (Kerala) and Srinagar (J & K).

The issued and subscribed equity capital of the Company as on 31.12.2017 is Rs 760 Crore (76 Crores of equity shares of face value of Rs 10 each) out which 92.59% equity i.e. 70,36,87500 shares are held by Government of India.

Team ICSI

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