

**Press Information Bureau**  
**Government of India**  
**Cabinet Committee on Economic Affairs (CCEA)**

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**Financial assistance for revival of ITI Limited**

The Cabinet Committee on Economic Affairs has approved the revival plan of ITI Limited based on the recommendations of the Board for Reconstruction of Public Sector Enterprise (BRPSE). The revival plan will be supported through financial restructuring by fund infusion of Rs. 4156.79 crore.

The CCEA has also approved regular monitoring of the implementation of the revival plan to be done by suitable committees which will be constituted at the Corporate level and unit level in ITI and by an Apex Committee to be chaired by Secretary (T), Department of Telecommunication.

Out of Rs. 4156.79 crore, capital grant of Rs. 2264 crore will be given in the form of equity for project implementation (CAPEX) for up-grading manufacturing infrastructure at various units and for new projects. The balance amount of Rs. 1892.79 crore will be financial assistance in the form of grant-in-aid for statutory liabilities and other commitments made by ITI such as redemption of preferential share capital of BSNL/MTNL, arrears due to 1997 pay revision, VRS, establishment cost during the implementation of revival plan and waiver of government guarantee fee.

The revival plan is expected to be implemented over a period of 18 months. With the cleaning of the Balance Sheet to a certain extent, ITI will be able to raise resources for their operations and compete in the market. Further with upgrading of the manufacturing infrastructure at its plants, ITI will be able to manufacture new technology products in telecom / diversified fields and able to increase its market share.

**Background:**

M/s ITI Ltd., earlier known as Indian Telephone Industries Limited, was established in 1948 and was incorporated in 1950 under the then Mysore Companies Act, 1938 and later converted as the first PSU of the country to assist the Government in the sensitive and strategic telecommunication field. The Government of India holds majority equity stake in the Company. The Company was referred to the BIFR in 2004-05 and declared a sick company.

The Revival Plan of M/s ITI Ltd. is based on the improvement of its core competency in electronic/telecom equipment manufacturing by up-grading manufacturing infrastructure at all its manufacturing units and to simultaneously diversify into Service projects (National Population Register, Data Centre, optical fiber laying projects, AMC business etc.). It is also involved in smart card manufacturing, solar panel manufacturing, battery manufacturing and LED product manufacturing to make each unit of ITI a separate profit centre and sustain profitability independently.

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