



## LARSEN & TOUBRO INFOTECH LIMITED

Our Company was incorporated at Mumbai on December 23, 1996 as L&T Information Technology Limited, a public limited company under the Companies Act, 1956. Our Company obtained the certificate of commencement of business on March 25, 1997. The name of our Company was subsequently changed to Larsen & Toubro Infotech Limited and the Registrar of Companies, Maharashtra at Mumbai, issued a fresh certificate of incorporation on June 25, 2001. For further details, see "History and Certain Corporate Matters" on page 132.

**Registered Office:** L&T House, Ballard Estate, Mumbai 400 001; **Tel:** (91 22) 6752 5656; **Fax:** (91 22) 6752 5893  
**Corporate Office:** L&T Technology Center, Gate No.5, Saki Vihar Road, Powai, Mumbai 400 072; **Tel:** (91 22) 6776 6776; **Fax:** (91 22) 2858 1130  
**Contact Person:** S. K. Bhatt, Company Secretary and Compliance Officer; **E-mail:** investor@lntinfotech.com; **Website:** www.lntinfotech.com  
**Corporate Identity Number:** U72900MH1996PLC104693

### OUR PROMOTER : LARSEN & TOUBRO LIMITED

**PUBLIC OFFER OF 17,500,000 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH (THE "EQUITY SHARES") OF LARSEN & TOUBRO INFOTECH LIMITED (OUR "COMPANY") FOR CASH AT A PRICE OF ₹ 710 PER EQUITY SHARE AGGREGATING TO ₹ 12,363.75 MILLION\* (THE "OFFER") THROUGH AN OFFER FOR SALE BY OUR PROMOTER, LARSEN & TOUBRO LIMITED (THE "SELLING SHAREHOLDER"). THE OFFER WOULD CONSTITUTE 10.30% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY AND THE SELLING SHAREHOLDER HAVE IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMS"), OFFERED A DISCOUNT OF ₹ 10 PER EQUITY SHARE ON THE OFFER PRICE TO THE RETAIL INDIVIDUAL BIDDERS ("RETAIL DISCOUNT"). THE ANCHOR INVESTOR OFFER PRICE IS ₹ 710 PER EQUITY SHARE.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 1 EACH AND THE OFFER PRICE IS ₹ 710 EACH. THE PRICE BAND, THE RETAIL DISCOUNT AND THE MINIMUM BID LOT HAS BEEN DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS AND HAS BEEN ADVERTISED IN ALL EDITIONS OF ENGLISH NEWSPAPER FINANCIAL EXPRESS, ALL EDITIONS OF HINDI NEWSPAPER JANSATTA AND THE MUMBAI EDITION OF MARATHI NEWSPAPER NAVSHAKTI (WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND MARATHI NEWSPAPERS, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND HAS BEEN MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.**

**\*SUBJECT TO FINALISATION OF BASIS OF ALLOTMENT AND ADJUSTED FOR DISCOUNT OF ₹ 10 PER EQUITY SHARE ON THE OFFER PRICE TO RETAIL INDIVIDUAL BIDDERS.**

In terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"), this is an Offer for at least 10% of the post-Offer paid-up equity share capital of our Company. The Offer has been made in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations"), through the Book Building Process wherein not more than 50% of the Offer was allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company and the Selling Shareholder have allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third was reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, were required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs"), to participate in this Offer. For details, see "Offer Procedure" beginning on page 383.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 1 each and the Floor Price is 705 times the face value and the Cap Price is 710 times the face value. The Offer Price (determined and justified by our Company and the Selling Shareholder in consultation with the BRLMs as stated under "Basis for Offer Price" beginning on page 86) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer 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 Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 16.

### COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder accepts responsibility that this Prospectus contains all information about itself as the Selling Shareholder in the context of the Offer for Sale and assumes responsibility for statements in relation to itself included in this Prospectus.

### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated April 27, 2016 and April 28, 2016, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be the NSE. A copy of the Red Herring Prospectus has been delivered and a copy of the Prospectus shall be delivered for registration to the Registrar of Companies, Maharashtra at Mumbai, in accordance with Section 26(4) of the Companies Act, 2013. The documents required to be submitted under Section 26(6)(b) of the Companies Act, 2013 with the Registrar of Companies, Maharashtra at Mumbai, have been submitted and for details of such documents, see "Material Contracts and Documents for Inspection" on pages 432 and 433.

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE OFFER

<b>Citigroup Global Markets India Private Limited</b> 1202, 12 <sup>th</sup> Floor, First International Financial Centre G-Block, Bandra Kurla Complex Bandra East, Mumbai 400 051 Tel: (91 22) 6175 9999 Fax: (91 22) 6175 9961 E-mail: lntinfotech ipo@citi.com Website: www.online.citibank.co.in/rhmt/ citigroupglobalscreen1.htm Investor grievance e-mail: investors.cgmb@citi.com Contact person: Gursartaj Singh Nijjar SEBI registration number: INM000010718	<b>Kotak Mahindra Capital Company Limited</b> 1 <sup>st</sup> Floor, 27 BKC, Plot No. 27, G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Tel: (91 22) 4336 0000 Fax: (91 22) 6713 2447 E-mail: lntinfotech ipo@kotak.com Website: http://investmentbank.kotak.com Investor grievance e-mail: kmcaredressal@kotak.com Contact person: Ganesh Rane SEBI registration number: INM000008704	<b>ICICI Securities Limited</b> ICICI Center, H.T. Parekh Marg Churchgate Mumbai 400 020 Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 E-mail: lntinfotech ipo@icicisecurities.com Website: www.icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Contact persons: Prem Dcunha / Anurag Byas SEBI registration number: INM000011179	<b>Link Intime India Private Limited</b> C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400078 Tel: (91 22) 6171 5400 Fax: (91 22) 2596 0329 E-mail: lntinfotech ipo@linkintime.co.in Website: www.linkintime.co.in Investor grievance e-mail: lntinfotech ipo@linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI registration number: INR000004058

### BID/OFFER PROGRAMME

<b>BID/OFFER OPENED ON</b>	July 11, 2016 (Monday)*
<b>BID/OFFER CLOSED ON</b>	July 13, 2016 (Wednesday)

\* The Anchor Investor Bid/Offer Date was July 8, 2016.

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.*

#### General Terms

Term	Description
“our Company” or “the Company”	Larsen & Toubro Infotech Limited, a company incorporated under the Companies Act, 1956 and having its registered office at L&T House, Ballard Estate, Mumbai 400 001
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries

#### Company Related Terms

Term	Description
Articles of Association/ AoA	Articles of Association of our Company, as amended
Auditors/ Statutory Auditors	Sharp & Tannan, Chartered Accountants
Befula Investments	Befula Investments (Proprietary) Limited
Board/ Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Chevron	Chevron USA, Inc.
Citibank	Citicorp North America, Inc.
Director(s)	Director(s) of our Company
ESOP Scheme, 2000	Larsen & Toubro Infotech Limited Employee Stock Ownership Scheme and Larsen & Toubro Infotech Limited Employee Stock Ownership Scheme Rules of 2000 as amended pursuant to board resolutions dated September 9, 2003, September 29, 2005, May 10, 2008, January 13, 2011 and July 17, 2013
ESOP Scheme, 2015	Larsen & Toubro Infotech Limited Employee Stock Option Scheme, 2015 and the Employee Stock Option Scheme, 2015 Rules
Equity Shares	Equity shares of our Company of face value of ₹ 1 each
Existing Employee Stock Option Plans	ESOP Scheme, 2000 and U.S Sub-Plan, 2006
GDA Technologies	GDA Technologies Limited
GDA Scheme	Scheme of amalgamation of GDA Technologies with our Company. For details, see “History and Certain Corporate Matters- Schemes of arrangement- Scheme of amalgamation entered into between GDA Technologies and our Company, which has been filed with the Bombay High Court and the Madras High Court” on pages 134 and 135
GDA USA	GDA Technologies Inc., USA
Group Companies	Companies which are covered under the applicable accounting standards and also other companies as considered material by our Board
ISRC	Information Systems Resource Centre Private Limited
ISRC Scheme	Scheme of amalgamation of ISRC with our Company, as amended. For details, see “History and Certain Corporate Matters - Schemes of arrangement- Scheme of amalgamation entered into between ISRC and our Company” on page 134
Key Management Personnel	Key management personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013 and disclosed in “Our Management” on pages 148 and 149
L&T CTL	L&T Cutting Tools Limited
L&T IDPL	L&T Infrastructure Development Projects Limited
L&T Infotech Austria	Larsen & Toubro Infotech Austria GmbH

<b>Term</b>	<b>Description</b>
L&T Infotech Canada	Larsen & Toubro Infotech Canada Ltd.
LTIFST	L&T Infotech Financial Services Technologies Inc.
L&T Infotech GmbH	Larsen & Toubro Infotech GmbH
L&T Infotech LLC	Larsen & Toubro Infotech LLC
L&T Infotech South Africa	Larsen And Toubro Infotech South Africa (Proprietary) Limited
L&T Infotech Spain	L&T Information Technology Spain, Sociedad Limitada
L&T	Larsen & Toubro Limited
L&T Infotech Shanghai	L&T Information Technology Services (Shanghai) Co. Limited
L&T International FZE	Larsen & Toubro International FZE
LTSSL	L&T Technology Services Limited
MoA/ Memorandum of Association	Memorandum of Association of our Company, as amended
Promoter	The promoter of our Company is Larsen & Toubro Limited. For details, see “Our Promoter and Promoter Group” on pages 155 and 156
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations. For details, see “Our Promoter and Promoter Group” from pages 159 to 162
Restated Financial Statements	Financial information prepared by the management of our Company from its audited financial statements (prepared in accordance with Indian GAAP) and prepared in accordance with the requirements of (a) sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and (b) relevant provisions of the SEBI Regulations
Registered Office	Registered office of our Company located at L&T House, Ballard Estate, Mumbai 400 001
Registrar of Companies /RoC	The Registrar of Companies, Maharashtra at Mumbai
Shareholders	Shareholders of our Company
Subsidiaries	Subsidiaries of our Company, namely, L&T Infotech Financial Services Technologies Inc., Larsen & Toubro Infotech GmbH, Larsen & Toubro Infotech Canada Ltd., Larsen And Toubro Infotech South Africa (Proprietary) Limited, Larsen & Toubro Infotech Austria GmbH, L&T Information Technology Spain, Sociedad Limitada, Larsen & Toubro Infotech LLC, L&T Information Technology Services (Shanghai) Co. Limited and GDA Technologies Limited
Trademark License Agreement	Trademark license agreement dated August 20, 2015 entered into between our Company and our Promoter, and amendment agreement dated September 22, 2015 entered into between our Company and our Promoter
U.S Sub-Plan, 2006	Larsen & Toubro Infotech Limited Employee Stock Ownership Scheme - 2006 U.S Stock Option Sub-Plan

#### **Offer Related Terms**

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, transfer of the Equity Shares offered by the Selling Shareholder pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations and the Red Herring Prospectus

Term	Description
Anchor Investor Allocation Price	Price at which Equity Shares have been allocated to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which was decided by our Company and the Selling Shareholder in consultation with the BRLMs
Anchor Investor Application Form	Form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Anchor Investor Bid/ Offer Period	July 8, 2016
Anchor Investor Offer Price	₹710 per Equity Share
Anchor Investor Portion	60% of the QIB Portion which was allocated by our Company and the Selling Shareholder in consultation with the BRLMs, to Anchor Investors on a discretionary basis.  One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make an ASBA Bid and authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Banker(s) to the Offer	Escrow Collection Bank, Refund Bank and Public Offer Account Bank
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "Offer Procedure" from pages 411 to 413
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations. The term "Bidding" shall be construed accordingly
Bid Amount	Highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer.  For Retail Individual Bidders, the Bid Amount is net of Retail Discount. However, for Retail Individual Bidders who applied at the Cut-off Price, the Bid Amount is the Cap Price net of the Retail Discount multiplied by the number of Equity Shares Bid for by such Retail Individual Bidders and mentioned in the Bid cum Application Form
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/ Offer Closing Date	July 13, 2016
Bid/ Offer Opening Date	July 11, 2016
Bid/ Offer Period	July 11, 2016 to July 13, 2016
Bid Lot	20 Equity Shares
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	Centres at which the Designated Intermediaries accept the Bid cum Application Forms, i.e. Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI Regulations, in terms

Term	Description
	of which the Offer has been made
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker  The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Book Running Lead Managers or BRLMs	Book running lead managers to the Offer, being Citigroup Global Markets India Private Limited, Kotak Mahindra Capital Company Limited and ICICI Securities Limited
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	₹710 per Equity Share
Citi	Citigroup Global Markets India Private Limited
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure ASBA Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price finalised by our Company and the Selling Shareholder in consultation with the BRLMs, being ₹710 per Equity Share  Only Retail Individual Bidders are entitled to Bid at the Cut-off Price (subject to Bid Amount being ₹200,000 net of Retail Discount). QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	Date on which funds are transferred by the Escrow Collection Bank from the Escrow Accounts or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC
Designated Intermediaries	Members of the Syndicate, Sub-syndicate/Agents, Self-Certified Syndicate Banks, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where the ASBA Bidders can submit the ASBA Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The National Stock Exchange of India Limited
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus dated April 12, 2016 issued in accordance with the SEBI Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form, the Red Herring Prospectus and this Prospectus will constitute an invitation to purchase

Term	Description
	the Equity Shares
Escrow Accounts	Accounts opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated June 23, 2016 entered into by our Company, the Selling Shareholder, the BRLMs, the Syndicate Member, the Registrar to the Offer and the Banker to the Offer for collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from the Bidders, on the terms and conditions thereof and for receipt of monies from the Escrow Accounts and the ASBA Accounts on the Designated Date
Escrow Collection Bank	Bank, which is a clearing member and registered with SEBI as banker to offer and with whom the Escrow Accounts have been opened, in this case being Axis Bank Limited
First Bidder	Bidder whose name is mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	₹705 per Equity Share
General Information Document/ GID	General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI suitably modified and included in “Offer Procedure” beginning on page 391
I-Sec	ICICI Securities Limited
Kotak	Kotak Mahindra Capital Company Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) or 175,000 Equity Shares available for allocation to Mutual Funds only
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Non-Institutional Bidders or NIIs	All Bidders that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Offer being not less than 15% of the Offer consisting of 2,625,000 Equity Shares available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India as defined under FEMA and includes a non – resident Indian, FIIs, FVCIs and FPIs
Offer Agreement	Agreement dated April 12, 2016 amongst our Company, the Selling Shareholder and the BRLMs pursuant to which certain arrangements are agreed to in relation to the Offer
Offer/ Offer for Sale	Offer for sale of 17,500,000 Equity Shares by the Selling Shareholder at the Offer Price aggregating to ₹ 12,363.75 million* (after taking into consideration the Retail Discount) in terms of the Red Herring Prospectus <i>*Adjusted for discount of ₹ 10 per Equity Share on the Offer Price to Retail Individual Bidders.</i>
Offer Price	₹ 710 per Equity Share In relation to Retail Individual Bidders, Offer Price is the final price (less Retail Discount) i.e. ₹ 700 per Equity Share
Price Band	Price band of a minimum price of ₹ 705 per Equity Share (Floor Price) and the maximum price of ₹ 710 per Equity Share (Cap Price).
Pricing Date	July 14, 2016
Prospectus	This Prospectus dated July 14, 2016 filed with the RoC in accordance with Section 26 of the Companies Act, 2013, and the SEBI Regulations containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the

Term	Description
	Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	Account opened with the Public Offer Account Bank to receive monies from the Escrow Accounts and the ASBA Accounts on the Designated Date
Public Offer Account Bank	Bank with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts has been opened, in this case being Axis Bank Limited
QIB Category / QIB Portion	Portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer consisting of 8,750,000 Equity Shares which has been allocated to QIBs (including Anchor Investors)
Qualified Institutional Buyers or QIBs / QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Red Herring Prospectus or RHP	The red herring prospectus dated June 28, 2016 issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI Regulations, which did not have complete particulars of the price at which the Equity Shares have been offered and the size of the Offer including any addenda or corrigenda thereto
Refund Account(s)	Account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Axis Bank Limited
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure ASBA Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure ASBA Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer or Registrar	Link Intime India Private Limited
Retail Discount	Discount of ₹ 10 per Equity Share on the Offer Price that has been offered to the Retail Individual Bidders by our Company and the Selling Shareholder, in consultation with the BRLMs
Retail Individual Bidders/ RIBs	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in the Offer (including HUFs applying through their Karta and Eligible NRIs) and does not include NRIs other than Eligible NRIs
Retail Portion	Portion of the Offer being not less than 35% of the Offer consisting of 6,125,000 Equity Shares which is available for allocation to RIBs in accordance with the SEBI Regulations, subject to valid ASBA Bids being received at or above the Offer Price
Revision Form	Form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> and updated from time to time
Selling Shareholder	Larsen & Toubro Limited
Share Escrow Agent	Share escrow agent appointed pursuant to the Share Escrow Agreement namely Link Intime India Private Limited
Share Escrow Agreement	Agreement dated June 23, 2016 entered into amongst our Company, the Selling Shareholder, the BRLMs and the Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholder and credit of such Equity Shares to the demat accounts of the Allottees
Specified Locations	Bidding centers where the Syndicate accepted Bid cum Application Forms
Syndicate Agreement	Agreement dated July 2, 2016 entered into amongst our Company, the Selling Shareholder, the BRLMs and the Syndicate Member in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Member	Intermediary registered with SEBI who is permitted to carry out activities as an underwriter, namely Kotak Securities Limited



Term	Description
Syndicate or Members of the Syndicate	BRLMs and the Syndicate Member
Underwriters	Citigroup Global Markets India Private Limited, Kotak Mahindra Capital Company Limited, ICICI Securities Limited and Kotak Securities Limited
Underwriting Agreement	Agreement dated July 14, 2016 amongst our Company, the Selling Shareholder and the Underwriters entered into on the Pricing Date
Wilful Defaulter	A person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

#### Technical/ Industry Related Terms/ Abbreviations

Term	Description
ACV	Annual Contract Value
AIM	Analytics and Information Management
AML	Anti-Money Laundering
AO	Application Outsourcing
BFS	Banking and Financial Services
BFSI	Banking, Financial Services and Insurance
BI/ DW	Business Intelligence and Data Warehousing
BPM	Business Process Management
CADM	Custom Application Development and Management
CCAR	Comprehensive Capital Analysis and Review Regulations
COE	Centers of Excellence
CIO	Chief Information Officer
CIS	Customer Interaction And Support
CRM	Customer Relationship Management
DW	Data Warehousing
Delivery Centres	Our Company's delivery centres and proximity centers
EOU	Export Oriented Unit
EPC	Engineering, Procurement and Construction
ER&D	Engineering, Research and Development
FATCA	U.S. Foreign Account Tax Compliance Act of 2010
GIC	Global In-house Centres
IaaS	Infrastructure as a Service
ICT	Information and Communication Technology
IT	Information Technology
IMS	Infrastructure Management Services
IoT	Internet of Things
IT-BPM	Information Technology and Business Process Management

Term	Description
ITIL	IT Infrastructure Library
Kanban	A knowledge management method to achieve operational efficiencies
KPI	Key Performance Indicator
KYC	Know Your Client
MSA	Master Service Agreement
OTT	Over-The-Top
O&M	Operation and Maintenance
PES Business	Our Company's Product Engineering Services Business
R&D	Research and Development
SaaS	Software as a Service
SAP	Systems, Applications and Products
SEZ	Special Economic Zone
SMAC	Social, Mobile, Analytics and Cloud
STORRM	Search, Tag, Optimise, Retrieve, Repurpose and Monetise
STPI	Software Technology Parks of India
STPI Scheme	Software Technology Parks of India scheme
T&M	Time and Material
UXD	User Experience Design
USCIS	U.S. Citizenship and Immigration Services

#### Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual General Meeting
AIF	Alternative investment funds as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Arbitration Act	Arbitration and Conciliation Act, 1996
AS/ Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BCW Act	Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
BSE	BSE Limited
Bn/ bn	Billion
Bonus Act	Payment of Bonus Act, 1965
CAD	Canadian Dollar
CAGR	Compounded Annual Growth Rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CPC	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
Category I Foreign Portfolio Investors	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II Foreign Portfolio	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI

Term	Description
Investors	FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
Companies Act	Companies Act, 2013 and Companies Act, 1956, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Competition Act	Competition Act, 2002
Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository participant identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
ECB	External Commercial Borrowings
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
Employees’ Compensation Act	Employees’ Compensation Act, 1923
FCNR Account	Foreign currency non-resident account
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DIPP under D/o IPP F. No. 5(1)/2016-FC-1 dated June 7, 2016, effective from June 7, 2016
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign institutional investors as defined under the SEBI FPI Regulations
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
FIR	First Information Report
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GIR	General Index Register
GoI or Government	Government of India
GST	Goods and Services Tax
Gratuity Act	Payment of Gratuity Act, 1972
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India

Term	Description
ICDS	Income Computation and Disclosure Standards
ICSI	The Institute of Company Secretaries of India
IEC	Importer Exporter Code
IFRS	International Financial Reporting Standards
IPC	Indian Penal Code, 1860
Income Tax Act	Income-tax Act, 1961
Ind AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Industrial Disputes Act	Industrial Disputes Act, 1947
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
JMFC	Judicial Magistrate First Class
km	Kilometres
Legal Metrology Act	Legal Metrology Act, 2009
Legal Metrology Rules	Legal Metrology (Packaged Commodities) Rules, 2011
LIBOR	London Interbank Offered Rate
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MAT	Minimum Alternate Tax
Mn	Million
Mutual Fund (s)	Mutual Fund (s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N.A./ NA	Not Applicable
NAV	Net Asset Value
NBFC	Non-banking financial company registered with the RBI
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	Negotiable Instruments Act, 1881
NHAI	National Highways Authority of India
NHPC	National Hydroelectric Power Corporation
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum

Term	Description
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
R&D	Research and Development
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
₹/ Rs./ Rupees/ INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Insider Trading Regulations, 1992	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
SEBI Insider Trading Regulations, 2015	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SPV	Special purpose vehicle
Sq. ft.	Square feet
STT	Securities transaction tax
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
TDS	Tax deducted at source
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
UK	United Kingdom
U.S./ USA/ United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US\$	United States Dollars
U.S. Securities Act	U.S. Securities Act, 1933
VAT	Value-Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations
Wealth Tax Act	Wealth-tax Act, 1957
ZAR	South African Rand

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to “India” in this Prospectus are to the Republic of India and all references to the “U.S.”, “USA” or “United States” are to the United States of America.

Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

### Financial Data

Unless stated otherwise, the financial information in this Prospectus is derived from our unconsolidated and consolidated Restated Financial Statements as of and for the Financial Years ended March 31, 2016, 2015, 2014, 2013 and 2012. These financial statements have been prepared in accordance with Indian GAAP and the Companies Act and restated under the SEBI Regulations.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to one decimal place and accordingly there may be consequential changes in this Prospectus. In this Prospectus, we have disclosed certain figures in USD without translation into Rupees, to ensure accurate representation (as such translations may be misleading).

Our Company’s financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year.

Reference in this Prospectus to the terms Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including IFRS and the reconciliation of the financial information to other accounting principles and auditing standards has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. See “Risk Factors” on pages 37 and 38 for risks involving differences between Indian GAAP and other accounting principles and auditing standards and risks in relation to Ind AS. Further, for details of significant differences between Indian GAAP and Ind AS, see “Financial Information - Summary of Significant Differences between Indian GAAP and Ind AS” beginning on page 284. The degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the SEBI Regulations and practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 16, 105 and 294, respectively, and elsewhere in this Prospectus have been calculated on the basis of the unconsolidated and consolidated Restated Financial Statements of our Company.

### Currency and Units of Presentation

All references to:

- “CAD” are to Canadian Dollar, the official currency of Canada;
- “Rupees” or “₹” or “INR” or “Rs.” or “Re” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.
- “ZAR” is the South African Rand, the official currency of South Africa.

Except otherwise specified, our Company has presented certain numerical information in this Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

### Exchange Rates

This Prospectus contains conversion of certain other currency amounts into Rupees that have been presented solely to comply with the SEBI Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

(in ₹)

Currency	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
1 CAD*	50.96	49.02	54.25	53.38 <sup>(1)</sup>	51.04 <sup>(2)</sup>
1 USD**	66.33	62.59	60.10 <sup>(3)</sup>	54.39 <sup>(4)</sup>	51.16 <sup>(5)</sup>
1 EUR**	75.10	67.51	82.58 <sup>(3)</sup>	69.54 <sup>(4)</sup>	68.34 <sup>(5)</sup>
1 ZAR*	4.49	5.13	5.66 <sup>(6)</sup>	5.90 <sup>(1)</sup>	6.64 <sup>(2)</sup>

\* Source: Bloomberg reference rate

\*\* Source: RBI reference rate

- (1) Exchange rate as on March 29, 2013, as Bloomberg reference rate is not available for March 31, 2013, and March 30, 2013 being a Sunday and Saturday, respectively
- (2) Exchange rate as on March 30, 2012, as Bloomberg reference rate is not available for March 31, 2012 being a Saturday
- (3) Exchange rate as on March 28, 2014, as RBI reference rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.
- (4) Exchange rate as on March 28, 2013, as RBI reference rate is not available for March 31, 2013, March 30, 2013 and March 29, 2013 being a Sunday, a Saturday and a public holiday, respectively
- (5) Exchange rate as on March 30, 2012, as RBI reference rate is not available for March 31, 2012 being a Saturday.
- (6) Exchange rate as on March 28, 2014, as Bloomberg reference rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.

### Industry and Market Data

Unless stated otherwise, industry and market data used in this Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe the industry and market data used in this Prospectus is reliable, it has not been independently verified by us, the Selling Shareholder or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information.

### Definitions

For definitions, see "Definitions and Abbreviations" beginning on page 1. In "Main Provisions of Articles of Association" beginning on page 422, defined terms have the meaning given to such terms in the Articles of Association. In "Statement of Tax Benefits" beginning on page 90, defined terms have the meaning given to such terms in the Statement of Tax Benefits. In "Financial Statements" beginning on page 183, defined terms have the meaning given to such terms in the Financial Statements.



## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, “seek to” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans, prospects or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated without expectations with respect to, but not limited to, regulatory changes pertaining to the industries in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our Company’s exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and other changes in its industry. Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- failure to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technologies and the industries we focus on;
- pricing pressure due to intense competition in the market for IT services;
- exchange rate fluctuations in the various currencies in which we do business;
- failure to predict our revenues, expenses and profitability due to significant fluctuation in relation thereto;
- dependence of our revenue to a large extent on a limited number of clients and concentration of our clients in certain industries and geographical regions; and
- failure to attract, retain and manage the transition of our management team and other skilled professionals.

For further discussion on factors that could cause the actual results to differ from the expectations, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 16, 105 and 294, respectively.

By their nature, certain market risk related disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholder, the BRLMs nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Regulations, our Company and the BRLMs will ensure that investors in India are informed of material developments from the date of this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholder will ensure that investors are informed of material developments in relation to statements and undertakings made by the Selling Shareholder in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus until the time of grant of listing and trading permission by the Stock Exchanges.

## SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any one or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to extensive regulatory environments that may differ significantly from one jurisdiction to another. In making an investment decision, prospective investors must rely on their own examinations of us on a consolidated basis and the terms of the Offer, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. For further details, see “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 105 and 294, respectively, as well as the other financial and statistical information contained in this Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For further details, see “Forward-Looking Statements” beginning on page 15.

In this section, unless the context otherwise requires, a reference to our “Company” or to “we”, “us” and “our” refers to Larsen & Toubro Infotech Limited and its Subsidiaries on a consolidated basis. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our consolidated Restated Financial Statements.

### INTERNAL RISK FACTORS

#### Risks related to our Company and our industry

##### 1. **Our Company, our Directors, Subsidiaries, Promoter and Group Companies are involved in certain legal and other proceedings.**

Our Company, and our Directors, Subsidiaries, Promoter and Group Companies are currently involved in a number of legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters and actions by regulatory/ statutory authorities against our Company, and our Directors, Subsidiaries, Promoter and Group Companies have been set out below. Further, the summary of the outstanding matters also include other outstanding matters pending against our Promoter and Group Companies which exceed ₹ 2,500 million and other outstanding matters pending against our Company, Subsidiaries and Directors which exceed ₹ 375 million.

Litigation against our Company (including cases filed against ISRC)

Nature of the cases	No. of cases outstanding	Amount involved
		(in ₹ million)
Criminal matters	2	Nil
Direct tax matters	22	974.82
Indirect tax matters	35	429.37
Action by regulatory/ statutory authorities	2	5.65
Other matters exceeding ₹ 375 million	Nil	Nil

Litigation against our Subsidiaries

Nature of the cases	No. of cases outstanding	Amount involved
		(in ₹ million)
Criminal matters	Nil	Nil
Direct tax matters	3	5.77
Indirect tax matters	Nil	Nil
Action by regulatory/ statutory authorities	Nil	Nil
Other matters exceeding ₹ 375 million	Nil	Nil

#### Litigation against our Directors

Nature of the cases	No. of cases outstanding	Amount involved
		(in ₹ million)
Criminal matters	8	Not quantifiable
Direct tax matters	Nil	Nil
Indirect tax matters	Nil	Nil
Action by regulatory/ statutory authorities	4	2.00
Other matters exceeding ₹ 375 million	Nil	Nil

#### Litigation against our Promoter

Nature of the cases	No. of cases outstanding	Amount involved
		(in ₹ million)
Criminal matters	22	Not quantifiable
Direct tax matters	41	19,108.37
Indirect tax matters	450	43,153.01
Actions taken by regulatory/statutory authorities	45	9,430.66
Other matters exceeding ₹ 2,500 million	2	10,617.50

#### Litigation against our Group Companies

Nature of the cases	No. of cases outstanding	Amount involved
		(in ₹ million)
Criminal matters	28	Not quantifiable
Direct tax matters	93	1,896.35
Indirect tax matters	152	7,519.74
Action by regulatory/ statutory authorities	5	4.26
Other matters exceeding ₹ 2,500 million	2	13,711.50

Note: The amounts indicated above (wherever quantifiable) are approximate amounts.

For further details, see “Outstanding Litigation and Material Developments” beginning on page 324.

Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our Company or our Directors, Subsidiaries, Promoter or Group Companies, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

**2. *Our business will suffer if we fail to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology and the industries on which we focus.***

The IT services market is characterized by rapid technological changes, evolving industry standards, changing client preferences, and new product and service introductions that could result in product obsolescence and short product life cycles. Our future success will depend on our ability to anticipate these advances, enhance our existing offerings or develop new service offerings to meet client needs, in each case, in a timely manner. We may not be successful in anticipating or responding to these advances on a timely basis, or at all. If we do respond, the services or technologies we develop may not be successful in the marketplace. We may also be unsuccessful in stimulating customer demand for new and upgraded services, or seamlessly managing new service introductions or transitions. Our failure to address the demands of the rapidly evolving IT environment, particularly with respect to emerging technologies, and technological obsolescence, could have a material adverse effect on our business, results of operations and financial condition. In addition, our success also depends on our ability to proactively manage our portfolio of technology alliances.

Additionally, during the regular course of operating our business, we may adjust our future plans as a result of our research, experience, technology evolution and market demand. Accepting unforeseen business opportunities may also result in a business model change. We cannot guarantee that any adjustment in our future plans will become successful or be more successful than our current business model. A shift in our plans may result in the use of other technologies. Other technologies may in the future prove to be more efficient and/or economical to us than our current technologies. We cannot guarantee that any change in technology will become successful or be more successful than our current technology.

**3. *Intense competition in the market for technology services could affect our pricing, which could reduce our share of business from clients and decrease our revenues and profitability.***

We operate in an intensely competitive industry that experiences rapid technological developments, changes in industry standards, and changes in customer requirements. Our competitors include large IT consulting firms, captive divisions of large multinational technology firms, large Indian IT services firms, in-house IT departments of large corporations, in addition to numerous smaller local competitors in the various geographic markets in which we operate.

The technology services industry is experiencing rapid changes that are affecting the competitive landscape. We may face competition from companies that increase in size or scope as the result of strategic mergers or acquisitions, which may result in larger competitors with significant resources that benefit from economies of scale and scope. These transactions may include consolidation activity among global technology majors, hardware manufacturers, software companies and vendors, and service providers. The result of any such vertical integration may be greater integration of products and services and a larger portfolio of services on offer, in each case, relative to what was previously offered by such independent vendors. Our access to such products and services may be reduced as a result of such an industry trend and we may otherwise become disadvantaged relative to our potentially more circumscribed service portfolio.

Such events could have a variety of negative effects on our competitive position and our financial results, including reducing our revenue, increasing our costs, lowering our gross margin percentage and requiring us to recognise impairments on our assets.

If our competitors develop and implement methodologies that yield greater efficiency and productivity, they may be able to offer services similar to ours at lower prices without adversely affecting their profit margins. Even if our offerings address industry and client needs, our competitors may be more successful at selling their services. If we are unable to provide our clients with superior services and solutions at competitive prices or successfully market those services to current and prospective clients, our business, results of operations and financial condition may suffer. In addition, some of our competitors have added offshore capabilities to their service offerings. These competitors may be able to offer their services using the offshore and onsite model more efficiently than we can through our global delivery model. For further details, see “Our Business – Global Delivery Model” from pages 118 to 119. Further, a client may choose to use its own internal resources rather than engage an outside firm to perform the types of services we provide. We cannot be certain that we will be able to sustain our current levels of profitability or growth in the face of competitive pressures, including competition for skilled technology professionals and pricing pressure from competitors employing an on-site/ offshore business model.

We may face competition in countries where we currently operate, as well as in countries in which we expect to expand our operations and may have limited or no experience. We also expect additional competition from technology services firms with current operations in other countries and regions, such as China, the Philippines, Eastern Europe and Latin America, which have competitive cost structures. Many of our competitors have significantly greater financial, technical and marketing resources, generate greater revenues, have more extensive existing client relationships and technology partners and have greater international brand recognition than we do. We may be unable to compete successfully against these competitors, or may lose clients to these competitors. There is a risk that increased competition could put downward pressure on the prices we can charge for our services and on our operating margins. Additionally, we believe that our ability to compete also depends in part on factors outside of our control, such as the price at which our competitors offer comparable services, and the extent of our competitors’ responsiveness to their clients’ needs.

**4. *Our revenues, expenses and profitability may be subject to significant fluctuation and hence may be difficult to predict. This increases the likelihood that our results of operations could fall below the expectations of investors and market analysts, which could cause the market price of the Equity Shares to decline.***

Our revenues, expenses and profitability are likely to vary significantly in the future from period to period. Factors which result in fluctuations in our revenues, expenses and profits include:

- the size, complexity, timing, pricing terms and profitability of significant contracts, as well as changes in the corporate decision-making processes of our clients;
- the business or financial condition of our clients or the economy generally, or any developments in the IT sector in macro-economic factors, which may affect the rate of growth in the use of technology in business, type of technology spending by our clients and the demand for our services;
- the high concentration of orders in a limited number of countries, particularly the United States and the concentration of orders in certain industries;
- the seasonal changes that may affect the mix of services we provide to our clients or the relative proportion of revenue;

- fluctuations in exchange rates;
- the effect of increased wage pressure in India and other countries in which we operate;
- the size and timing of our facilities' expansion;
- the proportion of projects that are performed at clients' sites compared to work performed at offshore facilities;
- our ability to expand sales to our existing customers and increase sales of our services to new customers, of whom some may be reluctant to change their current IT systems due to the high costs already incurred on implementing such systems and/or the potential disruption it would cause with personnel, processes and infrastructures; and
- our ability to forecast accurately our clients' demand patterns to ensure the availability of trained employees to satisfy such demand.

A significant portion of our total operating expenses, particularly expenses related to personnel and facilities, are fixed in advance of any period. As a result, unanticipated variations in the size and scope of projects, as well as unanticipated cancellations, contract terminations or the deferral of contracts or changes occurring as a result of our clients reorganizing their operations, or unanticipated variations in the number and timing of projects or employee utilisation rates, or the accuracy of estimating resources required to complete ongoing projects, may cause significant variations in operating results in any particular period. In addition, demands for higher compensation could lead to employee disputes and, potentially, work stoppages or slowdowns.

As a result, unanticipated variations to our projects in the manner and with the effects as mentioned above may cause significant variations in our results of operations in any particular quarter. Our pricing remains competitive and clients remain focused on cost reduction and capital conservation and cost management limitations may not be sufficient to negate pressure on pricing and utilisation rates. We may not be able to sustain our historical levels of profitability.

Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indications of future performance. It is indeed possible that in the future some of our periodic results of operations may be below the expectations of investors and market analysts, and the market price of the Equity Shares could decline.

**5. *Exchange rate fluctuations in various currencies in which we do business could negatively impact our business, financial condition and results of operations.***

Although our reporting currency is in Rupees, we transact a significant portion of our business in several other currencies, primarily USD and Euro. Approximately 94.2%, 95.8% and 95.3% of our revenue from operations in Financial Years 2016, 2015 and 2014, respectively, were derived from sales outside of India. However, a large portion of our costs are in Rupees. Approximately, 42.2%, 41.3% and 41.4% of our total operating expenses in the Financial Years 2016, 2015 and 2014, respectively, were incurred in Rupees. The exchange rate between the Rupee and foreign currencies has fluctuated significantly in recent years and may continue to fluctuate in the future. Any significant appreciation of the Rupee against foreign currencies in which we do business can fundamentally affect our competitiveness in the long-term. As our financial statements are presented in Rupees, such fluctuations could have a material impact on our reported results. Our clients generally demand that all risks associated with such fluctuations are borne by us.

In order to mitigate our foreign exchange risks, we have a long-term hedging policy. We hedge the major currencies in which we transact business (for example, the US dollar and the Euro) by entering into forward contracts. For a discussion of the accounting policy in relation to our forward contracts, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies – Foreign Currency Transactions" and "Annexure IVB: Significant Accounting Policies – 9. Foreign Currency Transactions" in our consolidated Restated Financial Statements on pages 319 and 193 respectively. As of March 31, 2016, we had outstanding forward contracts with notional amount of ₹ 43,470.51 million and outstanding unhedged foreign currency receivables, including firm commitments and highly probable forecast transactions, of ₹ 41,271.25 million, and outstanding unhedged foreign currency payables, including firm commitments and highly probable forecast transactions, of ₹ 28,796.36 million. Further, we have incurred indebtedness in currencies other than in Rupee including in the form of external commercial borrowings and may incur further such indebtedness in the future, which creates foreign currency exposure in respect of our cash flows and ability to service such debt. As mentioned above, the exchange rate between the Rupees and foreign currencies has fluctuated significantly in recent years and is likely to continue fluctuating in the future. If the value of the Rupee declines, the size of our debt and interest expenses in currencies other than Rupees may increase. This will adversely impact our net income. We also

experience other market risks, including changes in the interest rates related to our borrowings. We use derivative financial instruments to reduce or mitigate these risks where possible. However, if our strategies to reduce market risks (including through the use of derivative instruments) are not successful, our business, financial condition and results of operations may be adversely impacted.

6. ***Our revenues are highly dependent on clients primarily located in North America and Europe, as well as on clients concentrated in certain industries, notably banking and financial services, insurance, energy and process, and consumer packaged goods, retail and pharmaceuticals. Our revenues are also dependent on two service lines; therefore, an economic slowdown or factors that affect the economic health of North America or Europe, these industries or these service lines could adversely affect our business, financial condition and results of operations.***

In Financial Years 2016 and 2015, 69.0% and 68.6%, respectively of our revenue from continuing operations were derived from our North America segment. In Financial Years 2016 and 2015, 17.4% and 17.9%, respectively of our revenue from continuing operations were derived from our Europe segment. If the economy in North America or Europe is or becomes volatile or uncertain or conditions in the global financial market were to deteriorate, if there are any changes in laws applicable to us, or if any restrictive conditions are imposed on us or our business, or if the values of the currencies in which we do business decline, pricing of our services may become less favorable for us and our clients located in these geographies may reduce or postpone their technology spending significantly. Reduced spending on IT services may lower the demand for our services and negatively affect our revenues and profitability.

Further, we are exposed to certain risks due to concentration of clients in certain key industries, notably banking and financial services, insurance, energy and process and consumer packaged goods, retail and pharmaceuticals, which represented 26.3%, 20.7%, 12.7% and 9.3%, respectively, of our revenue from continuing operations in Financial Year 2016 and 27.1%, 20.0%, 16.2% and 9.3%, respectively, of our revenue from continuing operations in Financial Year 2015. Further, revenues from our application development, maintenance and outsourcing and enterprise solutions service lines amounted to 42.4% and 23.7%, respectively, of our revenue from continuing operations in the Financial Year 2016 and 43.4% and 24.8%, respectively, of our revenue from continuing operations in Financial Year 2015. Any significant decrease in the revenues or revenue growth of any one of these industries or service lines, or widespread changes in any such industries or service lines, may reduce or alter the demand for our services and adversely affect our revenue and profitability. Further, any significant consolidation within the industries in which our clients operate may consequently affect our clients' ability in that industry to continue using our services.

7. ***Challenges in relation to immigration may affect our ability to compete for, and provide services to, clients in the United States and/or other countries, partly because we may be required to hire locals instead of using our existing work force, which could result in lower profit margins, delays in, or losses of, client engagements and otherwise adversely affect our ability to meet our growth, revenue and profit projections. We cannot assure you that we will not be subject to penalties in relation to employment visa violations in the future.***

Our employees who work onsite at client facilities or at our facilities in the United States on temporary or extended assignments typically must obtain visas. If United States immigration laws change and make it more difficult for us to obtain non-immigrant visas (i.e., H-1B and L-1 visas) for our employees, our ability to compete for and provide services to our clients in the United States could be impaired. For instance, in December 2015, the United States Congress substantially increased the visa fees on the H-1B and L-1 visas, which has increased and will increase our costs going forward. Further, in response to past terrorist attacks in the United States, the USCIS and the U.S. Department of State have increased their level of scrutiny in reviewing visa applications and work petitions and have decreased the number of such visas granted. Immigration laws in the United States and in other countries are subject to legislative changes, as well as to variations in the standards of application and enforcement due to political forces and economic conditions. It is difficult to predict the political and economic events that could affect immigration laws, or the restrictive impact they could have on obtaining or reviewing work visas for our technology professionals, despite the fact that there may be ongoing shortages of such professionals in some of the countries in which we do business.

The United States is currently considering further restrictive immigration reforms, which may have a substantial impact on our business model and practices, costs, hiring practices or capacity to complete client projects and which may result in an increase in the cost of us doing business in the United States as a result of having to recruit more local United States employees or paying higher wages to deputed personnel. We cannot be certain that we will continue to be able to obtain any or a sufficient number of H-1B and L-1 visas for our employees on the same timeframe as we currently maintain.

Besides the United States, immigration laws in other countries in which we seek to obtain visas or work permits may require us to meet certain other legal requirements as conditions to obtaining or maintaining entry visas, such as maintaining a defined ratio of local to foreign employees. The inability of project personnel to obtain necessary visas or work permits could delay or prevent our fulfillment of client projects, which could hamper our growth and cause our revenue and/or profits to decline.

Similarly, certain countries and organisations have expressed concerns about a perceived connection between outsourcing to offshore locations and the loss of jobs domestically. With high domestic unemployment levels in many countries and increasing political and media attention on the outsourcing of services internationally by domestic corporations, there have been concerted efforts in many countries to enact new laws to restrict offshore outsourcing or impose restrictions on companies that outsource. For example, periodically, restrictive outsourcing legislation has been considered by federal and state authorities in the United States. In the event that any of these measures become law, our ability to do business in these jurisdictions could be adversely impacted, which, in turn, could adversely affect our revenues and profitability. Moreover, from time to time, negative experiences associated with offshore outsourcing, such as theft and misappropriation of sensitive client data, have been publicized, including reports involving service providers based in India. Our current or prospective clients may elect to perform certain services themselves or may be discouraged from transferring services from onshore to offshore service providers to avoid harmful publicity or any negative perceptions that may be associated with using an offshore service provider. Any slowdown or reversal of existing industry trends towards offshore outsourcing would seriously harm our ability to compete effectively with competitors that provide services from within the countries in which our clients operate.

To the extent we experience delays due to immigration restrictions, we may encounter client dissatisfaction, project and staffing delays in new and existing engagements, project cancellations, project losses, higher project costs and loss of revenue, resulting in decreases in profits and a material adverse effect on our business, results of operations, financial condition and cash flows. Due to these immigration delays, we may also need to perform more work onsite, or hire more resources locally, thus reducing our gross margins and overall profitability.

In the past, we have been subject to penalties in relation to employment visa violations and have received legal notices alleging violations. While we aim to comply with applicable law and have established procedures in relation thereto, including in relation to employment visa compliance, given the nature of our business, we cannot assure you that we will not be subject to such penalties in the future, which could adversely affect our business, financial condition and results of operations.

**8. *Our pricing structures do not accurately anticipate the cost and complexity of performing our work and if we are unable to manage costs successfully, then certain of our contracts could be or become unprofitable.***

We negotiate pricing terms with our clients utilizing a range of pricing structures and conditions. Depending on the particular contract, we may use time-and-materials pricing, pursuant to which we typically invoice on a monthly basis for the services that we provide to our clients. We also enter into fixed-price arrangements, pursuant to which we provide a defined scope of work over a fixed timeline for a capped fee. In certain instances, we enter into time-and-materials pricing arrangements, but with the inclusion of fixed-price elements for certain specified services. In Financial Years 2016 and 2015, 55.0% and 59.7%, respectively of our services revenue from continuing operations were on a time-and-materials basis. In Financial Years 2016 and 2015, 45.0% and 40.3%, respectively of our services revenue from continuing operations were on a fixed-price basis.

Our ability to improve or maintain our profitability is dependent on managing our costs successfully. Our cost management strategies include maintaining appropriate alignment between the demand for our services and our resource capacity, optimizing the costs of service delivery through business process digitalisation and deployment of tools, and effectively leveraging our sales and marketing and general and administrative costs. We also have to manage additional costs to replace solutions or services in the event our clients are not satisfied in relation thereto and believe we have failed to properly understand their needs and develop solutions accordingly. Our pricing structure is highly dependent on our internal forecasts and predictions about our projects and the potential demand for our projects and services by our clients, which might be based on limited data and could be inaccurate. Although we use our specified software engineering processes and rely on our past project experience to reduce the risks associated with estimating, planning and performing fixed-price projects, we bear the risks of cost overruns, completion delays and wage inflation in connection with these projects. We have taken actions to reduce certain costs, including increasing productivity from fixed costs such as better utilisation of existing facilities, investing in business process digitalisation and relocating non-client-facing employees to lower-cost locations. There is no guarantee that these, or other cost-management efforts, will be successful, that our efficiency will be enhanced, or that we will achieve desired levels of profitability.

If we do not accurately estimate the resources required, costs and timing for completing projects, future rates of wage inflation and currency exchange rates, or if we fail to complete our contractual obligations within the contracted timeframe, our contracts could prove unprofitable for us or yield lower profit margins than anticipated. There is a risk that we will underprice our contracts, fail to accurately estimate the costs of performing the work or fail to accurately assess the risks associated with potential contracts. In particular, any increased or unexpected costs, or wide fluctuations compared to our original estimates or delays, or unexpected risks we encounter in connection with the performance of this work, including those caused by factors outside of our control, could make these contracts less profitable or unprofitable, which could adversely impact our profit margin.

**9. *Some of our client contracts contain benchmarking and most favored customer provisions which, if triggered, could result in lower contractual revenues and profitability in the future.***

Some of our client contracts contain benchmarking and most favored customer provisions. 15 contracts entered into by our Company or our Subsidiaries have clauses with benchmarking provisions as of March 31, 2016. These contracts contributed ₹ 12,793.1 million and ₹ 11,212.6 million in the Financial Years 2016 and 2015, respectively, representing 21.9% and 22.6% of our revenue from continuing operations for such periods respectively. 21 contracts entered into by our Company or our Subsidiaries have clauses with most favored provisions as of March 31, 2016. These contracts contributed ₹ 17,059.4 million and ₹ 15,738.9 million in the Financial Years 2016 and 2015, respectively, representing 29.2% and 31.7% of our revenue from continuing operations for such periods respectively. The benchmarking provisions allow a customer in certain circumstances to request a study prepared by an agreed-upon third party, typically an industry expert, comparing our pricing, performance and efficiency gains for delivered contract services against the comparable services of an agreed-upon list of other service providers. Based on the results of the benchmark study and depending on the reasons for any unfavorable variance, we may be required to reduce our pricing for future services or to improve the quality of services to be performed for the remainder of the contract term or impose higher service levels, which could have an adverse impact on our revenues and results. Most favored customer provisions require us to give existing customers updated terms in the event that we enter into more competitive agreements with certain other customers for similar services, which limits our ability to freely enter into agreements and could have an adverse impact on our revenues and results.

**10. *Our Company has amended the ESOP Scheme, 2000 and changed the vesting schedule and exercise period of options and has exercised discretion with respect to the vesting and exercise of certain options; any of these actions have resulted in and may continue to result in claims under the Existing Employee Stock Option Plans that may adversely impact our reputation, business, financial condition and results of operations.***

In terms of the ESOP Scheme, 2000, the grant and vesting of options to employees is not automatic but at the discretion of the management of our Company. Further, the ESOP Scheme, 2000 also allowed our Company to decide the vesting and subsequent exercise dates for the options granted thereunder. Our Company has amended the ESOP Scheme, 2000, from time to time to, inter-alia, defer the vesting of options granted under the ESOP Scheme, 2000 until the date of the IPO and provided that our Company can fix the first exercise date prior to the date of its IPO. For further details on our employee stock option plans, see “Capital Structure” from pages 75 to 82.

Certain of our former and current employees have raised queries in relation to the vesting (including the exercise of discretion in relation to vesting), exercise and cancellation of options, eligibility letters, grant letters and intimation about amendments made to the ESOP Scheme, 2000. Further, we have received legal notices from two of our former employees claiming with respect to *inter alia* their entitlement to a certain number of options under the Existing Employee Stock Option Plans. Our Company is addressing these claims and notices and there can be no assurance that these will be satisfactorily resolved. For further details, see “Outstanding Litigation and Material Development” on page 326. In the event that former or current employees raise any further queries, issue notices, make claims or initiate litigation in relation to any matter pertaining to the Existing Employee Stock Option Plans, our Company may have to spend management time and incur costs in addressing these queries, notices, claims and litigation.

In terms of the ESOP Scheme, 2000, upon resignation, the employee will be allowed to exercise only options vested prior to his or her resignation. Accordingly, our Company has lapsed unvested options with the employees who have resigned from our Company. For the purposes of vesting and exercise of deferred options by former employees in one jurisdiction, based on legal advice, our Company has exercised its discretion in determining that the former employees in this particular jurisdiction will be allowed to exercise their deferred options and accordingly, our Company has re-instated the options exercisable by such former employees. However, with respect to former employees in other jurisdictions, our Company has exercised its discretion to not to issue deferred options to the former employees in such jurisdictions. These former employees have raised and may continue to raise queries, issue notices, make claims or initiate litigation and our Company may have to spend management time and incur costs in addressing these queries, notices, claims and litigation.

As of the date of the Prospectus, 86,984 options are vested and unexercised by 11 existing employees of our Company and 479,992 options are vested and unexercised by 126 former employees of our Company. These former employees have either left our Company or are retired or deceased. The option holders, who are allowed to exercise the options, may not have sufficient financial resources to pay the grant price for the exercise of options. There could also be significant tax, levies and other financial obligations on the option holders upon the exercise of options and the employees may face difficulties in exercising the options. There could also be tax related obligations on our Company relating to withholding tax and other claims and levies outside India including any tax liabilities which are not paid by the option holders on account of deferment or any claims in this regard.

Further, whilst we have maintained records of our former employees, there are 20 former employees of our Company who hold 22,065 options exercisable into 22,065 Equity Shares who we have been unable to locate and 106 former employees who hold 457,927 options and have not exercised their options. There is no assurance that we



will be able to locate all our eligible former employees and that the options will be exercised by former employees within the period of exercise determined by our Company.

Pursuant to the Existing Employee Stock Option Plans, our Company has granted options to its employees in India and other jurisdictions between April 2001 and April 2010 and our Company has also granted certain options under the ESOP Scheme, 2015. Our Company is required to comply with applicable laws and regulations in various jurisdictions in the world where its present and former employees are located (including India and the U.S) in relation to the stock option plans and the grant, vesting and issue of stock options and equity shares, including complying with private placement, foreign exchange, employment and taxation laws and regulations. There can be no assurance that our Company has been and will be able to comply with the applicable laws and regulations (including any filing, registration, notice and other compliance requirement) of these jurisdictions. Our Company obtained shareholders' approval under the Companies Act, 1956 for the issue and allotment of equity shares under the Existing Employee Stock Option Plans. The Companies Act, 2013 has become effective after the grants were made and before issue and allotment of Equity Shares to our former and current employees. The regulatory authorities may take the view that Sections 42 and 62 of the Companies Act, 2013 are applicable to the allotment of Equity Shares pursuant to exercise of options and impose penalties or take other adverse action against our Company in the future.

Any of the above issues and any other issues under our stock options plans may divert management time, cause us to incur costs and adversely affect our reputation, business, financial condition and results of operations.

**11. *Our revenue depends to a large extent on a limited number of clients, and our revenue could decline if we lose a major client.***

We currently derive a significant portion of our revenue from a limited number of corporate clients. The loss of a major client or a significant reduction in the services performed for a major client could result in a significant reduction of our revenue. Significant pricing or margin pressure exerted by our large clients would also adversely affect our business, financial condition and results of operations. Our largest client accounted for 14.9%, 14.1% and 13.1% of our revenue from continuing operations in Financial Years 2016, 2015 and 2014, respectively. Our ten largest IT services clients accounted for approximately 52.7%, 49.5% and 46.8% of our revenue from continuing operations in Financial Years 2016, 2015 and 2014, respectively. The volume of work we perform for specific clients may vary from year to year, particularly since we typically are not the exclusive external IT service provider for these clients. Thus, any major client during one year may not provide the same level of revenue in a subsequent year. Our large clients may terminate their work orders with us, with or without cause, and with or without notice, at any time, and our other major clients may terminate their contracts with us at their discretion, with notice. If any one or more of our work orders or client contracts are terminated, our revenue and profitability could be materially and adversely affected.

The contribution of revenue from new clients to our total revenue from continuing operations is typically small for the first year. This is because new engagements typically begin with lesser volume of business, which is expected to gradually grow over a period of time. For Financial Year 2016 and 2015, revenue from new clients contributed 3.1% and 1.9%, to our total revenue from continuing operations, respectively.

There are a number of factors, other than our service performance, that could cause the loss of a client, such as reduction in our clients' IT budgets due to macroeconomic factors or otherwise, shifts in corporate priorities and political or economic factors or changes in their outsourcing strategies such as moving to client in-house IT departments. There is significant competition for the services we provide and we are typically not an exclusive service provider to our large clients. Further, our client agreements do not provide for any minimum purchase requirements from our major clients while a given client may view our profit margins as high and demand a reduction in pricing terms. These factors may not be predictable or under our control. If we were to lose one of our major clients or have a significantly lower volume of business from them, our revenue and profitability could be reduced. We cannot assure you that our large clients will not terminate their arrangements with us or significantly change, reduce or delay the amount of services ordered from us, any of which would reduce our revenues.

**12. *Wage increases in India may diminish our competitive advantage against companies located in the United States and Europe and may reduce our profit margins.***

Our wage costs in India have historically been lower than wage costs in the United States and Europe for comparably skilled employees, and this has been one of our competitive advantages. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. We may need to increase the levels of our employee compensation more rapidly than in the past to retain talent. Unless we are able to continue to increase the efficiency and productivity of our employees over the long term, wage increases may reduce our profit margins. Furthermore, increases in the proportion of employees with less experience, or sources of talent from other low cost locations could also negatively affect our profits.

**13. *Our profitability could suffer if we are not able to maintain favorable employee utilisation.***

Our profitability and the cost of providing our services are affected by the utilisation of our employees. We define utilisation as an individual's full time equivalent hours divided by total billable full time employment hours, with such total billable hours being in respect of a given project. In Financial Years 2016, 2015 and 2014, the utilisation of our employees (excluding trainees) was 75.7%, 75.8% and 73.6%, respectively. If we are not able to maintain high employee utilisation, our profit margin and profitability may suffer. Our utilisation rates are affected by a number of factors, including:

- loss or reduction of business from clients;
- our ability to transition employees from completed projects to new assignments and to hire and integrate new employees;
- maintaining effective oversight over personnel and offices;
- our ability to forecast demand for our services and thereby maintain an appropriate headcount in each of our geographies and workforces;
- our ability to obtain visas for employees on time, or at all;
- our ability to manage attrition; and
- our need to devote time and resources to training, professional development and other non-chargeable activities.

Our revenue could also suffer if we misjudge demand patterns and do not recruit sufficient employees to satisfy demand. Employee shortages could prevent us from completing our contractual commitments in a timely manner and potentially cause us to pay penalties or lose contracts or clients.

**14. *Our success depends in large part upon the strength of our management team and other highly skilled professionals. If we fail to attract, retain and manage transition of these personnel, our business may be unable to grow and our revenue could decline.***

The continued efforts of the senior members of our management team and other highly skilled professionals are critical to our success. Our ability to execute project engagements and to obtain new clients depends in large part on our ability to attract, train, motivate and retain highly skilled professionals, especially senior management personnel, senior technical personnel, project managers and software engineers.

The attrition rates of our employees globally for Financial Years 2016, 2015 and 2014 were 18.4%, 19.5% and 13.2%, respectively. If we cannot hire and retain additional qualified personnel, our ability to bid on and obtain new projects and to continue to expand our business will be impaired and our revenue could decline. We believe that there is significant competition within our industry for professionals with the skills necessary to perform the services we offer, particularly in the locations in which we have operations. We may not be able to hire and retain enough skilled and experienced employees to replace those who leave. Increasing competition for technology professionals may also impact our ability to retain personnel, and changes in government policies may also affect our ability to attract, hire and retain personnel.

We also believe that we are recognized as a preferred employer in the Indian IT services industry, and are reliant on this reputation to attract, hire and retain skilled personnel. See "Our Business – Our Competitive Strengths – Conducive work environment to attract and retain talent" on page 108. Any adverse impact or negative publicity surrounding such reputation may affect our ability to attract, hire and retain personnel in future. For example, most recently, we did not issue letters of employment to graduates of various colleges due to their failure to meet certain selection criteria in an assessment test held in March 2016.

Additionally, we may not be able to reassign or train our employees to keep pace with continuing changes in technology, evolving standards and changing client preferences. Furthermore, our ability to attract and retain highly skilled professionals is dependent on the compensation we offer them. If we are unable to offer them higher compensation, we may be unable to attract or retain them. Our business, financial condition and results of operations could be adversely affected if we are unable to manage employee hiring and attrition to achieve a stable and efficient workforce structure.

Further, there have been certain significant changes and re-organisation of our senior management recently including the appointment of the new Chief Operating Officer, Chief Executive Officer and Managing Director and Chief Business Officer – Tech, Media, CRP & Digital – Americas and Chief Business Officer – Manufacturing & ERP –

Americas. For further details of the Chief Operating Officer and the Chief Executive Officer and Managing Director, see “Our Management – Brief Biographies of Key Management Personnel” and “Our Management – Brief Biographies of Directors” from pages 148 to 149 and 143 to 144, respectively. We may continue to have changes in the senior management in the future. The new senior management personnel may take decisions which may result in various changes to our business and operations and we cannot assure you that such changes would enhance our business prospects and would not adversely affect our business and results of operations.

**15. *Any inability to manage our growth could disrupt our business and reduce our profitability.***

Our business has grown over the years as has the number of employees that we employ. We expect such growth to continue and that it will place significant demands on our management team and other resources. This will require us to continue to develop and improve our administrative, operational, financial, systems and other internal controls. As a result of our growing operations, we face and expect to continue to face challenges such as:

- maintaining an effective internal control system and properly training employees to mitigate the risk of individuals engaging in unlawful or fraudulent activity or otherwise exposing us to unacceptable business risks;
- adhering to and further improving our service standards;
- maintaining high levels of client satisfaction;
- successfully expanding the range of services offered to our clients;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems, including data management in our IT applications and management information systems;
- our significant investments in recent years and going forward to keep pace with technological changes, i.e., digital solutions, achieving delayed or lower than expected benefits;
- preserving our culture, values and entrepreneurial environment;
- assimilating and integrating disparate IT systems, personnel and employment practices, and operations of acquired companies (if any);
- recruiting, training and retaining sufficient skilled technical, marketing and management personnel;
- loss of our current market share as a result of low barriers of entry in the IT industry, which may result in increased competition from entities that are able to offer cheaper and as such, potentially more attractive services;
- managing our procurement, supply chain and vendor management processes;
- co-activating work among off-shore and on-site and project teams and maintaining high resource utilisation rates; and
- integration of any acquisition made by us.

Moreover, the costs involved in entering and establishing ourselves in new and emerging markets, and expanding such operations, may be higher than expected and we may face significant competition in these regions. We may also face additional risks in setting up operations in new and emerging markets in which we have no prior operating history or have no experience of conducting business.

Emerging markets, including Africa, Eastern Europe and the Middle East, are subject to greater risks than more developed markets. The Middle East region is experiencing ongoing instability, which has affected our growth therein. The political, economic and market conditions in many emerging markets present risks that could make it more difficult to operate our business successfully and expand into emerging markets. These risks include:

- political, social and economic instability, including wars, acts of terrorism, guerilla activities, insurrection, political unrest, boycotts, sanctions and business restrictions;
- the macroeconomic climate, including high rates of inflation;

- any downgrading of the sovereign debt ratings of the countries in which we operate by an international rating agency;
- foreign exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- nationalisation or other expropriation of private enterprises and land;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- a lack of well-developed legal systems which could make it difficult for us to enforce our contractual rights and an inability to obtain, maintain or enforce intellectual property rights;
- logistical and communications challenges;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis;
- difficulties in staffing (including attracting and retaining qualified technical and other personnel), managing operations and ensuring the safety of our employees;
- greater risk of uncollectable accounts and longer collection cycles;
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so; and
- introduction or changes to indigenisation and empowerment programmes.

Our inability to manage our expansion and related growth in these new and emerging markets or regions may have an adverse effect on our business, results of operations and financial condition.

**16. *We may face difficulties in providing end-to-end business solutions for our clients that could cause clients to discontinue their work with us, which, in turn, could adversely impact our business, financial condition and results of operations. We may also be required to pay damages for deficient services or for violating intellectual property rights.***

As we have increased the breadth of our service offerings, we have engaged in larger and more complex projects with our clients. This requires us to establish closer relationships with our clients, develop a thorough understanding of their operations, and take higher commercial risks in our contracts with such clients, including penalty clauses in our agreements and larger upfront investments. Our ability to establish such relationships will depend on a number of factors, including the proficiency of our IT professionals and our management personnel. Our failure to understand and successfully implement our clients' requirements, the domain and country-specific laws and regulations which govern the services that we provide, or our failure to deliver services which meet the requirements specified by our clients, could result in termination of client contracts, reputational harm and/or imposition of penalties or the payment of damages pursuant to litigation against us for deficient services. We may also be subject to damages for violating or misusing our clients' intellectual property rights or for breaches of third-party intellectual property rights or confidential information in connection with services to our clients. Furthermore, our contracts often contain provisions pursuant to which we indemnify our clients for such third-party breaches of intellectual property pursuant to our contracts. Our inability to provide services at contractually-agreed service levels or inability to prevent violation or misuse of the intellectual property of our clients or that of third parties could cause significant damage to our reputation and adversely affect our business, financial condition and results of operations. Additionally, all of our contracts with our major clients are governed by foreign laws. Consequently, we may incur higher costs of litigation in relation to such contracts. Further, we may incur additional costs in remedying any deficient service that we may provide (if any). Additionally, we may experience financial losses in contracts which are based on assumptions which are not realized. We may also be subject to loss of clients due to dependence on alliance partners, subcontractors or third party vendors.

Many of our contracts also require us to indemnify the clients if the services levels set out in the contracts are not met or maintained. Third-party providers of software that we license may subject us to claims or litigation to seek damages for violating their licenses and intellectual property rights which could require us to pay damages, enter into

expensive license arrangements or modify our products and services. We may also face litigation or incur additional fees and be required to pay damages for violating contractual terms, misuse or excessive use of our license to intellectual property rights, which could cause significant damage to our reputation and adversely affect our business, financial condition and results of operations.

Larger projects may involve multiple engagements, stakeholders, components or stages, and there is a risk that a client may choose not to retain us for subsequent stages or may cancel or delay subsequent planned engagements. Dissatisfied clients might seek to terminate existing contracts prior to the completion of the services or relationship and/or invoke bank guarantees or earnest money deposits issued as a security for performance. This may further damage our business by affecting our ability to compete for new contracts with current and prospective clients. We may also experience terminations, cancellations or delays as a result of the business or financial condition of our clients or the economy generally, as opposed to factors related to the quality of our services. Such cancellations or delays make it difficult to plan for project resource requirements and inaccuracies in such resource planning may have a negative impact on our business, financial condition and results of operations. In addition, such projects may involve multiple parties in the delivery of services and require greater project management efforts, which may increase our costs and adversely affect our results of operations.

**17. *If we are unable to collect our dues and receivables from, or invoice our unbilled services to, our clients, our results of operations and cash flows could be adversely affected.***

Our business depends on our ability to successfully obtain payment from our clients of the amounts they owe us for work performed. We evaluate the financial condition of our clients and usually bill and collect on relatively short cycles. Our average debtor cycle was 73 days, 80 days and 69 days in Financial Years 2016, 2015 and 2014, respectively. We maintain provisions against receivables and unbilled services. Actual losses on client balances could differ from those that we currently anticipate and as a result we might need to adjust our provisions. There is no guarantee that we will accurately assess the creditworthiness of our clients. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our clients, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause clients to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of fees for client services also depends on our ability to complete our contractual commitments and subsequently bill for and collect our contractual service fees. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected.

**18. *If there is a change in tax regulations, our tax liabilities may increase and thus adversely affect our financial position and results of operations. We would indeed realize lower tax benefits if the special tax holiday scheme for units set up in special economic zones is substantially modified.***

Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, value added tax, income tax, service tax and other taxes, duties, surcharges and cess introduced from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability. Currently, we claim certain tax benefits under the Income Tax Act, relating to various business activities, which decrease our overall effective tax rates. There can be no assurance that these tax incentives will continue to be available to us in the future. The non-availability of these tax incentives could adversely affect our financial condition and results of operations.

Currently, we qualify for a deduction from taxable income on profits attributable to our status as an exporter from SEZs or from the operation of units located in SEZs. The tax deduction for the export of software development services from SEZs is available for 15 years, commencing from the year in which the SEZ commences its operations. The tax deduction for a unit in a SEZ is equal to 100% of profits from the export of services for the first five years from the commencement of operations in the SEZ, and thereafter is equal to 50% of profits from the export of services for a subsequent period of five years, and 50% for the remaining five years subject to meeting specified re-investment conditions and earmarking of specified reserves in the last five years. These tax benefits will not be available if our operations are no longer located in a SEZ, or if we fail to comply with the conditions specified under the SEZ Rules, 2006 or the Income Tax Act. Further as per Finance Act 2016, this deduction will not be available for SEZ units that commenced their operations on or after 1 April 2020. As per the SEZ Rules, 2006, SEZ units are required to generate positive net foreign exchange within five years of the commencement of our operations in the SEZ. If we fail to generate positive net foreign exchange within five years, or thereafter fail to maintain it, we will be subject to penalties under the Indian Foreign Trade (Development and Regulation) Act, 1992 or the Indian Foreign Trade Act, 1992. The maximum penalty that may be imposed is equal to five times the gross value of the goods and services that we purchase with duty exemptions. We are subject to a MAT at a fixed rate as prescribed from time-to-time on our net profits as adjusted by certain prescribed adjustments. Where any tax is paid under MAT, such tax will be eligible for adjustment against regular income tax liability computed under the Income Tax

Act, for the following ten years as MAT credit. We cannot assure you that the Indian central government will continue these special tax exemptions or that we will continue to qualify for such tax benefits and other incentives. If we no longer receive these tax benefits and other incentives, or if the MAT rate of taxation is increased, our financial results may be adversely affected.

The Government has proposed two major reforms in Indian tax laws, namely the goods and services tax, and provisions relating to GAAR. As regards the implementation of the goods and service tax, the Government has not yet announced the date from which it will be applicable. The goods and services tax would replace the indirect taxes on goods and services, such as central excise duty, service tax, customs duty (excluding basic customs duty), central sales tax, state VAT, entertainment tax, luxury tax, purchase tax and surcharge currently being collected by the central and state governments. As regards GAAR, the provisions have been introduced in the Finance Act, 2012 and will apply (as per the Finance Act, 2015) in respect of any assessment year beginning on or after 1 April 2018. The GAAR provisions intend to catch arrangements declared as “impermissible avoidance arrangements”, which includes any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on our Company cannot be determined at present and there can be no assurance that such effects would not adversely affect our Company’s business and future financial performance.

**19. *Any increase in or realisation of our contingent liabilities could adversely affect our financial condition.***

As of March 31, 2016, our Restated Financial Statements disclosed and reflected the following contingent liabilities:

Particulars	Amount (in ₹ million)
Income tax liability that may arise in respect of our Company, which is currently subject to an appeal	1,343.99
Corporate guarantee given on behalf of our Subsidiaries	5,998.76
Service tax refund disallowed, in respect of which our Company is in appeal	12.48
Sales tax liability, in respect of which our Company is in appeal	1.28
Legal notices served by a vendor for unpaid dues, disputed by the Company	0.02
<b>Total</b>	<b>7,356.53</b>

For further details of certain matters which comprise our contingent liabilities, see “Financial Statements” beginning on page 183.

If at any time we are compelled to realize all or a material proportion of these contingent liabilities, it would have a material and adverse effect on our business, financial condition and results of operations.

**20. *Our business is based on the trust and confidence of our customers and any damage to that trust and confidence whether in relation to our personnel or our brand may materially and adversely affect our business, future financial performance and results of operations.***

We are dedicated to earning and maintaining the trust and confidence of our customers, and we believe that the good reputation created thereby, and inherent in the “Larsen & Toubro” or the “L&T” brand name, is essential to our business. As such, any damage to our reputation, or that of the “Larsen & Toubro” or the “L&T” brand name, could substantially impair our ability to maintain or grow our business. In addition, any action on the part of any of the companies in the L&T group that negatively impacts the “Larsen & Toubro” or the “L&T” brand could have a material adverse effect on our business, financial condition and results of operations. In the past, fraudsters have sent out invites for recruitment for our Company and have collected money from applicants. Such incidents of fraud may harm our reputation and could materially and adversely affect our business and reputation. For further details, see “Outstanding Litigation and Material Developments - Litigation involving our Company – Litigation filed by our Company – Criminal matters” on page 326.

**21. *Adverse changes to our relationships with key alliance partners could adversely affect our revenues and results of operations.***

We have alliances with companies whose capabilities complement our own. A significant portion of our service offerings are based on technology or software provided by our alliance partners. The priorities and objectives of our alliance partners may differ from ours. As most of our alliance relationships are non-exclusive, our alliance partners are not prohibited from competing with us or aligning more closely with our competitors. In addition, our alliance

partners could experience reduced demand for their technology or software, including in response to changes in technology, which could lessen related demand for our services. If we do not obtain the expected benefits from our alliance relationships for any reason, we may be less competitive, our ability to offer attractive service offerings to our clients may be negatively affected, and our revenues and results of operations could be adversely affected.

**22. *We may be liable to our clients for damages caused by system failures, disclosure of confidential information or data security breaches, which could harm our reputation and cause us to lose clients.***

Many of our contracts involve projects that are critical to the operations of our clients' businesses and provide benefits to our clients that may be difficult to quantify. Any failure in a client's system could result in a claim for substantial damages against us, regardless of our responsibility for such failure. In addition, we often have access to, or are required to collect and store, confidential client data. We face a number of threats to our data centers and networks such as unauthorized access, security breaches and other system disruptions. It is critical to our business that our infrastructure remains secure and is perceived by customers to be secure.

We seek to rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure online transmission of confidential client information. Despite our security measures, advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the algorithms that we use to protect sensitive customer transaction data. Breaches of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of confidential customer data could expose us, our customers or the individuals affected to a risk of loss or misuse of this information, or cause interruptions in our operations. We may be required to expend significant capital and other resources to protect against such security breaches, to alleviate problems caused by or to investigate such breaches, all of which could subject us to liability, damage our reputation and diminish the value of our brand name.

Although we attempt to limit our contractual liability for consequential damages in rendering our services, many of our client agreements do not limit our potential liability for breaches of confidentiality and we cannot be assured that such limitations on liability will be enforceable in all cases, or that they will otherwise protect us from liability for damages. Moreover, if any person, including any of our employees or former employees or subcontractors, penetrates our network security or misappropriates sensitive data, we could be subject to significant liability from our clients or from our clients' customers for breaching contractual confidentiality provisions or privacy laws. Unauthorized disclosure of sensitive or confidential client and customer data, whether through breach of our computer systems, systems failure, loss or theft of assets containing confidential information or otherwise, could render us liable to our clients for damages, damage our reputation and cause us to lose clients.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes to our insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could adversely affect our revenues and results of operations. We may also be liable to our clients for damages or termination of contract if we are unable to address disruption in services to them with adequate business continuity plans and/or for non-compliance with our clients' information security policies and procedures.

**23. *Disruptions in telecommunications could harm our service model, which could result in a reduction of our revenue.***

A significant element of our business strategy is to continue to leverage and expand our onshore and offshore Delivery Centres. We believe that the use of a strategically located network of Delivery Centres provides us with cost advantages, the ability to attract highly skilled personnel from various regions of India and the world, the ability to service clients on a regional and global basis and the ability to provide services to our clients 24 hours a day, seven days a week. Part of our service model is to maintain active voice and data communications between our main office in Mumbai, our clients' offices, and our software development and support facilities. Although we maintain redundancy facilities and leased lines, any significant loss in our ability to transmit voice and data through leased lines and telephone communications due to, among others, human errors, natural disasters, failure of third party service providers in ensuring hardware and software are compliant, could result in a disruption in business, thereby hindering our performance or our ability to complete client projects on time. This, in turn, could lead to a material adverse effect on our business results of operations or financial condition.

**24. *We may engage in acquisitions that may not be successful or meet our expectations.***

We have acquired and in the future may acquire or make investments in complementary businesses, technologies, services or products, or enter into strategic partnerships or joint ventures with parties that we believe can provide access to new markets, capabilities or assets. The acquisition and integration of new businesses subjects us to many risks and we can provide no assurances that any such acquisition will be successful or meet our expectations. If it does not, we may suffer losses, dilute value to shareholders, may not be able to take advantage of appropriate

investment opportunities or complete transactions on terms commercially acceptable to us. Our management may also need to divert their attention in integrating such new businesses, which may affect the quality of operational standards and our ability to retain businesses of our existing clients. We could also have difficulty in integrating the acquired products, services, solutions or technologies into our operations. Any business that we acquire may also have unidentified liabilities, that may be transferred to us upon such acquisition. We may face litigation or other claims arising out of our acquisitions, including disputes with regard to earn-outs or other closing adjustments. These difficulties could disrupt our ongoing business, distract our management and employees, and increase our expenses. Changes in competition laws in India and abroad could also impact our acquisition plans by prohibiting potential transactions which could otherwise be beneficial for us.

Despite our due diligence process, we may fail to discover significant issues around a target company's intellectual property, service offerings, customer relationships, employee matters, accounting practices or regulatory compliances. We may also fail to discover liabilities that are not properly disclosed to us or we may inadequately assess in our due diligence efforts liabilities that may arise out of regulatory non-compliance, contractual obligations or breaches. We cannot predict or guarantee that our efforts will be effective or will protect us from liability. If we are unable to obtain indemnification protection or other contractual protections or relief for any material liabilities associated with our acquisitions or investments, our business, financial condition and results of operations could be harmed.

Further, if we were to acquire non-controlling investments in companies, these may include investments in non-marketable securities of early stage companies that carry a significant degree of risk and may not become liquid for several years from the date of investment. These investments may not generate financial returns or may not yield the desired business outcome. The success of our investment in a company is sometimes dependent on the availability of additional funding on favorable terms or a liquidity event such as an initial public offering. We may record impairment charges in relation to our strategic investments which will have a negative impact on our business, financial condition and results of operations.

Further, the amount of goodwill and intangible assets in our Restated Financial Statements has increased significantly in recent years, primarily on account of acquisitions. Goodwill as well as acquisition-related intangibles are subject to periodic impairment review at least annually. Impairment testing may lead to impairment charges in the future. Any significant impairment charges could have a material adverse effect on our business, financial condition and results of operations.

**25. *Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violation of these regulations could harm our business.***

Since we provide services to clients throughout the world, we are subject to numerous, and sometimes conflicting, legal requirements on matters as diverse as import/export controls, content requirements, trade restrictions, the environment (including electronic waste), tariffs, taxation, sanctions, government affairs, anti-corruption, whistle blowing, internal and disclosure control obligations, data protection and privacy and labor relations and certain regulatory requirements that are specific to our clients' industries. Non-compliance with these regulations in the conduct of our business could result in fines, penalties, criminal sanctions against us or our officers, disgorgement of profits, prohibitions on doing business and have an adverse impact on our reputation. Gaps in compliance with these regulations in connection with the performance of our obligations to our clients could also result in exposure to monetary damages, fines and/or criminal prosecution, unfavorable publicity, restrictions on our ability to process information and allegations by our clients that we have not performed our contractual obligations. Many countries also seek to regulate the actions that companies take outside of their respective jurisdictions, subjecting us to multiple and sometimes competing legal frameworks in addition to our home country rules. Due to the varying degree of development of the legal systems of the countries in which we operate, local laws might be insufficient to defend us and preserve our rights. We could also be subject to risks to our reputation and regulatory action on account of any unethical acts by any of our employees, partners or other related individuals.

We have a number of employees located in India and outside of India. We are subject to risks relating to compliance with a variety of national and local laws, including multiple tax regimes, labor laws, and employee health, safety, wages and benefits laws. We have, in the past and may, continue from time to time, to be subject to litigation or administrative actions resulting from claims against us by current or former employees individually or as part of class actions, including claims of wrongful terminations and cancellation of letters of intent, discrimination, misclassification or other violations of labor law or other alleged conduct. We may also, from time to time, be subject to litigation resulting from claims against us by third parties, including claims of breach of non-compete and confidentiality provisions of our employees' former employment agreements with such third parties or claims of breach by us of their intellectual property rights. Our failure to comply with applicable regulatory requirements could have a material adverse effect on our business, financial condition and results of operations.

**26. *Our work with government clients exposes us to additional risks inherent in the government contracting environment.***



Our clients include governmental entities such as ministries of the Central Government and national as well as state level public sector undertakings. Our government work carries various risks inherent in the government contracting process, which may affect our operating profitability. These risks include, but are not limited to, the following:

- government contracts are often subject to more extensive scrutiny and publicity than contracts with commercial clients. Negative publicity related to our government contracts, regardless of its accuracy, may further damage our business by affecting our ability to compete for new contracts among governmental and commercial entities;
- participation in government contracts could subject us to stricter regulatory requirements which may increase our compliance costs;
- delays in payment due to time taken to complete internal processes;
- political and economic factors such as pending elections, changes in leadership among key governmental decision makers, revisions to governmental tax policies and reduced tax revenues can affect the number and terms of new government contracts signed;
- terms and conditions of government contracts tend to be more onerous and are often more difficult to negotiate than those for commercial contracts; and
- government contracts may not include a cap on direct or consequential damages, which could cause additional risk and expense in these contracts.

**27. *Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and this may have a material adverse effect on our business, financial condition and results of operations.***

Our insurance policies cover loss to data protection, cyber extortion, physical loss or damage to our property and equipment arising from a number of specified risks and certain consequential losses, including network interruption, arising from the occurrence of an insured event under the policies. We have insurance policies to cover our assets against losses from fire and other risks to our properties. We also maintain insurance policies against third party liabilities, including a commercial general liability policy and a cyber-risk protector policy, professional technology liability policy, each with worldwide coverage, in addition to group insurance and medical insurance policies for the benefit of our employees, employment practice liability insurance, and such other insurance policies as required by applicable law and/or contract. In addition, we may obtain project-specific insurance coverage for higher-risk projects. We are also covered for directors' and officers' liability insurance procured by our Promoter.

Notwithstanding the insurance coverage that we carry, the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honored fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage.

**28. *Our risk management policies and procedures may not adequately address unidentified or unanticipated risks, including exchange rate and interest rate risk.***

We are exposed to various forms of operational, legal and regulatory risks. We have entered into various hedging transactions in relation to our financial obligations. Factors such as exchange rates, interest rates, the availability and cost of credit, creditworthiness of counterparties and the liquidity of the global financial markets could significantly affect our financial position. Many of the hedging and other risk management strategies that we utilize also involve transactions with financial services counterparties. The failure of these counterparties to settle or the perceived weakness of these counterparties may impair the effectiveness of our hedging and other risk management strategies. For further details on exchange rate risks, see "Risk Factors - Exchange rate fluctuations in various currencies in which we do business could negatively impact our business, financial condition and results of operations" pages 19 to 20.

To the extent we incur floating rate indebtedness, changes in interest rates may increase our cost of borrowing and impact our profitability. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political conditions, and other factors beyond our control. Interest rate increases could result in our interest expense increasing, which may result in operating losses for us. Additionally, if the interest rates for our borrowings increase significantly, our cost of funds will increase which could adversely impact our results of operations, planned capital expenditures and cash flows.

As we seek to expand the scope of our operations, we also face the risk that we will be unable to develop risk management policies and procedures that are properly designed for those new business areas or to manage the risks

associated with the growth of our existing businesses. Inability to develop and implement effective risk management policies may adversely affect our business, financial condition, results of operations and prospects.

**29. *We will continue to be controlled by our Promoter after the completion of the Offer.***

As of the date of this Prospectus, our Promoter holds 94.94% of our entire pre-Offer share capital. Furthermore, after the completion of this Offer, our Promoter will control, directly or indirectly, more than 75% of our outstanding Equity Shares. As a result, our Promoter will continue to exercise significant control over us, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoter may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

In addition, and in the event of any such change of control, merger, consolidation, takeover or other business combination involving us, a transfer of shares by our Promoter, or actions such as a preferential allotment to any investor or a conversion of any convertible instruments which could result in us ceasing to be a part of L&T group, our ability to leverage the “Larsen & Toubro” brand may be adversely affected and the benefits of being a L&T group company, which includes access to capital and human resources (particularly key managerial personnel and other employees who are deputed to our company), access to our Promoter’s global network, various operational synergies, use of premises owned by our Promoter and our ability to leverage business from other L&T group companies, may no longer be possible and as a result of which, could materially and adversely affect our business, future financial performance and results of operations. Additionally, many of our client contracts also contain clauses on termination of the contract in the event of a change of control of our Company.

We cannot assure you that our Promoter will act in our interest, or in the interests of minority shareholders, while exercising their rights in such entities.

**30. *We are yet to receive or renew certain approvals or licenses required in the ordinary course of business, and the failure to obtain them in a timely manner or at all may adversely affect our operations.***

We require certain approvals, licenses, registrations and permissions for operating our business, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval or its renewal. The following approval is required but has not been obtained by us as of the date of this Prospectus: VAT registration to be filed by our recently incorporated Subsidiaries, L&T Infotech Austria. For further details and for details in relation to pending approvals, see “Government Approvals” on page 359. Further, the approvals that we have obtained stipulate certain conditions requiring our compliance. We have also filed an application for compounding with the RBI in relation to investments in L&T Infotech Canada in 2005 through our overseas branch and filing requirements under the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004. Further, there have been delays in filings and reporting with respect to ESOPs with RBI due, inter alia, to delay in receipt of foreign inward remittance certificates and getting responses from authorized dealer and intermediary banks and we have made application for condonation of delay with the RBI. If we fail to obtain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected.

**31. *Compliance with, and changes in labor laws and regulations could materially and adversely affect our business, future financial performance and results of operations, while we face further labor risks, such as the risk of our employees joining a labor union and engaging in collective bargaining.***

Our workforce consists of employees, outsourced personnel and personnel retained on a contractual basis. As of March 31, 2016, our workforce comprised 20,072 employees. Our full-time employees are employed by us and are entitled to statutory employment benefits, such as retirement benefits. For further details, see “Our Business– Human Resources” on pages 126 to 128.

We are subject to various labor laws and regulations governing our relationships with our employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labor and work permits.

We cannot assure you that we will be in compliance with current and future health and safety and labor laws and regulations at all times, and any potential liability arising from any failure to comply therewith (such as a change of law which requires us to treat (and extend benefits to) our outsourced personnel, and personnel retained on a contractual basis, as being full-time employees), could materially and adversely affect our business, future financial performance and results of operations.

Currently, our employees are not members of a labor union. We can give you no assurance that they will not, in the future, join a labor union, or eventually wish to engage in collective bargaining. In the event of a labor dispute, protracted negotiations and/or strike action may impair our ability to carry on our day-to-day operations which could materially and adversely affect our business, future financial performance and results of operations.

**32. *We do not own our registered office and certain office premises from which we operate.***

We do not own the premises in which our registered office and certain office premises are situated. The registered, corporate and certain office premises are owned by our Promoter and certain other office premises are owned by other third parties. We cannot assure you that we will own, or have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of these premises, which may impair our operations and adversely affect our financial condition. For further details of our premises, see “Our Business – Property” on page 128.

Furthermore, some of the lease agreements and leave and license agreements may not be adequately stamped or registered with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, shall not be admitted as evidence in any Indian court or may attract a penalty as prescribed under applicable law, which may have a material adverse effect on the continuance of our operations and business.

**33. *We have entered into, and will continue to enter into, related party transactions.***

We have entered into and may in the course of our business continue to enter into transactions specified in the financial results contained in the Prospectus with related parties that include our Promoter and companies forming part of our Group Companies. For further details in relation to our related party transactions, see “Related Party Transactions” on page 181. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, including specific compliance requirements such as obtaining prior approval from audit committee, the board of directors and shareholders for certain related party transactions. There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our financial condition and results of operations.

**34. *One of our Promoter Group entities, LTTSL, operates in a similar line of business as us, which may lead to competition with such Promoter Group entity and may potentially result in a loss of business opportunity for our Company.***

Our Promoter Group entity, LTTSL, is involved in the engineering services and products business. LTTSL provides innovative design and development solutions and end-to-end engineering services in industries such as industrial products, transportation, aerospace, telecommunication, hi-tech and the process industry. Specific services that LTTSL offers include mechanical engineering, embedded systems, engineering process services and product lifecycle management, as well as proprietary solutions in engineering data analytics, power electronics, machine-to-machine and the IoT. We have also sold our PES Business to LTTSL. For further details, see “Our Business – Notable Developments” on page 118. Some of our competitors provide, under a single company and with the same management, the engineering services that are currently separately provided by LTTSL and us. While we currently do not provide the engineering services provided by LTTSL, we may in the future decide to provide such engineering services and have to compete with LTTSL for business, services and employees. Our Promoter owns 100% of the shares of LTTSL. Our Promoter may have conflicts of interest with our interests or the interests of our shareholders and favor LTTSL in certain situations, or not direct opportunities to us. Further, our Promoter has publicly announced plans to unlock value in its various group companies through stake sales as well as public offerings. While as of the date of this Prospectus, no such plans have been announced for the sale of a stake or the initial public offering of any group companies, including LTTSL, our Promoter may commence the process for undertaking an IPO of LTTSL or any other group company at any time in the future including prior to listing of our Equity Shares on the Stock Exchanges. Any such plans by our Promoter may impact the future trading price of our equity shares.

Any of the above may impact our business, financial condition and results of operations.

**35. *We do not own the “L&T” trademark and logo. Our Trademark License Agreement may be terminated under certain circumstances. In addition, we may be unable to adequately protect our intellectual property since a number of our trademarks, logos and other intellectual property rights may not be registered and therefore do not enjoy any statutory protection. Further, we may be subject to claims alleging breach of third party intellectual property rights.***

Third parties may infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time-consuming and costly and a favorable outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. We cannot assure you that any unauthorized use by third parties of the trademarks will not similarly cause damage to our business prospects, reputation and goodwill.

Further, the “L&T” trademark is registered in favor of our Promoter. Pursuant to the Trademark License Agreement, among our Company and our Promoter, we have been granted a global non-exclusive, non-transferrable license to use the “L&T” trademark and logo for a consideration payable by each of the licensees of 0.25% of revenue, or 5% of profit after tax, whichever is lower, plus applicable taxes and duties. The payment of such consideration shall be made on an annual basis, unless otherwise agreed among the parties. This consideration is payable to our Promoter from Financial Year 2016 onwards. The Trademark License Agreement can be terminated by either of the parties thereto upon 120 days’ prior written notice in accordance with its terms. Furthermore, the Trademark License Agreement can also be terminated by any party upon change in management control of the licensee or if the shareholding of the licensor in our Company falls below 51% or upon breach of the terms of the Trademark License Agreement by the licensee. In the event that the Trademark License Agreement is terminated, we may have to discontinue the use of the “L&T” trademark and logo which may materially and adversely affect our reputation, business, financial condition, results of operation and prospects.

36. ***Our Company will not receive any proceeds from the Offer for Sale. Our Promoter is the Selling Shareholder and will receive the entire proceeds from the Offer for Sale.***

This Offer is an Offer for Sale of 17,500,000 Equity Shares by our Promoter. The entire proceeds from the Offer for Sale will be paid to our Promoter and our Company will not receive any such proceeds. For further details, see “Capital Structure” and “Objects of the Offer” beginning on pages 70 and 84, respectively.

37. ***Our Promoter, Directors and Key Managerial Personnel are interested in our Company other than reimbursement of expenses or normal remuneration or benefits.***

Our Promoter is interested in our Company to the extent it has promoted our Company and to the extent of its shareholding and the dividends payable if any, licensing of the “L&T” trademark, recovering remuneration from our Company paid to deputed employees, leasing of certain properties in our favor and providing certain other services in the ordinary course of business, including business support services in respect of infrastructure facilities and human resources’ services and shared services in respect of employees’ pay roll. We cannot assure you that there will not be a conflict of interest between our Company and our Promoter and our Directors and Key Managerial Personnel in the future.

38. ***Some of our Group Companies have incurred losses in the last preceding financial year, based on their last audited financial statements available.***

Some of our Group Companies have incurred losses in the last preceding financial year, based on their last audited financial statements available. For further details, see “Group Companies – Loss making Group Companies” on pages 178 and 179. Further, one of our Group Companies, L&T Special Steels and Heavy Forgings Private Limited, is a sick company under the provisions of SICA. We cannot assure you that our Group Companies will not incur losses in the future.

39. ***Our debt financing agreements contain restrictive covenants that may adversely affect our business, credit ratings, prospects, results of operations and financial condition.***

Certain debt financing agreements that we have entered into contain restrictive covenants and/or events of default that limit our ability to undertake certain types of transactions. Certain of our debt financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions. These debt financing agreements also require us to maintain certain financial covenants including in relation to maintenance of minimum net debt to EBITDA ratio, minimum tangible net worth, minimum fixed asset cover and maximum net gearing. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lenders for, amongst others:

- refraining from changing our financial year end from the date we have currently adopted;
- refraining from reducing our Promoter’s shareholding in our Company to below 51%;
- refraining from selling, letting out, transferring or disposing off all or substantial part of our assets; and

- refraining from declaring dividends or distributing profits except where the instalments of principal and interest payable to a particular lender is being paid regularly and there are no irregularities in relation thereto.

We cannot assure you that we have complied with all such restrictive covenants in a timely manner or at all or that we will be able to comply with all such restrictive covenants in the future. A failure to observe the restrictive covenants under our debt financing agreements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of default interest, acceleration of all amounts due under such facilities and the enforcement of any security provided in relation thereto. Any acceleration of amounts due under such debt financing agreements may also trigger cross-default or cross-acceleration provisions under our other debt financing agreements. If the obligations under any of our debt financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such debt financing agreements, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or may face difficulties raising, further financing. In addition, in such eventuality, other third parties may have concerns over our financial position. Any of these circumstances could adversely affect our business, credit ratings, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

**40. *Our Company, Promoter and Group Companies have unsecured loans that may be recalled by the lenders at any time.***

Our Company, Promoter and Group Companies currently have availed unsecured loans which may be recalled by their lenders at any time. In the event that any lender seeks a repayment of any such loan, our Promoter and Group Companies would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. We may not have adequate working capital to undertake new projects or complete the ongoing projects. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, please see “Financial Indebtedness” on pages 292 to 293.

**41. *Our Company has issued Equity Shares in the last 12 months at a price which may be lower than the Offer Price.***

Our Company has issued Equity Shares in the last 12 months, including in connection with exercise of options under the Existing Employee Stock Option Scheme, which may be at a price lower than the Offer Price. For further details, see “Capital Structure” on page 71. Our Company may continue to issue Equity Shares, including under the Existing Employee Stock Option Scheme and ESOP Scheme, 2015, at a price below the market price of Equity Shares at the time of issuance.

## **EXTERNAL RISK FACTORS**

**42. *The markets in which we operate are subject to the risk of earthquakes, floods, tsunamis, storms and other natural and manmade disasters.***

Some of the regions that we operate in are prone to earthquakes, floods, tsunamis, storms and other natural and manmade disasters. In the event that any of our business centers are affected by any such disasters, we may sustain damage to our operations and properties, suffer significant financial losses or be unable to complete our client engagements in a timely manner, if at all. For example, snowstorms in the northeastern part of the United States in January and February of 2014 resulted in airport and business closures which affected our ability to conduct business with, and generate revenue from, clients in that region during the said period. Further, in the event of a natural disaster, we may also incur costs in redeploying personnel and property.

In addition, if there is a major earthquake, flood or other natural disaster in any of the locations in which our significant customers are located, we face the risk that our customers may incur losses, or sustained business interruption, which may materially impair our ability to provide services to our customers and may limit their ability to continue their purchase of products or services from us. A major earthquake, flood or other natural disaster in the markets in which we operate could have a material adverse effect on our business, financial condition and results of operations. For instance, the floods in Chennai in November 2015 affected the operations of our Delivery Centres and disaster recovery centre in Chennai, which in turn affected our overall business and financial condition.

## **Risks related to investments in India**

**43. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by changes in law, or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations in India, applicable to us and our business.

The governmental and regulatory bodies in India may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations.

The application of various Indian and international sales, value-added and other tax laws, rules and regulations to our services, currently or in the future, may be subject to interpretation by applicable authorities, and if amended/notified, could result in an increase in our tax payments (prospectively or retrospectively) and/or subject us to penalties, which could affect our business operations. Further, the Government has proposed a comprehensive national GST regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Furthermore, the Finance Act of 2016 which came into force in May 2016 introduces certain changes in relation to existing tax legislation. The changes introduced include hike in service tax rates, changes to the Cenvat Credit Rules of 2004, changes in excise duty rates and amendments to the Customs Act of 1952. We cannot predict the impact of the changes introduced in the Finance Act of 2016 on our business, financial condition and results of operations.

In addition, if international tax reforms such as the Base Erosion and Profit Sharing (“BEPS”) measures of the Organisation for Economic Co-operation and Development are adopted by India, we may be subject to enhanced disclosure and compliance requirements and a resultant increase in our costs related to such compliance.

**44. *Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.***

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- changes in India’s tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighboring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India’s principal export markets; and
- other significant regulatory or economic developments in or affecting India or its IT sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

**45. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any

arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On 4 March 2011, the Indian central government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from 1 June 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on 11 May 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

- 46. *Indian law limits our ability to raise capital outside of India and may limit the ability of others to acquire us, which could prevent us from operating our business or entering into a transaction that is in the best interests of our shareholders.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our business and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

- 47. *Significant differences exist between Indian GAAP, used throughout our financial information and other accounting principles with which investors may be more familiar.***

As stated in the report of our auditors included in this Prospectus, our financial statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including IFRS.

Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on your familiarity with Indian GAAP and the Companies Act, 2013. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

- 48. *Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the “ICDS”). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition.***

India has decided to adopt the “Convergence of its existing standards with IFRS” and not IFRS. These “IFRS based/synchronized Accounting Standards” are referred to in India as Ind AS. The Ministry of Corporate Affairs, Government, has through a notification dated 16 February 2015, set out the Ind AS and the timelines for their implementation. Accordingly, our Company is required to prepare its financial statements in accordance with Ind AS from 1 April 2016. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from 1 April 2016 may not be comparable to our historical financial statements.

We will disclose financial results under Ind AS for the very first time for the quarter ending June 30, 2016. These results will be released on or about July 28, 2016. As of the date of this Prospectus, we would not have completed

the preparation of these results or subjected them to the review by our statutory auditors. There can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. In addition, our management is devoting and will continue to need to devote time and other resources for the successful and timely implementation of Ind AS. Any failure to successfully adopt Ind AS may have an adverse effect on the trading price of the Equity Shares and/or may lead to regulatory action and other legal consequences. Moreover, our transition to Ind AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations. See also, "Management's Discussion and Analysis of Financial Condition and Results of Operation – Significant Factors Affecting our Results of Operations – Transition from Indian GAAP to Ind AS" and "Summary of Significant Differences between Indian GAAP and Ind AS" from pages 298 – 300 and 284 – 291, respectively.

In addition, the Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the Ministry of Finance, through a press release dated July 6, 2016, deferred the applicability of ICDS from April 1, 2015 to April 1, 2016 and are applicable to the Financial Year 2017 onwards and will have impact on computation of taxable income for Financial Year 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For example, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognized earlier, increasing overall levels of taxation or both. In addition, ICDS is applicable for the computation of income for tax purposes but is not applicable for the computation of income for MAT, which our Company currently pays. Further, pursuant to ICDS, premia earned on forward contracts becomes taxable on settlement and not at the time of earning. See also "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operation - Tax Expenses" beginning on page 183 and from page 306, respectively. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

**49. *We may be unsuccessful in protecting our intellectual property rights in India. Unauthorized use of our intellectual property may result in the development of technology, products or services which compete with our products. We may also be subject to third-party claims of intellectual property infringement.***

Our intellectual property rights are important to our business. We rely on a combination of patent, copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. However, we cannot be certain that the steps we have taken will prevent unauthorized use of our intellectual property. Furthermore, the laws of India do not protect proprietary rights to the same extent as laws in certain other countries (including the United States). Therefore, our efforts to protect our intellectual property may not be adequate. Our competitors may independently develop similar technology or duplicate our products or services. Unauthorized parties may infringe upon or misappropriate our products, services or proprietary information.

The misappropriation or duplication of our intellectual property could disrupt our ongoing business, distract our management and employees, reduce our revenue and increase our expenses. The competitive advantage that we derive from our intellectual property may also be diminished or eliminated. We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly. As the number of patents, copyrights and other intellectual property rights in our industry increases, and as the coverage of these rights increases, we believe that companies in our industry will face more frequent infringement claims. Defending against these claims, even if not meritorious, could be expensive and divert our attention and resources from operating our Company. Also, there can be no assurance that, as our business expands into new areas, we will be able to independently develop the technology necessary to conduct our business or that we can do so without infringing on the intellectual property rights of others.

Although we believe that our intellectual property rights do not infringe on the intellectual property rights of any other party, infringement claims may be asserted against us in the future. If we become liable to third parties for infringing their intellectual property rights, we could be required to pay a substantial damage award and be forced to develop non-infringing technology, obtain a license or cease selling the applications or products that contain the infringing technology. We may be unable to develop non-infringing technology or to obtain a license on commercially reasonable terms, or at all. Further, we may be required to provide indemnification to clients for third-party breaches of intellectual property pursuant to our contracts with such parties.

**50. *Investors may have difficulty enforcing foreign judgments against us or our management***

We are a limited liability company incorporated under the laws of India. Substantially all of our directors and executive officers are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.



Recognition and enforcement of foreign judgments is provided for under Section 13 of CPC on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Indian central government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

We have been advised by our Indian counsel that the United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

## **Risks Related to the Equity Shares**

### **51. *The trading volume and market price of the Equity Shares may be volatile following the Offer.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;

- changes in the price of oil or gas;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

**52. *Currency exchange rate fluctuations may have a material adverse effect on the value of the Equity Shares, independent of our results of operations.***

The exchange rate between the Rupee and the USD and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the Rupee and other currencies may affect the value of a non-resident investor's investment in the Equity Shares.

A non-resident investor may not be able to convert Rupee proceeds into USD or any other currency or the rate at which any such conversion may occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Rupee, if United States or other non-resident investors analyze our value based on the USD equivalent of our financial condition and results of operations.

For historical exchange rate fluctuations, see "Certain Conventions, Presentation of Financial, Industry and Market Data" on page 13.

**53. *Future issuances or sales of the Equity Shares could significantly affect the trading price thereof.***

Our future issuances of Equity Shares (including under ESOPs) or the disposal of Equity Shares by our Promoter or any of our other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. Any future issuances could also dilute the value of your investment in our Company.

**54. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the equity shares are sold. As such, any gain realized on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of equity shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares.

**55. *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, regulations of our board of directors, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in our Company than as a shareholder of a company in another jurisdiction.

**56. *Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required

approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. For further details, see “Restrictions on Foreign Ownership of Indian Securities” on page 421.

**Prominent Notes:**

1. Public offer of 17,500,000 Equity Shares for cash at a price of ₹ 710 per Equity Share aggregating to ₹12,363.75 million\* through an Offer for Sale by the Selling Shareholder. The Offer would constitute 10.30% of our post-Offer paid-up Equity Share capital.  
*\*Subject to finalisation of Basis of Allotment and adjusted for discount of ₹ 10 per Equity Share on the Offer Price to Retail Individual Bidders.*
2. As of March 31, 2016, our Company’s net worth was ₹18,632.71 million as per our Company’s unconsolidated Restated Financial Statements and ₹20,226.84 million as per our Company’s consolidated Restated Financial Statements.
3. As of March 31, 2016, the net asset value per Equity Share was ₹109.72 as per our Company’s unconsolidated Restated Financial Statements and was ₹119.11 as per our Company’s consolidated Restated Financial Statements and the book value per Equity Share was ₹109.72 as per our Company’s unconsolidated Restated Financial Statements and was ₹119.11 as per our Company’s consolidated Restated Financial Statements.
4. The average cost of acquisition per Equity Share by our Promoter is ₹8.33. For details, see “Capital Structure” from pages 71 to 72. The average cost of acquisition per Equity Share by our Promoter has been calculated by taking the average of the amounts paid by our Promoter to acquire Equity Shares.
5. For details of related party transactions entered into by our Company with our Group Companies in the last financial year, see “Related Party Transactions” on page 181.
6. There has been no financing arrangement whereby our Promoter Group, directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.
7. Except as disclosed in the “Group Companies” and “Related Party Transactions” on pages 178 and 181, none of our Group Companies have business interest or other interests in our Company.
8. For any complaints, information or clarifications pertaining to the Offer, investors may contact the BRLMs who have submitted the due diligence certificate to SEBI.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

*The following information includes extracts from publicly available information, industry reports, data and statistics and has been extracted from official sources and other sources that we believe to be reliable, but which has not been independently verified by us or the BRLMs, or any of our or their respective affiliates or advisers.*

*The data may have been re-classified by us for the purpose of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information and estimates as of specific dates and may no longer be current or reflect current trends. Such information, data and estimates may be approximations or use rounded numbers.*

*All references to years in the section below are to calendar years unless specified otherwise.*

*Investors should note that this is only a summary of the industries in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Prospectus, including the information in “Risk Factors” and “Financial Statements” beginning on pages 16 and 183, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see “Risk Factors” beginning on page 16.*

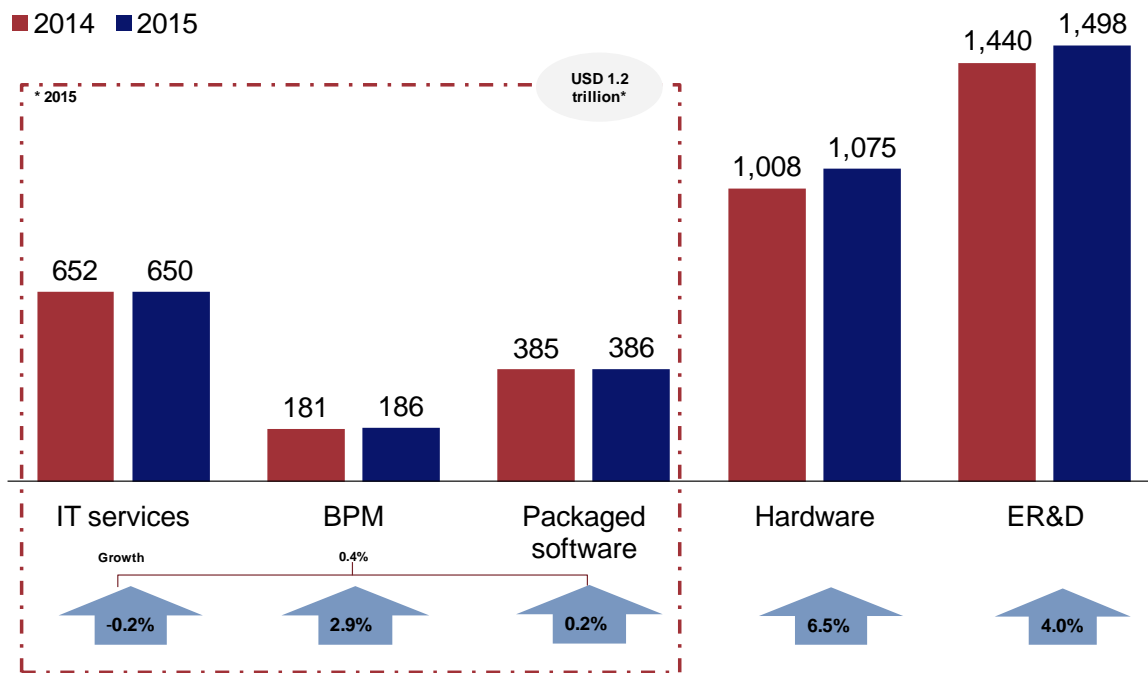
#### **The Global IT-BPM Industry – overview and trends in 2015**

In 2015, the global economy was characterized by volatility and turmoil. According to NASSCOM, developed and emerging countries experienced multiple headwinds as economic growth almost stagnated, global terrorism increased, inflationary pressures continued to build up, turbulence in currency and equity markets prevailed, commodity prices declined and unemployment continued to remain high. NASSCOM notes that, at the same time, the role of technology has also undergone a significant change and technology is no longer exclusive only to the corporate sector. Consumers, leveraging mobile and “24X7” connectivity, are now the key influencing forces shaping technology spend. Governments have also begun to use technology as the platform for citizen outreach and government-to-citizen services. As a result, technology is emerging as integral to all businesses, to all parts of businesses, to the government machinery and to consumers. Globally, the cumulative capital investment in technology is estimated to have reached USD 6 trillion in 2014. However, the global technology industry also faced a challenging environment in 2015. Industrialized and commoditized products are now a part of the technology industry as are multiple disruptive digital technologies. NASSCOM notes that the shift towards digital is inevitable. Incremental expenditures over the next decade may be driven by digital technologies. (Source: *The IT-BPM Sector in India: Strategic Review 2016*, NASSCOM, February 2016 (the “NASSCOM Report”))

According to NASSCOM, these factors have also impacted global technology spend. Worldwide information technology and business process management (“**IT-BPM**”) spend in 2015 (excluding hardware) was clearly impacted by the volatility in global currencies resulting in a near flat growth of 0.4 per cent (USD 1.2 trillion) in 2015. Information technology (“**IT**”) services saw a slight decline in growth (-0.2 per cent). A shift to cloud-based applications has led to a decline in traditional IS outsourcing and Network and Desktop Outsourcing (“**NDOS**”) businesses, thereby impacting overall IT services growth. (Source: *NASSCOM Report*)

In such a scenario, NASSCOM notes that packaged software in 2015 saw a near-flat growth of 0.2 per cent (at USD 386 billion), largely due to the impact of the US dollar strengthening against other currencies. However, a positive factor for this segment was that enterprises continued to invest in packaged software, with APAC, MEA and LATAM expected to drive growth. Worldwide business process management (“**BPM**”) spend saw an approximately three per cent growth over 2014 with analytics services emerging as the largest driver. According to NASSCOM, customers are beginning to expect analytics as part of bundled BPM services. Verticalised offerings of horizontal services is another important trend driving global BPM spend. Hardware saw a 6.6 per cent growth approximately, driven by higher consumption of mobile devices and tablets. Global ER&D spend reached approximately USD 1.5 trillion, a growth of approximately 4 per cent over 2014. As represented in the chart below, software products, IT and BPM services continued to lead. (Source: *NASSCOM Report*)

**Software & services: Flat growth in 2015**

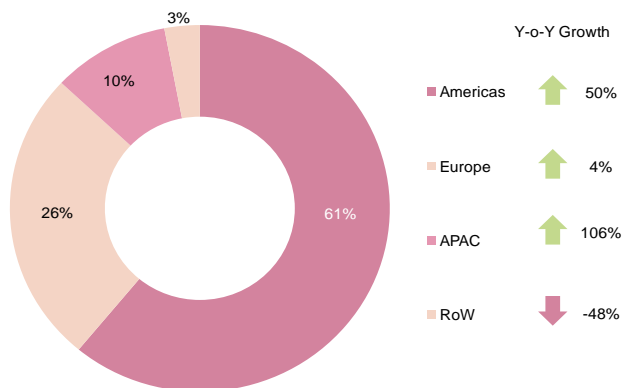


1

In 2015, Asia-Pacific saw the fastest growth in total contract value of IT-BPM contracts with a 106 per cent growth compared to 2014 (see chart below) (*Source: NASSCOM Report*).

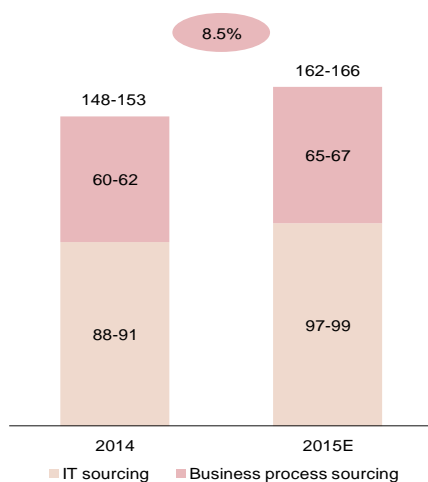
**2015: APAC sees fastest growth**

100%=USD 159 billion



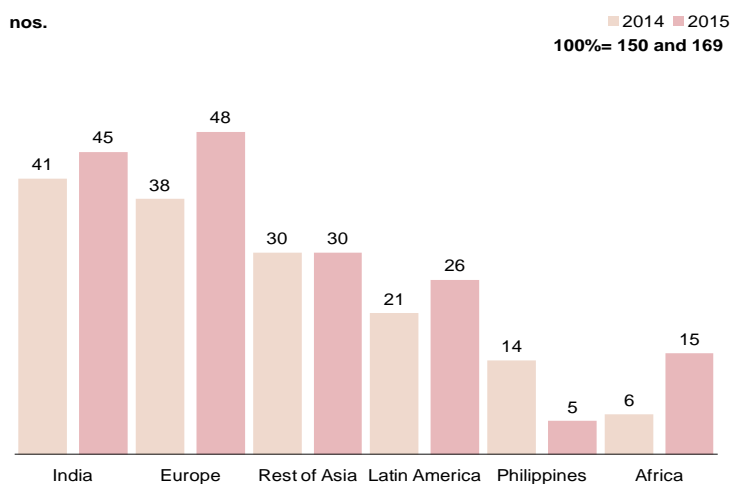
NASSCOM notes that 2015 saw continued demand for overall global sourcing, which grew by 8.5 per cent over 2014 (see chart below).

USD billion



New delivery centers for global sourcing added in 2015 recorded a growth of approximately 12.7 per cent compared to the additions in 2014, with approximately 26.6 per cent of the new additions being in India (see chart below). (Source: NASSCOM Report)

*New delivery centers set up in 2014 and 2015*



## The Indian IT-BPM Industry – Overview and trends

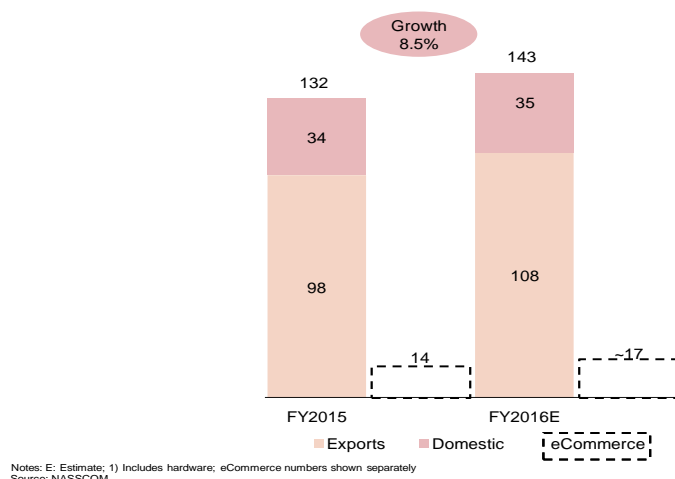
### Overview

According to NASSCOM, the Indian IT-BPM industry is projected to grow at 8.5 per cent in fiscal year 2016, an addition of USD 11 billion. The aggregate growth rate has been affected by the strengthening of the US dollars against the Indian rupee, which is projected to bring the domestic market growth rate down to approximately 3.2 per cent. (see chart below). (Source: NASSCOM Report)

## Indian IT – BPM Industry – Revenues<sup>1</sup>

**Revenue<sup>1</sup>: Added ~ USD 11 billion over FY2015**

USD billion



Notes:

1. Includes hardware; domestic market numbers include eCommerce market.

E: Estimate

(Source: NASSCOM Report)

The table below shows the revenues for the various segments of the Indian IT-BPM domestic and export revenue for fiscal year 2014, fiscal year 2015 and fiscal year 2016 (estimated):

USD billion	FY2014			FY2015			FY2016E		
	Exports	Domestic	Total	Exports	Domestic	Total	Exports	Domestic	Total
IT services <sup>1</sup>	49	12	61	55	13	69	61	14	75
BPM	20	3	24	22	4	26	24	4	28
Packaged software, ER&D and product development <sup>1,2</sup>	18	4	21	20	4	24	22	4	27
Hardware	0.4	13	13	0.4	13	14	0.4	13	14
<b>TOTAL IT-BPM</b>	<b>88</b>	<b>32</b>	<b>119</b>	<b>98</b>	<b>34</b>	<b>132</b>	<b>108</b>	<b>35</b>	<b>143</b>
eCommerce & mobile apps	-	10	10	-	14	14	-	17	17

Notes:

E: Estimate

<sup>1</sup> Offshore Software Product Development (OSPD), which was earlier included with IT services, has now been re-classified under ER&D and product development.

<sup>2</sup> Includes Packaged software, OSPD, Engineering R&D and product development

<sup>3</sup> eCommerce & mobile apps revenues have been indicated as a separate sector.

Due the changes above, these numbers are not comparable with those published earlier. Source: NASSCOM

NASSCOM notes that exports (including hardware) are likely to record a 10.9 per cent growth to reach approximately USD 61 billion in fiscal year 2016, up by approximately USD 6 billion compared to the last fiscal year. (Source: NASSCOM Report)

The table below shows the break-up of the amount of exports (in US dollar terms) of the various segments for Fiscal Year 2014, 2015 and 2016:

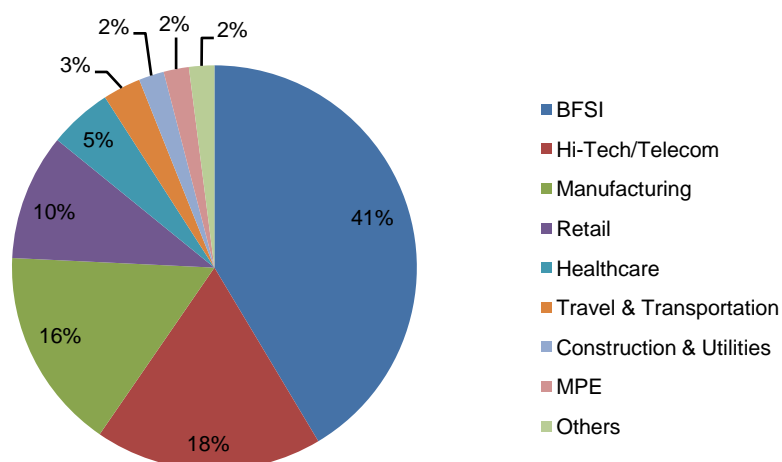
USD billion	FY2014	FY2015	FY2016E
<b>Project based</b>	<b>25</b>	<b>28</b>	<b>30</b>
IT consulting	1	1	2
Systems integration	1	2	2
Custom application development	18	20	22
Network consulting and integration	1	1	1
Software Testing	4	4	5
<b>Outsourcing</b>	<b>21</b>	<b>24</b>	<b>26</b>
Application management	6	7	7
IS outsourcing	9	11	12
<b>Others</b>	<b>5</b>	<b>6</b>	<b>7</b>
Support and Training	4	4	4
Software deploy and support	3	3	3
Hardware deploy and support	0.2	0.2	0.3
IT education and training	1	1	1
<b>TOTAL</b>	<b>49</b>	<b>55</b>	<b>61</b>

Note:

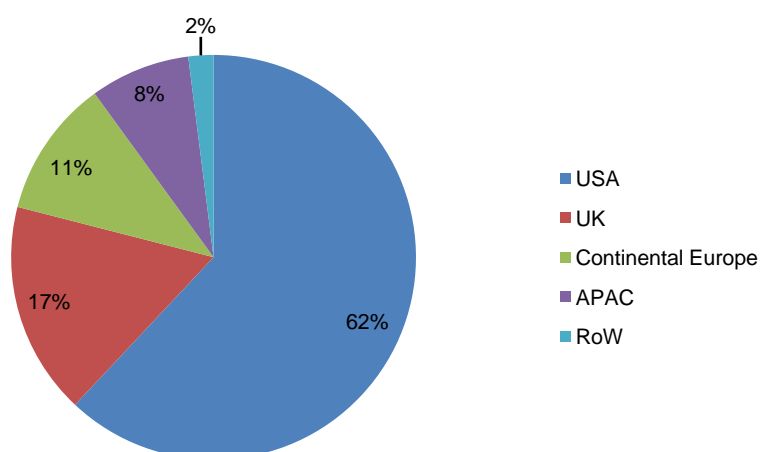
E: Estimate

Source: NASSCOM

The chart below shows the estimated contribution of the various sectors to Indian IT-BPM exports for fiscal year 2016:



The chart below shows the share of Indian IT-BPM exports to various countries in fiscal year 2016:





## SUMMARY OF OUR BUSINESS

*Investors should note that this is only a summary of our business and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Prospectus, including the information in “Risk Factors” and “Financial Statements” beginning on pages 16 and 183, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see “Risk Factors” beginning on page 16. In this section, unless the context otherwise requires, a reference to our “Company” or to “we”, “us” and “our” refers to Larsen & Toubro Infotech Limited and our Subsidiaries on a consolidated basis. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our consolidated Restated Financial Statements.*

### Overview

We are one of India’s global IT services and solutions companies. In 2015, NASSCOM ranked us as the sixth largest Indian IT services company in terms of export revenues. We were amongst the top 20 IT service providers globally in 2015 according to the Everest Group’s PEAK Matrix for IT service providers. Our clients comprise some of the world’s largest and well-known organisations, including 49 of the Fortune Global 500 companies.

We offer an extensive range of IT services to our clients in diverse industries such as banking and financial services, insurance, energy and process, consumer packaged goods, retail and pharmaceuticals, media and entertainment, hi-tech and consumer electronics and automotive and aerospace. Our range of services includes application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions and platform-based solutions. We serve our clients across these industries, leveraging our domain expertise, diverse technological capabilities, wide geographical reach, an efficient global delivery model, thought partnership and “new age” digital offerings.

We were incorporated in 1996 and are headquartered in Mumbai, India. We leverage the strengths and heritage of our Promoter, Larsen & Toubro Limited, a leading Indian conglomerate in engineering, construction, manufacturing, finance and technology. The L&T group provides us with access to professionals with deep industry knowledge in the sectors in which we do business. We have also inherited from the L&T group its corporate and business culture and corporate governance practices, which in our view places us in good stead in relation to our business. In addition, we benefit from our “Business-to-IT Connect” model, which we derive from the commonality of business verticals with our Promoter. For further details, see “Our Business – Our Competitive Strengths – Strong domain focus enabling Business-to-IT Connect” on pages 105 to 106.

Our growth has been marked by significant expansion of business verticals and geographies in which we do business. Besides India, we provide services globally and the percentage of our revenue from continuing operations from North America, Europe, Asia Pacific and the rest of the world amounted to 69.0%, 17.4%, 2.0% and 5.8% for Financial Year 2016 and 68.6%, 17.9%, 2.4% and 6.9%, for Financial Year 2015, respectively. As of May 31, 2016, we had 22 Delivery Centres and 41 sales offices globally.

As part of a business restructuring exercise conducted by our Promoter, all engineering services businesses of our Promoter have been consolidated under a separate subsidiary of our Promoter, LTTSL. As part of this restructuring, on January 1, 2014, we sold and transferred the assets and liabilities of our PES Business to LTTSL. Our PES Business was responsible for the operations of our telecom cluster, providing IT services and solutions to our clients in the telecommunication sector. For further details on our PES Business, see “Our Business – Notable Developments” on page 118.

Our revenue from continuing operations increased by a CAGR of 13.5% from ₹45,351.64 million in Financial Year 2014 to ₹58,470.60 million in Financial Year 2016. Our USD revenue from continuing operations comprise amounts in foreign currencies across our operations, excluding the United States, that are converted into USD using the month-end/day-end exchange rates for the relevant period. In USD terms, our revenue from continuing operations increased by a CAGR of 9.0% from USD 746.6 million in Financial Year 2014 to USD 887.2 million in Financial Year 2016. Our net profit from continuing operations increased by a CAGR of 18.2%, from ₹6,598.48 million in Financial Year 2014 to ₹9,223.06 million in Financial Year 2016. Our total number of employees increased by 13.9%, from 17,627 as of March 31, 2014 to 20,072 as of March 31, 2016.

### Our Competitive Strengths

We believe that our principal competitive strengths are as follows:

#### Strong domain focus enabling Business-to-IT Connect

We are among the few IT service providers that are part of a diversified business conglomerate. We are part of the L&T group, whose businesses span multiple industry segments. We benefit from the expertise and experience of the L&T group in verticals such as hydrocarbons, heavy engineering, oil and gas and automotive and aerospace. This provides us with the benefit of strong domain experience and understanding of businesses that operate in these verticals, which assists us in

developing and delivering IT services and solutions that benefit our clients in these verticals and differentiates us from our competitors. We refer to this as our “Business-to-IT Connect” model and believe that this is a key strength for us.

Our “Business-to-IT Connect” model primarily leverages the domain experience and institutional knowledge of the L&T group across industries to assist us in developing and delivering IT services and solutions that benefit our clients. Our Business-to-IT Connect model is supplemented by the knowledge sharing of subject matter experts from L&T group companies to facilitate the development of solutions driven by business context and domain knowledge.

We believe that our Business-to-IT Connect proposition provides us with an advantage over our competitors in that we are able to capitalise on strategic opportunities at a faster pace due to the readily available domain and institutional knowledge at our disposal. Over the past ten years, we have built a strong domain orientation across our business verticals in the way we approach our clients with solutions to their business objectives and the way we deliver services to them.

For example, we were able to use our Business-to-IT Connect model in relation to the IT services that we provided to a global automotive original equipment manufacturer for the establishment of a “smart factory” initiative. Subsequent to our request, our parent company disseminated its knowledge on smart factories to us to capture machine information and effectively use digital technologies in relation thereto. Specifically, L&T teams presented to us on the methodologies, approaches and solutions relevant to this engagement which was very helpful for our employees in delivering services to our client.

### **Strong parentage and brand equity of our Promoter**

The “L&T” brand is one of the most well-respected brands in India, which we believe provides us with a competitive advantage, particularly in: attracting talent and new clients; benefiting from our Promoter’s global network; exploring potential business opportunities; best corporate governance practices; accessing capital; and establishing ourselves as a thought partner with the top management of many global corporations. We have and shall continue to capitalise on the ability to engage with and obtain work from strategic global clients, vendors and partners of the L&T group. This differentiates us from our market competitors that are standalone companies, as we are able to take advantage of exposure to L&T group relationships that are familiar with and trust our Promoter’s brand. Our Promoter’s parentage has contributed towards our growth in the IT services industry, and will continue to help us achieve our strategic objectives.

### **Established long-term relationships with our clients**

Client relationships are the core of our business. Our clients include many leading businesses, including 49 of the Fortune Global 500 companies. Our track record of delivering an extensive range of solutions using our global delivery model, demonstrable industry and technology expertise, and sensitivity to our clients’ feedback, has helped us forge strong relationships with our major clients. For example, in Financial Year 2016, we had 17 clients who generated above USD 10 million in revenue, ten clients who generated above USD 20 million in revenue and three clients who generated above USD 50 million in revenue which is reflective of such strong client relationships. We have a history of high client retention and derive a significant proportion of our revenues from repeat business (defined as repeat business generated in the preceding Financial Year) built on our successful execution of prior engagements. In Financial Years 2016, 2015 and 2014, we generated 96.9%, 98.1% and 96.9%, respectively, of our revenue from continuing operations from existing clients across a range of business verticals. In addition, as of March 31, 2016, we had been engaged with over 100 clients for more than three years and had been doing business with two of our largest clients for over ten years. In order to improve our service delivery and facilitate repeat business, we carry out regular surveys, which is important for us to ensure a high level of client satisfaction through continued feedback. We strive to be flexible to our clients’ business needs and requirements, in part through our Thought Partnership® programme, which is a strategic level programme, designed for us to work with executive officers and business leaders from our clients in terms of addressing their current issues and business needs, such as reducing run costs, re-aligning IT with business changes, and helping envision their future technological needs in line with projected business trends.

We have an active and institutionalised approach for managing client relationships. We engage our clients by having a collaborative sales and marketing model where our sales, solutions and delivery teams participate in the sales process. While our sales and account managers assist our clients in day-to-day account management, members of our executive team also help manage strategic client accounts. These relationships have helped us better understand our clients’ business needs and enabled us to provide effective solutions to meet these needs.

### **Extensive portfolio of IT services and solutions**

We have an extensive portfolio of IT services that we offer our clients to address their different business and technology needs. We have continuously invested in broadening our IT service portfolio to span consulting, IT services and software platform-based services, which we tailor to our clients’ specific needs and industries in which they do business. Our suite of business solutions includes technology consulting, enterprise solutions, systems integration, custom application development, application maintenance and production support, infrastructure management, independent testing and validation, Cloud ecosystem integration and business platforms and solutions. The solutions that we provide our clients are technology

agnostic. In other words, we do not advocate a particular technology/product and offer the solutions most appropriate to the needs of our clients.

We believe that our extensive portfolio of IT services and solutions enables us to grow our client relationships and scope of engagements, as well as instill our clients with confidence in our ability to address their diverse and dynamic business needs.

### **Focus on emerging technologies**

We look to assist our clients to “engage the future” through our focus on emerging technologies. We invest in new technologies and track new business trends, and believe that every industry will increasingly adopt digital as a key component of its overall IT solutions and services expenditures. We define our digital business as solutions and services offered to clients through the fusion of “new age” technologies for disruptive business transformations, including as part of our Thought Partnership® programme. Such transformations are enabled by creating innovative business models leading to enhancing client experiences and greater operational efficiencies. Some of the technologies that we consider as “new age” include:

- Social
- Mobile
- AIM
- Cloud Computing
- Big Data
- IoT
- Enterprise Integration
- Business Process Digitalisation
- User Experience
- Cognitive Computing

Over the past few years, we have aligned our existing areas of expertise and have created focused initiatives in developing capabilities in emerging technologies, which we eventually intend to offer under a specific brand. In Financial Years 2016 and 2015, our digital solutions service line represented 11.1% and 9.5%, respectively of our revenue from continuing operations.

Our investment in the digital practice is focused on providing our clients with a competitive edge, as well as giving us a competitive advantage in the market. Our digital assets have received multiple industry recognitions. For example, in 2015, the World Innovation Congress recognised our “ServiceFirst™” application (which provides for aftermarket service management across service ecosystems) as the “most innovative Cloud platform as a service”. Moreover, in 2015, the NetApp® Innovation Awards recognised us for our efforts in “innovation in big data”. In 2015, we also received the “Digital Transformation Leaders Recognition” at the CeBIT India awards held in Bengaluru in October 2015. In 2016, the World Innovation Congress recognised our “MyCar” application (which is a cloud-based application that remotely connects customers to their cars and enables them to manage all information relating to their cars) as the “most innovative product of the year”; our “MediaHub” digital media management platform (which provides cloud-based storage and media conversion) as the “most promising new product technology”; and our “Financial Crime EDD Automation Solution” (which provides automated financial crime enhanced due diligence) as the “best innovation in information technology”. Further, Zinnov positions us in the “Leadership Zone” for digital consulting services in Zinnov Zones for Digital Services, released in 2016.

### **Track record of established processes and executing large, end-to-end, mission critical projects**

We believe that we have a reputation for delivering high quality IT solutions and services, as well as timely project completion within agreed cost parameters. We have expanded our offshore, onshore and near shore presence, thus growing and developing our global delivery model and the services it provides, which are, as a result, sufficiently flexible to be adapted to respond to our clients’ objectives, particularly with respect to security, scalability and cost.

Our Company has a track record of executing a number of large, end-to-end, mission critical projects in diverse business areas and technology domains for clients. For examples, see “Our Business – Our Clients – Key Client Relationships” on pages 122 to 123. As part of our execution of large and complex projects, we leverage our expertise in providing comprehensive project/ programme management through our global delivery model (see “Our Business - Global Delivery Model” on pages 118 to 119) and our clients benefit from our experience in multiple technologies, industry knowledge,

project management expertise and proprietary software engineering tools developed in-house. Our Company has successfully competed globally to win projects and our success in such engagements has enhanced our recognition in the global marketplace.

### **Strong management culture**

We have built a strong management culture, which has been influenced by our Promoter's core values and work ethic. Since we started doing business, our Promoter has instilled in us its sense of purpose and passion in the manner in which it does business, and we cherish and live by those values. Our management culture is collaborative and team-oriented, which is inherent in the way we do business and we believe this is a source of competitive advantage.

Our management team comprises seasoned technology professionals with global experience, as well as professionals with deep experience in the domains of our clients, which has helped us deliver strong financial performances consistently. We believe that this blend, together with a strong management culture, helps our management team develop deep insights, anticipate trends in the market, and devise and execute our company's strategy effectively.

### **Conducive work environment to attract and retain talent**

People are critical to our business and our ability to grow, depends to a large extent on our ability to attract, train, motivate and retain employees. We have a highly skilled, well-trained and diverse employee base, which provides us with the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake.

We are recognised as a preferred employer in the Indian IT services industry. In 2015, NASSCOM ranked us among the top 20 IT BPM employers in India. Moreover, in 2015, we won five awards from the World HRD Congress in relation to our Indian operations, including training organisation of the year, best leadership development for middle management, best leadership development program for top management, and most innovative use of training and development as an HR initiative for OD. We are committed to the development of expertise and know-how of our employees, as demonstrated by regular technical seminars and training sessions organised by us. We focus on performance management, providing input on leadership qualities, mentoring and periodic reviews for career alignment and planning.

### **Our Business Strategies**

The key elements of our business strategies are as follows:

#### **Focus on a targeted client portfolio**

We intend to continue building long-term sustainable business relationships with our existing clients to generate greater revenues. This involves *inter alia* increasing the scope of engagements with our existing clients; selling additional services to them; deploying project managers, delivery specialists and other professionals to provide value-added business solutions; and eventually become a thought partner with them in terms of their existing and future business needs by identifying priority solutions in consultation with industry experts.

As part of the foregoing strategy, we plan to have an optimal client portfolio to better focus and serve our clients across the geographies and industries in which we do business. We have a track record of high client retention and as our client relationships mature and deepen, we seek to expand the scope of services offered to those clients to achieve incremental revenue growth. Our ability to establish and strengthen client relationships and expand the scope of services we offer to clients will help us grow our revenues and profits.

#### **Targeting higher total contract values**

We are targeting clients who have the potential to offer opportunities with large total contract values. We intend to originate large engagements by either identifying opportunities with our existing client accounts or by targeting new clients whose existing engagements with IT vendors will be up for renewal. We plan to achieve a higher value client portfolio by focusing on annuity applications and infrastructure management service deals, which tend to be long-term in nature. As part of this strategy, we will need to provide clients with greater pricing flexibility and optionality; further develop our client-specific, industry-specific, technological and other solutions required for larger engagements; provide end-to-end services, improve our service delivery across our global delivery model; capitalise on our strengths, such as our Business-to-IT Connect model and leverage our Promoter's parentage; build additional and more holistic relationships with globally well-known software vendors and other partners; and engage in tailored marketing campaigns for specific client accounts. Furthermore, we are in the process of investing in and building sales operations capabilities to establish standardised processes to facilitate our targeting of larger and higher-value client engagements. We believe that the foregoing will enable us to deliver greater value-added IT solutions to our clients' businesses and increase our share of their IT expenditures.

#### **Continue to focus on emerging technologies**

We regularly track new technologies, industry segments and market trends in the IT solutions market and believe that digitalisation will increasingly become systematically critical in the future. We plan to further enhance our digital platforms, build industry and technology frameworks, the ‘internet of things’, business process digitalisation and end-to-end digital transformational delivery capabilities. With respect to business process digitalisation, we plan to further develop automation tools providing greater value-added propositions to our clients to bring about business processing efficiency for them. We have established business relationships with a number of players in the digital space and, in addition to our existing capabilities, such relationships will further enable us to develop complex ecosystems along with our partners as a value-added proposition to our clients. Further, we plan to invest seed capital in startups, which will allow us to benefit from their innovation capabilities and digital offerings. We believe this will help us enhance our digital offerings and in turn, give a platform and opportunity to scale up to startups. In addition, as part of our strategic focus in India, we are *inter alia* positioning ourselves to cater to “Smart Cities” opportunities that we have identified therein.

#### **Expand our focus on infrastructure management service offerings**

Our IMS service practice offers a wide spectrum of end-to-end services covering IT infrastructure consulting, design, managed services, migration services, operational support, desktop support, and Cloud enablement, hosting and migration. We aim to leverage our “Business 1<sup>st</sup>™” approach with respect to IMS, which provides extensive services to clients *inter alia* using application development, maintenance, support and testing services, which collectively assist our clients automate their business processes through customised service delivery plans that are aligned with their business needs and objectives. Similar to our approach in relation to emerging technologies, we have agreements with a number of players in delivering our IMS service offerings in a technologically-agnostic way. This approach is beneficial to our clients and helps establish our credibility with them with a view to eventually becoming their thought partners and long-term service providers.

In addition, we are currently looking for strategic acquisition opportunities in relation to our IMS business. We are specifically looking to acquire a complementary business, technology, service or product that can provide us with access to new markets, capabilities or assets in relation thereto.

#### **Expand our geographical presence**

We market and distribute our solutions directly through our global delivery model (see “Our Business – Global Delivery Model” on pages 118 to 119). We have historically been dependent on North America and Europe for most of our revenues. In Financial Years 2016 and 2015, revenues originating from North America represented 69.0% and 68.6%, respectively of our revenue from continuing operations. In Financial Years 2016 and 2015, revenues originating from Europe represented 17.4% and 17.9%, respectively of our revenue from continuing operations. While we intend to continue expanding our presence in the United States and Europe, we also plan to expand our geographical reach in other markets that we have identified as having potential, including Australia, Singapore, Japan, South Africa, India and the Middle East. We are in the process of augmenting our teams in these markets to further explore the opportunities therein.

With respect to our operations in South Africa, the Nordic region and the Middle East, we view these regions as gateways to the rest of Africa, Eastern Europe/the Baltic region and the Middle East/North Africa region, respectively. As such, we intend to allocate resources to these markets not only for pure-play market opportunities therein, but also as stepping-stones to other client opportunities that we can identify through greater regional experience, expertise and client referrals. For example, in South Africa, we recruit local nationals to assist in our market penetration efforts, in addition to complying with local regulatory requirements. In the Middle East, we intend to leverage the strong presence of the L&T group, which is engaged in the oil and gas, construction and transportation sectors.

We have identified Germany, France and the Nordic region as important markets for us going forward and we would like to enhance our capabilities and address gaps in language capability, industry expertise, technical expertise and geographic coverage in these countries. As such, we are also currently contemplating pursuing strategic acquisitions in these markets.

#### **Strengthen our brand name in the Indian and global IT services market**

The “L&T” brand is well-established as one of India’s most prominent conglomerates and we have benefited from such parentage. At the same time, we intend to further strengthen our “L&T Infotech” brand by continuing to deliver high quality services to our clients, enhancing our market positions in the markets in which we do business and becoming a thought partner with our clients.

Accordingly, we have engaged in a number of brand building exercises, and intend to continue strengthening our brand in the IT services marketplace through brand building efforts, communication and promotional initiatives, such as interacting with industry research organisations and prominent publications, industry analysts, participating in industry events, public relations and investor relations efforts. We also plan to conduct various customised client events, including seminars, roundtables and breakfast sessions on identified industry or technology specific themes with a view to delivering a focused message on our capabilities, experience and value proposition relevant to the specific theme. In addition, we connect with academia through our campus connect programmes and look to further build our brand by attracting the best talent.

We believe that an established record of excellence, the foregoing initiatives and the listing of the Equity Shares will enhance the visibility of our brand name, contribute to our recruitment and retention initiatives and strengthen our recognition as a leader in the Indian IT services industry.

**Focus on greater internal operational efficiency**

We plan to continue developing and investing in frameworks, accelerators, in-house proprietary solutions and customised software processes to drive efficiencies internally. We also plan to increase our profitability by streamlining our cost structure with a focus on high employee utilisation and optimising resource mix. We have a specific department to identify and implement direct cost reductions in our operations. To this end, business process digitalisation is important in streamlining our cost structure to make us more operationally efficient. We plan to automate various project delivery processes as well as internal IT service processes to enhance human productivity and once various tools are developed in relation thereto, we plan to institutionalise their usage across our business units, which will provide us with the appropriate business platform to be more efficient. We also plan to introduce specific business process digitalisation initiatives in relation to our business verticals and service lines for us to realise operational cost savings. We believe that the foregoing initiatives will allow us to move up the value chain with respect to services offered.

## SUMMARY OF FINANCIAL INFORMATION

*The following tables set forth the summary financial information derived from:*

- a. The unconsolidated Restated Financial Statements as of and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012; and*
- b. The consolidated Restated Financial Statements as of and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012.*

*The financial statements referred to above are presented under “Financial Statements” beginning on page 183. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 183 and 294, respectively.*

**RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES**

₹ Million

Particulars	As at March 31				
	2016	2015	2014	2013	2012
<b>EQUITY AND LIABILITIES</b>					
<i>Shareholders' funds</i>					
Share capital	169.82	161.25	161.25	161.25	161.25
Reserves and surplus	18,462.89	19,093.28	14,522.83	12,168.69	10,116.06
<b>Total equity</b>	<b>18,632.71</b>	<b>19,254.53</b>	<b>14,684.08</b>	<b>12,329.94</b>	<b>10,277.31</b>
<i>Non-current liabilities</i>					
Long-term borrowings	-	138.89	266.29	361.90	452.22
Deferred tax liabilities (net)	958.53	76.84	180.34	-	-
Other long-term liabilities	1,250.52	538.35	729.11	1,256.88	2,022.19
Long-term provisions	124.29	103.71	131.06	94.30	51.25
	<b>2,333.34</b>	<b>857.79</b>	<b>1,306.80</b>	<b>1,713.08</b>	<b>2,525.66</b>
<i>Current liabilities</i>					
Short-term borrowings	397.53	1,897.48	673.84	1,582.93	1,976.84
Current maturities of long-term borrowings	147.23	138.89	133.14	120.63	56.53
Trade payables	3,141.47	2,528.52	2,255.70	1,891.40	1,720.74
Other current liabilities	2,678.38	1,599.53	3,632.68	2,472.89	1,652.98
Short-term provisions	5,049.64	2,791.97	2,371.85	1,782.82	1,604.69
	<b>11,414.25</b>	<b>8,956.39</b>	<b>9,067.21</b>	<b>7,850.67</b>	<b>7,011.78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,380.30</b>	<b>29,068.71</b>	<b>25,058.09</b>	<b>21,893.69</b>	<b>19,814.75</b>
<b>ASSETS</b>					
<i>Non-current assets</i>					
<i>Fixed assets</i>					
Tangible assets	2,649.90	2,617.02	2,610.36	2,225.54	2,170.15
Intangible assets	553.51	755.47	332.21	316.14	301.47
Capital work-in-progress	1.00	47.63	88.13	462.06	74.33
Intangible assets under development	187.56	195.37	418.27	321.15	210.07
	<b>3,391.97</b>	<b>3,615.49</b>	<b>3,448.97</b>	<b>3,324.89</b>	<b>2,756.02</b>
Non-current investments	3156.22	3,953.11	3,146.15	4,019.29	4,037.28
Deferred tax asset (net)	-	-	-	57.93	20.29
Long-term loans and advances	4,249.13	2,387.26	2,534.84	1,931.57	1,355.39
	<b>10,797.32</b>	<b>9,955.86</b>	<b>9,129.96</b>	<b>9,333.68</b>	<b>8,168.98</b>
<i>Current assets</i>					
Current investments	67.35	622.32	1,402.11	217.30	355.59
Trade receivable	10,895.97	10,314.39	8,495.82	7,233.99	6,266.71
Unbilled revenue	3,699.69	1,434.59	1,064.61	1,014.02	821.66
Cash and bank	1,221.75	1,334.34	1,455.40	1,135.87	1,229.35
Short-term loans and advances	5,698.22	5,407.21	3,510.19	2,958.83	2,972.46
	<b>21,582.98</b>	<b>19,112.85</b>	<b>15,928.13</b>	<b>12,560.01</b>	<b>11,645.77</b>
<b>TOTAL ASSETS</b>	<b>32,380.30</b>	<b>29,068.71</b>	<b>25,058.09</b>	<b>21,893.69</b>	<b>19,814.75</b>



**RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES**

₹Million

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Income</b>					
Revenue from operations	55,695.20	47,444.03	46,439.40	36,134.21	29,595.55
Other income	3,386.06	887.80	(810.92)	167.35	89.99
<b>Total income</b>	<b>59,081.26</b>	<b>48,331.83</b>	<b>45,628.48</b>	<b>36,301.56</b>	<b>29,685.54</b>
<b>Expenses</b>					
Employee benefit expenses	33,838.37	28,064.72	26,456.57	21,085.73	17,700.80
Operating expenses	6,670.62	4,605.35	4,207.52	2,877.76	2,233.79
Sales, administration and other expenses	5,902.48	5,224.97	5,123.26	4,125.00	3,466.23
	<b>46,411.47</b>	<b>37,895.04</b>	<b>35,787.35</b>	<b>28,088.49</b>	<b>23,400.82</b>
<b>Operating profit</b>	<b>12,669.79</b>	<b>10,436.79</b>	<b>9,841.13</b>	<b>8,213.07</b>	<b>6,284.72</b>
Finance cost	103.57	104.18	297.69	197.67	358.03
Depreciation on tangible assets	654.60	659.89	502.68	452.77	408.07
Amortisation of intangible assets	379.88	247.41	180.23	169.70	157.77
	<b>1,138.05</b>	<b>1,011.48</b>	<b>980.60</b>	<b>820.14</b>	<b>923.87</b>
<b>Profit before extraordinary items and tax</b>	<b>11,531.74</b>	<b>9,425.31</b>	<b>8,860.53</b>	<b>7,392.93</b>	<b>5,360.85</b>
<b>Profit from continuing operations before tax</b>	<b>11,531.74</b>	<b>9,425.31</b>	<b>8,282.58</b>	<b>6,625.04</b>	<b>5,360.85</b>
Tax expense for continuing operations					
Current tax	1,627.13	1,602.82	1,650.04	1,621.05	1,276.01
Deferred tax	523.30	92.87	238.27	(37.65)	37.19
	<b>2,150.43</b>	<b>1,695.69</b>	<b>1,888.31</b>	<b>1,583.40</b>	<b>1,313.20</b>
<b>Profit from continuing operations after tax</b>	<b>9,381.31</b>	<b>7,729.62</b>	<b>6,394.27</b>	<b>5,041.64</b>	<b>4,047.65</b>
<b>Profit from discontinued operations before tax</b>	<b>-</b>	<b>-</b>	<b>577.95</b>	<b>767.89</b>	<b>-</b>
Tax expense for discontinued operations					
Current tax	-	-	127.05	193.83	-
<b>Profit from discontinued operations after tax</b>	<b>-</b>	<b>-</b>	<b>450.90</b>	<b>574.06</b>	<b>-</b>
<b>Net profit before extraordinary item</b>	<b>9,381.31</b>	<b>7,729.62</b>	<b>6,845.17</b>	<b>5,615.70</b>	<b>4,047.65</b>
Extraordinary item (net of tax)	-	-	2,177.88	-	-
<b>Net profit after tax before restatement adjustments</b>	<b>9,381.31</b>	<b>7,729.62</b>	<b>9,023.05</b>	<b>5,615.70</b>	<b>4,047.65</b>
<b>Restatement adjustment:</b>					
<b>Change in accounting policy</b>					
Amortisation of cost of long-term projects	-	6.35	9.52	(15.87)	11.62
<b>Net profit before extraordinary item as restated</b>	<b>9,381.31</b>	<b>7,735.97</b>	<b>6,854.69</b>	<b>5,599.83</b>	<b>4,059.27</b>
Extraordinary item (net of tax) as restated	-	-	2,177.88	-	-
<b>Net profit after tax as restated</b>	<b>9,381.31</b>	<b>7,735.97</b>	<b>9,032.57</b>	<b>5,599.83</b>	<b>4,059.27</b>

**RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS**

₹ Million

	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>A.</b>	<b>Cash flow from operating activities</b>					
	<b>Net profit before tax as restated (excluding extraordinary items)</b>	<b>11,531.74</b>	<b>9,431.66</b>	<b>8,870.05</b>	<b>7,377.06</b>	<b>5,372.47</b>
	<b>Adjustments for:</b>					
	Depreciation and amortisation	1,034.48	907.30	682.91	622.47	565.84
	Employees stock options amortised	(141.59)	-	2.28	7.38	19.21
	Interest (net)	48.98	38.23	10.34	45.54	29.67
	Unrealised foreign exchange loss/(gain)	(960.22)	(558.20)	(536.06)	(700.13)	(362.69)
	(Profit) on sale of current investments	(47.94)	(119.62)	(60.48)	(84.47)	(82.42)
	Dividend received from subsidiary	(472.38)	-	-	-	-
	(Profit)/loss on sale of fixed assets	26.82	3.16	(3.46)	(2.88)	(3.39)
	<b>Operating profit before working capital changes</b>	<b>11,019.89</b>	<b>9,702.53</b>	<b>8,965.58</b>	<b>7,264.97</b>	<b>5,538.69</b>
	<b>Changes in working capital</b>					
	(Increase)/decrease in trade receivables	(2,838.55)	(2,226.73)	(1,454.27)	(1,204.56)	(1,197.83)
	(Increase)/decrease in other receivables	21.95	(44.55)	(580.58)	419.65	(219.17)
	Increase/(decrease) in trade & other payables	2,124.08	1,016.45	1,333.56	390.03	160.16
	<b>(Increase)/decrease in working capital</b>	<b>(692.52)</b>	<b>(1,254.83)</b>	<b>(701.29)</b>	<b>(394.88)</b>	<b>(1,256.84)</b>
	<b>Cash generated from operations</b>	<b>10,327.37</b>	<b>8,447.70</b>	<b>8,264.29</b>	<b>6,870.09</b>	<b>4,281.85</b>
	Direct taxes paid	(2,633.61)	(2,643.01)	(2,133.42)	(2,040.89)	(1,032.32)
	<b>Net cash from operating activities (excluding extraordinary items)</b>	<b>7,693.76</b>	<b>5,804.69</b>	<b>6,130.87</b>	<b>4,829.20</b>	<b>3,249.53</b>
<b>B.</b>	<b>Cash flow from investing activities</b>					
	Purchase of fixed assets	(959.74)	(1,114.24)	(957.94)	(1,244.81)	(1,232.17)
	Sale of fixed assets	149.35	24.99	154.40	56.36	27.05
	(Purchase)/sale of current investments(net)	673.25	899.41	(1,124.33)	242.76	797.97
	Disinvestment in subsidiary	-	-	1,202.97	-	-
	Investment in subsidiaries	(10.07)	(806.96)	(329.83)	(2.01)	-
	Dividend received from subsidiary	472.38	-	-	-	-
	Interest received	17.25	17.99	84.18	41.69	47.18
	<b>Net cash (used in)/from investing activities before extra-ordinary items</b>	<b>342.42</b>	<b>(978.81)</b>	<b>(970.55)</b>	<b>(906.01)</b>	<b>(359.97)</b>
	<b>Extraordinary Items</b>					
	Proceeds from sale of PES business (net)	-	-	-	3,796.97	-
	Loss on winding up of subsidiary	-	-	-	(1,202.97)	-
	<b>Net cash (used in)/from investing activities after extra ordinary items</b>	<b>342.42</b>	<b>(978.81)</b>	<b>1,623.45</b>	<b>(906.01)</b>	<b>(359.97)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>					
	Proceeds from issue of share capital (including share application money)	69.28	-	-	-	-
	Proceeds from/(repayment) of borrowings	(1,662.61)	1,040.09	(984.57)	(445.38)	64.28
	Interest paid	(57.89)	(56.22)	(94.52)	(87.23)	(76.85)
	Dividend paid	(5,467.30)	(4,805.25)	(5,514.75)	(3,031.50)	(2,547.75)
	Tax on dividend paid	(1,048.71)	(1,125.56)	(840.95)	(452.56)	(412.64)
	<b>Net cash (used in)/from financing activities</b>	<b>(8,167.23)</b>	<b>(4,946.94)</b>	<b>(7,434.79)</b>	<b>(4,016.67)</b>	<b>(2,972.96)</b>
	<b>Net increase in cash and cash equivalents</b>	<b>(131.05)</b>	<b>(121.06)</b>	<b>319.53</b>	<b>(93.48)</b>	<b>(83.40)</b>
	<b>Cash and cash equivalents at 31 March of previous year</b>	<b>1,334.34</b>	<b>1,455.40</b>	<b>1,135.87</b>	<b>1,229.35</b>	<b>1,312.75</b>
	<b>Increase in Cash and Cash</b>	<b>18.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
	Equivalents on amalgamation as on 1 <sup>st</sup> April 2015					
	Cash and cash equivalents at 31 March	1,221.75	1,334.34	1,455.40	1,135.87	1,229.35

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES**

₹ Million

Particulars	As at 31 March				
	2016	2015	2014	2013	2012
<b>EQUITY AND LIABILITIES</b>					
<i>Shareholders' funds</i>					
Share capital	169.82	161.25	161.25	161.25	161.25
Reserves and surplus	20,057.02	20,102.23	15,941.68	13,226.74	10,892.35
<b>Total equity</b>	<b>20,226.84</b>	<b>20,263.48</b>	<b>16,102.93</b>	<b>13,387.99</b>	<b>11,053.60</b>
Minority interest	5.18	3.88	1.98	1.21	-
<i>Non-current liabilities</i>					
Long-term borrowings	-	138.89	266.29	361.90	452.22
Deferred tax liabilities	1,206.25	238.03	413.85	207.20	118.28
Other long-term liabilities	1,250.52	538.35	729.11	1,256.88	2,022.19
Long-term provisions	124.29	103.71	131.06	94.30	51.25
	<b>2,581.06</b>	<b>1,018.98</b>	<b>1,540.31</b>	<b>1,920.28</b>	<b>2,643.94</b>
<i>Current liabilities</i>					
Short-term borrowings	397.53	1,897.48	700.70	1,853.88	2,179.62
Current maturities of long-term borrowings	147.23	138.89	133.14	120.63	56.53
Trade payables	3,276.40	2,719.47	2,414.80	2,065.18	2,015.02
Other current liabilities	2,764.95	1,723.48	3,735.89	2,520.34	1,712.33
Short-term provisions	5,170.88	2,815.44	2,376.64	1,786.04	1,618.44
	<b>11,756.99</b>	<b>9,294.76</b>	<b>9,361.17</b>	<b>8,346.07</b>	<b>7,581.94</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,570.07</b>	<b>30,581.10</b>	<b>27,006.39</b>	<b>23,655.55</b>	<b>21,279.48</b>
<b>ASSETS</b>					
<i>Non-current assets</i>					
<i>Fixed assets</i>					
Tangible assets	2,791.89	2,749.82	2,794.65	2,449.87	2,263.44
Intangible assets	3,583.23	4,084.52	3,693.11	4,540.84	4,058.70
Capital work-in-progress	6.95	53.33	94.43	483.22	100.55
Intangible assets under development	188.41	198.45	472.74	940.34	975.15
	<b>6,570.48</b>	<b>7,086.12</b>	<b>7,054.93</b>	<b>8,414.27</b>	<b>7,397.84</b>
Non-current investments	-	-	-	-	20.00
Deferred tax asset	2.37	10.29	1.89	59.07	21.30
Long-term loans and advances	4,249.13	2,439.79	2,534.84	1,931.57	1,366.79
	<b>10,821.98</b>	<b>9,536.20</b>	<b>9,591.66</b>	<b>10,404.91</b>	<b>8,805.93</b>
<i>Current assets</i>					
Current investments	429.20	1,035.51	1,687.77	486.63	570.51
Trade receivable	11,659.87	10,901.16	9,309.86	7,410.52	6,845.50
Unbilled revenue	3,787.89	1,544.50	1,194.16	1,333.45	895.05
Cash and bank	2,033.66	2,009.21	1,589.11	1,193.72	1,321.09
Short-term loans and advances	5,837.47	5,554.52	3,633.83	2,826.32	2,841.40
	<b>23,748.09</b>	<b>21,044.90</b>	<b>17,414.73</b>	<b>13,250.64</b>	<b>12,473.55</b>
<b>TOTAL ASSETS</b>	<b>34,570.07</b>	<b>30,581.10</b>	<b>27,006.39</b>	<b>23,655.55</b>	<b>21,279.48</b>

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES**

₹ Million

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Income</b>					
Revenue from operations	58,470.60	49,780.36	49,204.98	38,514.39	31,820.15
Other income	2,959.61	915.00	(833.18)	221.04	95.84
<b>Total income</b>	<b>61,430.21</b>	<b>50,695.36</b>	<b>48,371.80</b>	<b>38,735.43</b>	<b>31,915.99</b>
<b>Expenses</b>					
Employee benefit expenses	35,346.58	29,242.73	27,581.57	22,485.93	18,635.30
Operating expenses	6,710.80	4,885.63	4,891.51	2,920.00	2,575.28
Sales, administration and other expenses	6,057.07	5,607.43	5,259.07	4,403.55	3,711.94
	<b>48,114.45</b>	<b>39,735.79</b>	<b>37,732.15</b>	<b>29,809.48</b>	<b>24,922.52</b>
<b>Operating profit</b>	<b>13,315.76</b>	<b>10,959.57</b>	<b>10,639.65</b>	<b>8,925.95</b>	<b>6,993.47</b>
Finance cost	103.57	104.19	305.34	208.12	342.42
Depreciation on tangible assets	736.67	741.55	589.03	508.88	449.80
Amortisation of intangible assets	1,002.85	837.85	710.72	722.80	598.83
	<b>1,843.09</b>	<b>1,683.59</b>	<b>1,605.09</b>	<b>1,439.80</b>	<b>1,391.05</b>
<b>Profit before extraordinary items and tax</b>	<b>11,472.67</b>	<b>9,275.98</b>	<b>9,034.56</b>	<b>7,486.15</b>	<b>5,602.42</b>
<b>Profit from continuing operations before tax</b>	<b>11,472.67</b>	<b>9,266.26</b>	<b>8,541.36</b>	<b>6,778.37</b>	<b>5,602.42</b>
Tax expense for continuing operations					
Current tax	1,649.17	1,630.45	1,681.03	1,631.00	1,289.27
Deferred tax	600.44	35.76	261.85	46.99	119.79
	<b>2,249.61</b>	<b>1,666.21</b>	<b>1,942.88</b>	<b>1,677.99</b>	<b>1,409.06</b>
<b>Profit from continuing operations after tax</b>	<b>9,223.06</b>	<b>7,600.05</b>	<b>6,598.48</b>	<b>5,100.38</b>	<b>4,193.36</b>
<b>Profit from discontinued operations before tax</b>	<b>-</b>	<b>9.72</b>	<b>493.20</b>	<b>707.78</b>	<b>-</b>
Tax expense for discontinued operations					
- Current tax	-	1.69	129.25	191.54	-
<b>Profit from discontinued operations after tax</b>	<b>-</b>	<b>8.03</b>	<b>363.95</b>	<b>516.24</b>	<b>-</b>
<b>Profit for the year before minority interest</b>	<b>9,223.06</b>	<b>7,608.08</b>	<b>6,962.43</b>	<b>5,616.62</b>	<b>4,193.36</b>
Minority interest	1.29	1.90	0.77	0.55	-
<b>Net profit before extraordinary item</b>	<b>9,221.77</b>	<b>7,606.18</b>	<b>6,961.66</b>	<b>5,616.07</b>	<b>4,193.36</b>
Extraordinary item (net of tax)	-	79.08	3,002.42	-	-
<b>Net profit after tax before restatement adjustments</b>	<b>9,221.77</b>	<b>7,685.26</b>	<b>9,964.08</b>	<b>5,616.07</b>	<b>4,193.36</b>
<b>Restatement adjustments:</b>					
<b>Changes in accounting policies</b>					
Amortisation of goodwill	-	-	(85.08)	137.06	132.89
Provision for tax	-	-	-	-	(6.39)
Amortisation of cost of long- term projects	-	6.35	9.52	(15.87)	11.62
	<b>-</b>	<b>6.35</b>	<b>(75.56)</b>	<b>121.19</b>	<b>138.12</b>
<b>Extraordinary item</b>					
Goodwill written off	-	-	(605.10)	-	-
<b>Net profit before extraordinary item as restated</b>	<b>9,221.77</b>	<b>7,612.53</b>	<b>6,886.10</b>	<b>5,737.26</b>	<b>4,331.48</b>
<b>Extraordinary item (net of tax) as restated</b>	<b>-</b>	<b>79.08</b>	<b>2,397.32</b>	<b>-</b>	<b>-</b>
<b>Net profit after tax as restated</b>	<b>9,221.77</b>	<b>7,691.61</b>	<b>9,283.42</b>	<b>5,737.26</b>	<b>4,331.48</b>

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS**

₹ Million

	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>A.</b>	<b>Cash flow from operating activities</b>					
	Net profit before tax as restated (excluding extraordinary items)	11,472.67	9,282.33	8,959.00	7,607.34	5,740.54
	Adjustments for:					
	Depreciation and amortisation	1,739.52	1,579.41	1,384.83	1,094.62	915.74
	Employees stock options amortised	(141.59)	-	2.28	7.38	19.21
	Interest (net)	41.17	33.42	27.26	67.70	26.66
	Unrealised foreign exchange loss (gain)	(901.57)	(568.72)	(516.63)	(202.23)	(375.36)
	(Profit) on sale of current investments	(68.44)	(141.26)	(79.58)	(103.75)	(87.03)
	(Profit)/loss on sale of fixed assets	27.28	7.18	(1.81)	(2.98)	(3.32)
	Foreign currency translation reserve	56.65	(80.26)	51.72	524.13	(403.14)
	<b>Operating profit before working capital changes</b>	<b>12,225.69</b>	<b>10,112.10</b>	<b>9,827.07</b>	<b>8,992.21</b>	<b>5,833.30</b>
	<b>Changes in working capital</b>					
	(Increase)/decrease in trade receivables	(3,069.79)	(1,979.71)	(1,906.36)	(1,048.97)	(1,217.42)
	(Increase)/decrease in inventory	-	-	-	-	3.08
	(Increase)/decrease in other receivables	11.08	(107.57)	(833.78)	470.82	(266.73)
	Increase/(decrease) in trade & other payables	2,123.04	1,164.84	1,332.60	(241.25)	79.21
	<b>(Increase)/decrease in working capital</b>	<b>(935.67)</b>	<b>(922.44)</b>	<b>(1,407.54)</b>	<b>(819.40)</b>	<b>(1,401.86)</b>
	<b>Cash generated from operations</b>	<b>11,290.02</b>	<b>9,189.66</b>	<b>8,419.53</b>	<b>8,172.81</b>	<b>4,431.44</b>
	Direct taxes paid	(2,656.99)	(2,767.12)	(2,140.92)	(2,096.32)	(1,068.26)
	<b>Net cash from operating activities before extra-ordinary item</b>	<b>8,633.03</b>	<b>6,422.54</b>	<b>6,278.61</b>	<b>6,076.49</b>	<b>3,363.18</b>
<b>B.</b>	<b>Cash flow from investing activities</b>					
	Purchase of fixed assets	(1,290.54)	(1,964.04)	(1,183.28)	(2,535.83)	(1,638.52)
	Sale of fixed assets	149.38	25.13	233.62	56.47	44.47
	(Purchase)/sale of current investments (net)	674.75	793.52	(1,121.56)	207.63	588.29
	Interest received	25.06	22.81	74.91	29.98	34.59
	<b>Net cash (used in)/from investing activities before extraordinary items</b>	<b>(441.35)</b>	<b>(1,122.58)</b>	<b>(1,996.31)</b>	<b>(2,241.75)</b>	<b>(971.17)</b>
	<b>Extraordinary item</b>					
	Proceeds from sale of PES Business(net)	-	93.95	3,799.62	-	-
	<b>Net cash (used in)/from investing activities after extraordinary items</b>	<b>(441.35)</b>	<b>(1,028.63)</b>	<b>1,803.31</b>	<b>(2,241.75)</b>	<b>(971.17)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>					
	Issue of Share Capital(including share application)	69.28	-	-	-	-
	Proceeds from issue of shares to minority shareholders	-	-	-	1.21	-
	Proceeds from/(repayment) of borrowings	(1,662.61)	1,013.23	(1,228.66)	(377.21)	488.31
	Interest paid	(57.89)	(56.23)	(102.17)	(97.68)	(61.25)
	Dividend paid	(5,467.30)	(4,805.25)	(5,514.75)	(3,031.50)	(2,547.75)
	Tax on dividend paid	(1,048.71)	(1,125.56)	(840.95)	(456.93)	(412.64)
	<b>Net cash (used in)/from financing activities</b>	<b>(8,167.23)</b>	<b>(4,973.81)</b>	<b>(7,686.53)</b>	<b>(3,962.11)</b>	<b>(2,533.33)</b>
	<b>Net increase in cash and cash equivalents</b>	<b>24.45</b>	<b>420.10</b>	<b>395.39</b>	<b>(127.37)</b>	<b>(141.32)</b>
	<b>Cash and cash equivalents at 31 March of previous year</b>	<b>2,009.21</b>	<b>1,589.11</b>	<b>1,193.72</b>	<b>1,321.09</b>	<b>1,462.41</b>
	<b>Cash and cash equivalents at 31 March</b>	<b>2,033.66</b>	<b>2,009.21</b>	<b>1,589.11</b>	<b>1,193.72</b>	<b>1,321.09</b>

## THE OFFER

<b>Offer of Equity Shares<sup>(1)</sup></b>	17,500,000 Equity Shares
<i>Of which</i>	
A) QIB portion <sup>(2)(3)</sup>	8,750,000 Equity Shares
<i>Of which</i>	
(i) Anchor Investor Portion	5,250,000 Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	3,500,000 Equity Shares
<i>Of which</i>	
Available for allocation to Mutual Funds only (5% of the QIB category (excluding the Anchor Investor Portion))	175,000 Equity Shares
Balance of QIB category for all QIBs including Mutual Funds	3,325,000 Equity Shares
B) Non-Institutional Category <sup>(3)</sup>	Not less than 2,625,000 Equity Shares
C) Retail Category <sup>(3)(4)</sup>	Not less than 6,125,000 Equity Shares
<b>Equity Shares pre and post Offer</b>	
Equity Shares outstanding prior to the Offer	169,843,538 Equity Shares
Equity Shares outstanding after the Offer	169,843,538 Equity Shares

(1) The Equity Shares held by the Selling Shareholder in the Offer have been held by them for more than a period of one year as on date of the Draft Red Herring Prospectus. The Offer has been authorised by the Selling Shareholder pursuant to its board resolution passed on July 31, 2015.

(2) Our Company and the Selling Shareholder, in consultation with the BRLMs, have allocated 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One third of the Anchor Investor Portion has been reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Post allocation to Anchor Investors, the QIB Portion will be reduced by such number of Equity Shares. For further details, see "Offer Procedure" beginning on page 383.

(3) Under-subscription, if any, in any category, except in the QIB Category, is allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

(4) Retail Individual Bidders bidding at a price within the Price Band can pay the Bid Amount (which is less the Retail Discount), at the time of making a Bid. Retail Individual Bidders bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount at the time of making a Bid. Retail Individual Bidders must mention the Bid Amount while filling the Bid cum Application Form and ensure that the Bid Amount, does not exceed ₹ 200,000, less Retail Discount.

Allocation to investors in all categories, except the Retail Category and the Anchor Investor Portion, if any, shall be made on a proportionate basis.

## GENERAL INFORMATION

Our Company was incorporated as L&T Information Technology Limited on December 23, 1996 at Mumbai as a public limited company under the Companies Act, 1956. The RoC issued the certificate of incorporation dated December 23, 1996. Our Company received the certificate of commencement of business on March 25, 1997. Subsequently, the name of our Company was changed to Larsen & Toubro Infotech Limited pursuant to a special resolution passed by our Shareholders at the EGM held on June 11, 2001. Pursuant to the change of name, a fresh certificate of incorporation was issued to our Company by the RoC on June 25, 2001.

For details of the business of our Company, see “Our Business” on page 105.

### Registered Office of our Company

L&T House  
Ballard Estate  
Mumbai 400 001  
Tel: (91 22) 6752 5656  
Fax: (91 22) 6752 5893  
E-mail: investor@lntinfotech.com  
Website: www.lntinfotech.com  
Corporate Identification Number: U72900MH1996PLC104693  
Registration Number: 104693

### Corporate Office of our Company

L&T Technology Center  
Gate No.5, Saki Vihar Road  
Powai  
Mumbai 400 072  
Tel: (91 22) 6776 6776  
Fax: (91 22) 2858 1130

### Address of the RoC

Our Company is registered with the Registrar of Companies, Maharashtra, situated at 100, Everest, Marine Drive, Mumbai 400 002.

### Board of Directors

The Board of our Company comprises the following Directors as on the date of filing of this Prospectus:

Name	Designation	DIN	Address
A. M. Naik	Non-Executive Chairman	00001514	High Trees, 54 Pali Hill, Bandra (W), Mumbai 400 050
Sanjay Jalona	Chief Executive Officer and Managing Director	07256786	79/9, Sunny Brooks, Sarjapur Road, Bengaluru 560 035
S. N. Subrahmanyam	Non-Executive Director	02255382	E-116, 16 <sup>th</sup> Cross Street, Besant Nagar, Chennai 600 090
R. Shankar Raman	Non-Executive Director	00019798	Flat no. 123, 12 <sup>th</sup> Floor, Kalpataru Royale, Plot no. 110, Road no. 29, Off Sion Circle, Sion (East), Mumbai 400 022
Samir Desai	Independent Director	01182256	7050 NW 126 Terrace, Parkland, Florida 33076, United States of America
M. M. Chitale	Independent Director	00101004	4/46, Vishnuprasad Society, Shahaji Raje Marg, Vile Parle (East), Mumbai 400 057
Vedika Bhandarkar	Independent Director	00033808	B-8, Sea Face Park, 50 Bhulabhai Desai Road, Mumbai 400 026
Arjun Gupta	Independent Director	07320919	980 East Hopkins Avenue, Aspen Colorado 81611, United States of America

For further details of our Directors, see “Our Management” on pages 141 to 144.

### Chief Financial Officer

A. K. Sonthalia  
L&T Technology Center  
Gate No.5, Saki Vihar Road



Powai  
Mumbai 400 072  
Tel: (91 22) 6776 6776  
Fax: (91 22) 2858 1130  
E-mail: cfo@lntinfotech.com

**Company Secretary and Compliance Officer**

S. K. Bhatt  
L&T Technology Center,  
Gate No.5, Saki Vihar Road  
Powai  
Mumbai 400 072  
Tel: (91 22) 6776 6776  
Fax: (91 22) 2858 1130  
E-mail: investor@lntinfotech.com

**Investors can contact the Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidders shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

**Book Running Lead Managers**

**Citigroup Global Markets India Private Limited**

1202, 12<sup>th</sup> Floor  
First International Financial Centre, G-Block  
Bandra Kurla Complex  
Bandra East  
Mumbai 400 051  
Tel: (91 22) 6175 9999  
Fax: (91 22) 6175 9961  
E-mail: lntinfotech.ipo@citi.com  
Website: [www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm](http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm)  
Investor grievance e-mail: [investors.cgmb@citi.com](mailto:investors.cgmb@citi.com)  
Contact person : Gursartaj Singh Nijjar  
SEBI registration number: INM000010718

**Kotak Mahindra Capital Company Limited**

1<sup>st</sup> Floor, 27 BKC, Plot No. 27, G Block  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051  
Tel: (91 22) 4336 0000  
Fax: (91 22) 6713 2447  
E-mail: [lntinfotech.ipo@kotak.com](mailto:lntinfotech.ipo@kotak.com)  
Website: <http://investmentbank.kotak.com>  
Investor grievance e-mail: [kmccredressal@kotak.com](mailto:kmccredressal@kotak.com)  
Contact person: Ganesh Rane  
SEBI Registration No.: INM000008704

**ICICI Securities Limited**

ICICI Centre, H.T. Parekh Marg  
Churchgate  
Mumbai 400 020  
Tel : (91 22) 2288 2460  
Fax : (91 22) 2282 6580  
E-mail: [lntinfotech.ipo@icicisecurities.com](mailto:lntinfotech.ipo@icicisecurities.com)  
Investor grievance e-mail:  
[customercare@icicisecurities.com](mailto:customercare@icicisecurities.com)  
Website: [www.icicisecurities.com](http://www.icicisecurities.com)  
Contact persons: Prem Dcunha / Anurag Byas  
SEBI Registration No.: INM000011179

**Syndicate Member**

**Kotak Securities Limited**

12-BKC, Plot No. C-12, G Block  
Bandra Kurla Complex  
Bandra (E), Mumbai 400 051  
Tel: (91 22) 6218 5470

Fax: (91 22) 6661 7041  
Email: umesh.gupta@kotak.com  
Website: www.kotak.com  
Contact Person: Umesh Gupta  
SEBI Registration No.: INB010808153/ INB230808130

#### **Indian Legal Counsel to our Company**

##### **Cyril Amarchand Mangaldas**

5<sup>th</sup> Floor, Peninsula Chambers  
Peninsula Corporate Park  
Ganpatrao Kadam Marg  
Lower Parel  
Mumbai 400 013  
Tel: (91 22) 2496 4455  
Fax: (91 22) 2496 3666

#### **Indian Legal Counsel to the BRLMs**

##### **S&R Associates**

One Indiabulls Centre  
1403, Tower 2B  
841 Senapati Bapat Marg  
Lower Parel  
Mumbai 400 013  
Tel: (91 22) 4302 8000  
Fax: (91 22) 4302 8001

#### **International Legal Counsel to the BRLMs**

##### **Clifford Chance Pte Ltd**

12 Marina Boulevard  
25<sup>th</sup> Floor, Marina Bay Financial Centre Tower 3  
Singapore 018 982  
Tel: (65) 6410 2200  
Fax: (65) 6410 2288

#### **Auditors to our Company**

##### **Sharp & Tannan**

Ravindra Annexe, 194  
Churchgate Reclamation  
Dinshaw Vachha Road  
Mumbai 400 020  
Tel: (91 22) 2204 7722/ (91 22) 6633 8343  
Fax: (91 22) 6633 8352  
E-mail: fdb@sharandtannan.com  
Firm registration number: 109982W  
Peer review number: 007154

#### **Escrow Collection Bank, Public Offer Account Bank and Refund Bank**

##### **Axis Bank Limited**

Jeevan Prakash Building  
Sir P. M. Road, Fort  
Mumbai 400 001  
Tel: (91 22) 4086 7336/ (91 22) 4086 7474  
Fax: (91 22) 4086 7327/ (91 22) 4086 7378  
E-mail: fort.operationshead@axisbank.com  
Website: www.axisbank.com  
Contact person: Anil Kanekar  
SEBI Registration No.: INBI00000017

## **Lenders to our Company**

### **Citibank N.A.**

First International Financial Centre (FIFC)  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051  
Tel: (91 22) 6175 5268  
Fax: (91 22) 4006 5847  
E-mail: nandini.basu@citi.com  
Website: www.citibank.co.in  
Contact person: Nandini Basu

### **BNP PARIBAS**

BNP Paribas House  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051  
Tel: (91 22) 6196 4000  
Fax: (91 22) 6196 5057  
E-mail: sonal.shah@asia.bnpparibas.com  
Website: www.bnpparibas.co.in  
Contact person: Sonal Shah

### **Bank of America N.A.**

18<sup>th</sup> Floor, Express Towers  
Nariman Point  
Mumbai 400 021  
Tel: (91 22) 6632 3000  
Fax: (91 22) 2287 0981  
E-mail: india.clientservices@baml.com  
Website: www.bofaml.com/en-us/content/apac-india.html  
Contact person: Nishit Baid

### **JP Morgan Chase Bank, N.A., Mumbai Branch**

J.P. Morgan Tower, 7<sup>th</sup> Floor  
Off CST Road, Kalina  
Santacruz East  
Mumbai 400 098  
Tel: (91 22) 6157 3755  
Fax: (91 22) 6157 3911  
E-mail: pd.singh@jpmorgan.com  
Website: www.jpmorgan.com  
Contact person: PD Singh

## **Bankers to our Company**

### **Citibank N.A.**

First International Financial Centre (FIFC)  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051  
Tel: (91 22) 6175 5268  
Fax: (91 22) 4006 5847  
E-mail: nandini.basu@citi.com  
Website: www.citibank.co.in  
Contact person: Nandini Basu

### **Standard Chartered Bank**

Crescenzo, C38/39, G-Block,  
6<sup>th</sup> Floor,  
Opp. MCA Club  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
Tel: (91 22) 6115 8389 / 98200 02020  
Fax: (91 22) 6115 7800  
E-mail: ramesh.nainani@sc.com  
Website: www.standardchartered.com  
Contact person: Ramesh Nainani

### **Barclays Bank PLC**

801/808 Ceejay House,  
Shivsagar Estate, Dr. A. Besant Road,  
Worli  
Mumbai 400 018  
Tel: (91 22) 6719 6000  
Fax: (91 22) 6719 6187  
E-mail: taranjit.jaswal@barclays.com  
Website: www.barclays.in  
Contact person: Taranjit Jaswal

### **The Hongkong and Shanghai Banking Corporation Limited**

52/60, M G Road  
Fort  
Mumbai 400 001  
Tel: (91 22) 2268 1110  
Fax: (91 22) 4914 6200  
E-mail: ameesheth@hsbc.co.in  
Website: www.hsbc.co.in  
Contact person: Ameet Sheth

### **Standard Chartered Bank**

Crescenzo, C38/39, G-Block  
6<sup>th</sup> Floor  
Opp. MCA Club  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051  
Tel: (91 22) 6115 8389 / 98200 02020  
Fax: (91 22) 6115 7800  
E-mail: ramesh.nainani@sc.com  
Website: www.standardchartered.com

Contact person: Ramesh Nainani

### **Barclays Bank PLC**

801/808 Ceejay House  
Shivsagar Estate, Dr. A. Besant Road  
Worli, Mumbai 400 018  
Tel: (91 22) 6719 6000  
Fax: (91 22) 6719 6187  
E-mail: taranjit.jaswal@barclays.com  
Website: www.barclays.in  
Contact person: Taranjit Jaswal

### **ICICI Bank Limited**

ICICI Bank Towers  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
Tel: (91 22) 2653 6555  
Fax: (91 22) 2653 1374  
E-mail: pankaj.agrawal@icicibank.com  
Website: www.icicibank.com  
Contact person: Pankaj Agrawal

### **The Hongkong and Shanghai Banking Corporation Limited**

52/60, M G Road  
Fort, Mumbai 400 001  
Tel: (91 22) 2268 1110  
Fax: (91 22) 4914 6200  
E-mail: ameeshteth@hsbc.co.in  
Website: www.hsbc.co.in  
Contact person: Ameet Sheth

### **Registrar to the Offer**

#### **Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (West)  
Mumbai 400078  
Tel: (91 22) 6171 5400  
Fax: (91 22) 2596 0329  
E-mail: lntinfotech.ipo@linkintime.co.in  
Investor grievance e-mail: lntinfotech.ipo@linkintime.co.in  
Website : www.linkintime.co.in  
Contact person: Shanti Gopalkrishnan  
SEBI registration number: INR000004058

### **Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

### **Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) and [http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively, as updated from time to time.

### **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the BSE and the NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

## Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, Sharp & Tannan, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as an “expert” defined under Section 2(38) of the Companies Act, 2013 in respect of the report of the Auditors dated May 25, 2016 on the Restated Financial Statements, and the statement of tax benefits dated May 26, 2016 included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. As the Equity Shares in the Offer will not be registered under the U.S. Securities Act, any references to the term “expert” herein and the Statutory Auditor’s consent to be named as an “expert” to the Offer are not in the context of a U.S. registered offering of securities.

## Monitoring Agency

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

## Appraising Entity

No appraising agency has been appointed in respect of any project of our Company.

## Inter-se allocation of Responsibilities:

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities, such as composition of debt and equity, type of instruments, etc	Citi, Kotak, and I-Sec	Citi
2.	Pre Offer – Due Diligence on our Company, DRHP Drafting, and compliance and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	Citi, Kotak, and I-Sec	Citi
3.	Coordinating approval of all statutory advertisement and publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc	Citi, Kotak, and I-Sec	Kotak
4.	Appointment of Bankers to the Offer, printers, public relations agency and other intermediaries viz. Registrar etc	Citi, Kotak, and I-Sec	I-Sec
5.	Preparation of the roadshow presentation	Citi, Kotak, and I-Sec	Citi
6.	Preparation of FAQ	Citi, Kotak, and I-Sec	Citi
7.	International Institutional marketing which will cover, <i>inter alia</i> , <ul style="list-style-type: none"><li>Finalising the list and division of investors for one to one meetings; and</li><li>Finalizing road show schedule and investor meeting schedules</li></ul>	Citi, Kotak, and I-Sec	Citi
8.	Domestic Institutional marketing which will cover, <i>inter alia</i> , <ul style="list-style-type: none"><li>finalising domestic road show schedule and investor meeting schedules</li></ul>	Citi, Kotak, and I-Sec	Kotak
9.	<ul style="list-style-type: none"><li>Conduct Non-Institutional Marketing of the Offer; and</li><li>Finalising Media and Public Relations Strategy</li></ul>	Citi, Kotak, and I-Sec	I-Sec
10.	<ul style="list-style-type: none"><li>Conduct Retail Marketing of the Offer;</li><li>Finalising centers for holding conferences for brokers etc.;</li><li>Finalising collection centers; and</li><li>Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the stationery</li></ul>	Citi, Kotak, and I-Sec	I-Sec
11.	Finalisation of pricing in consultation with our Company and the selling shareholders (if any)	Citi, Kotak, and I-Sec	Citi
12.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading	Citi, Kotak, and I-Sec	Kotak

Sr. No.	Activity	Responsibility	Co-ordination
13.	Post-Bidding activities - management of escrow accounts, co-coordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc	Citi, Kotak, and I-Sec	I-Sec

### Credit Rating

As this is an issue of Equity Shares, there is no credit rating for the Offer.

### Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

### Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus within the Price Band, which has been decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and which has been notified in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta, and the Mumbai edition of the Marathi newspaper Navshakti (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price has been determined by our Company and the Selling Shareholder in consultation with the BRLMs after the Bid/Offer Closing Date.

**All Bidders, except Anchor Investors, can participate in the Offer only through the ASBA process.**

**In accordance with the SEBI Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders Bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.**

For further details, see “Offer Structure” and “Offer Procedure” beginning on pages 379 and 383, respectively.

### Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure – Part B – Basis of Allocation - Illustration of Book Building Process and Price Discovery Process” on page 410.

### Underwriting Agreement

Our Company and the Selling Shareholder have entered into an Underwriting Agreement with the Underwriters for the Equity Shares offered through the Offer. The Underwriting Agreement is dated July 14, 2016. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹in million)
<b>Citigroup Global Markets India Private Limited</b> 1202, 12 <sup>th</sup> Floor First International Financial Centre, G-Block Bandra Kurla Complex Bandra East Mumbai 400 051 Tel: (91 22) 6175 9999 Fax: (91 22) 6175 9961 E-mail: ltinfotech.ipo@citi.com	5,833,334	4,141.67
<b>Kotak Mahindra Capital Company Limited</b> 1 <sup>st</sup> Floor, 27 BKC, Plot No. 27, G Block Bandra Kurla Complex Bandra (East) Mumbai 400 051	5,833,233	4,141.60

<b>Name, address, telephone number, fax number and e-mail address of the Underwriters</b>	<b>Indicative number of Equity Shares to be underwritten</b>	<b>Amount underwritten (₹in million)</b>
Tel: (91 22) 4336 0000 Fax: (91 22) 6713 2447 E-mail: lntinfotech.ipo@kotak.com		
<b>ICICI Securities Limited</b> ICICI Center, H.T. Parekh Marg Churchgate Mumbai 400 020 Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 E-mail: lntinfotech.ipo@icicisecurities.com	5,833,333	4,141.67
<b>Kotak Securities Limited</b> 12-BKC, Plot No. C-12, G Block Bandra Kurla Complex Bandra (E), Mumbai 400 051 Tel: (91 22) 6218 5470 Fax: (91 22) 6661 7041 Email: umesh.gupta@kotak.com	100	0.07

The above-mentioned is indicative underwriting and will be finalised after pricing and actual allocation and subject to the provisions of the SEBI Regulations.

In the opinion of our Board of Directors (based on confirmations provided by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The IPO Committee, through its resolution dated July 14, 2016, has accepted and approved the entering into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

## CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Prospectus is set forth below:

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	240,000,000 Equity Shares <sup>(1)</sup>	240,000,000	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER</b>		
	169,843,538 Equity Shares <sup>(1)</sup>	169,843,538	
<b>C</b>	<b>PRESENT OFFER IN TERMS OF THE RED HERRING PROSPECTUS</b>		
	Offer for Sale of 17,500,000 Equity Shares <sup>(2)</sup>	17,500,000	12,363,750,000*
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER</b>		
	169,843,538 Equity Shares	169,843,538	
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer	1,241,978,139	
	After the Offer	1,241,978,139	

- (1) On September 4, 2015, the Bombay High Court had approved the ISRC Scheme. In accordance with the ISRC Scheme, with effect from September 21, 2015, the authorised share capital of our wholly owned subsidiary, ISRC, had been added to the authorised share capital of our Company and accordingly, the authorised share capital of our Company is ₹ 240,000,000. No Equity Shares were issued pursuant to the ISRC Scheme. For details, see "History and Certain Corporate Matters" on page 134.
- (2) The Offer for Sale has been authorised by the Selling Shareholder pursuant to its board resolution passed on July 31, 2015. The Equity Shares to be offered in the Offer have been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Offer.

\*Calculated at the Offer Price and adjusted for the Retail Discount

### Changes in the Authorised Share Capital of our Company

- The initial authorised share capital of our Company was sub-divided from ₹ 150,000,000 comprising of 15,000,000 equity shares of ₹ 10 each to ₹ 150,000,000 comprising of 30,000,000 equity shares of face value of ₹ 5 each with effect from March 31, 2002 pursuant to a resolution passed by our Shareholders on March 30, 2002.
- The authorised share capital of our Company of ₹ 150,000,000 divided into 30,000,000 equity shares of face value of ₹ 5 each was increased to ₹ 152,500,000 divided into 30,500,000 equity shares of ₹ 5 each with effect from June 1, 2003 pursuant to a resolution passed by our Shareholders on May 6, 2003.
- The authorised share capital of our Company of ₹ 152,500,000 divided into 30,500,000 equity shares of ₹ 5 each was increased to ₹ 163,750,000 divided into 32,750,000 Equity Shares of ₹ 5 each pursuant to a resolution passed by our Shareholders on December 7, 2006.
- The authorised share capital of our Company was sub-divided from ₹ 163,750,000 comprising of 32,750,000 equity shares of ₹ 5 each to ₹ 163,750,000 comprising of 163,750,000 Equity Shares of ₹ 1 each pursuant to a resolution passed by our Shareholders on June 22, 2015.
- The authorised share capital of our Company of ₹ 163,750,000 divided into 163,750,000 Equity Shares of ₹ 1 each was increased to ₹ 200,000,000 divided into 200,000,000 Equity Shares of ₹ 1 each pursuant to a resolution passed by our Shareholders on June 22, 2015.
- The authorised share capital of our Company of ₹ 200,000,000 divided into 200,000,000 Equity Shares of ₹ 1 each was increased to ₹ 240,000,000 divided into 240,000,000 Equity Shares of ₹ 1 each with effect from September 21, 2015, pursuant to the approval of the ISRC Scheme by the Bombay High Court vide its order dated September 4, 2015.



## Notes to the Capital Structure

### 1. Equity Share Capital history of our Company

(a) The history of the equity share capital of our Company is provided in the following table:

Date of Allotment of equity shares	No. of equity shares Allotted	Face value (₹)	Issue Price (including premium if applicable) (₹)	Reason for allotment	Consideration	Cumulative No. of equity shares	Cumulative paid-up Equity capital (₹)	Cumulative securities premium (₹)
December 23, 1996	7	10	10	Subscription to the Memorandum <sup>(1)</sup>	Cash	7	70	-
March 30, 1998	14,999,993	10	10	Rights issue <sup>(2)</sup>	Cash	15,000,000	150,000,000	-
March 31, 2002	Pursuant to the resolution passed by our Shareholders on March 30, 2002, our Company sub-divided its equity shares from face value of ₹ 10 each to face value of ₹ 5 each with effect from March 31, 2002. Therefore, the cumulative number of equity shares pursuant to sub-division was 30,000,000 of face value of ₹ 5 each.							
March 28, 2007	2,250,000	5	530	Rights issue <sup>(3)</sup>	Cash	32,250,000	161,250,000	1,181,240,000
June 22, 2015	Pursuant to the resolution of our Shareholders on June 22, 2015, our Company sub-divided its equity shares from face value of ₹ 5 each to face value of ₹ 1 each. Therefore, the cumulative number of Equity Shares pursuant to sub-division is 161,250,000.							
Quarter ended December 31, 2015	7,665,736	1	₹ 2 to ₹ 153.83	Allotment of Equity Shares under the Existing Employee Stock Option Plans <sup>(4)</sup>	Cash	168,915,736	168,915,736	1,224,422,841
Quarter ended March 31, 2016	900,452	1	₹ 2 to ₹ 153.83	Allotment of Equity Shares under the Existing Employee Stock Option Plans <sup>(5)</sup>	Cash	169,816,188	169,816,188	1,241,950,789
Quarter ended June 30, 2016	27,350	1	2	Allotment of Equity Shares under the Existing Employee Stock Option Plans <sup>(6)</sup>	Cash	169,843,538	169,843,538	1,241,978,139

(1) Seven share certificates for one equity share each were issued to our Promoter and six individuals who held the equity shares of our Company as nominees of our Promoter, pursuant to the board resolution passed on January 13, 1997.

(2) 14,999,993 equity shares were allotted by our Company to our Promoter by way of rights issue pursuant to board resolution passed on March 30, 1998.

(3) 2,250,000 equity shares were allotted by our Company to our Promoter by way of rights issue pursuant to board resolution passed on March 28, 2007. The equity shares of our Company were partly paid at the time of allotment and a payment of ₹ 235.55 per equity share was made on application. Subsequently, calls for such partly paid equity shares of our Company were made for the remaining amount in the tranches of ₹ 90.00, ₹ 71.94, ₹ 98.15 and ₹ 34.35 per equity share and the equity shares were fully paid up on September 15, 2009.

(4) An aggregate of 7,665,736 Equity Shares have been allotted by our Company under the Existing Employee Stock Option Plans on November 10, 2015, November 25, 2015, December 5, 2015 and December 15, 2015. The allotment has been made to 208 existing employees and 233 former employees of our Company as of date of the allotment.

(5) An aggregate of 900,452 Equity Shares have been allotted by our Company under the Existing Employee Stock Option Plans on January 18, 2016. The allotment has been made to 61 existing employees and 121 former employees of our Company as of date of the allotment.

(6) An aggregate of 27,350 Equity Shares have been allotted by our Company under the Existing Employee Stock Option Plans on June 17, 2016. The allotment has been made to three former employees of our Company as of date of the allotment.

(b) The details of the Equity Shares allotted for consideration other than cash:

Our Company has not allotted any Equity Shares for consideration other than cash.

### 2. History of the Equity Share Capital held by our Promoter

As on the date of this Prospectus, our Promoter holds 161,250,000 Equity Shares, constituting 94.94% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoter's shareholding is set out below.

(a) *Build-up of our Promoter's shareholding in our Company*

Set forth below is the build-up of the shareholding of our Promoter since incorporation of our Company:

Date of the Transaction	Nature of Transaction	No. of equity shares	Nature of Consideration	Face Value (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital (%)
December 23, 1996	Subscription to the Memorandum <sup>(1)</sup>	7	Cash	10	10	0.00	0.00
March 30, 1998	Rights issue	14,999,993	Cash	10	10	8.83	8.83
March 28, 2007	Rights issue	2,250,000 <sup>(2)</sup>	Cash	5	530	1.32 <sup>(2)</sup>	1.32
<b>Total</b>		<b>161,250,000<sup>(3)</sup></b>				<b>94.94<sup>(3)</sup></b>	<b>94.94</b>

- (1) This includes six individuals who held the equity shares of our Company as nominees of our Promoter. However, on March 30, 1998, one equity share was transferred by each of Sudhakar Kulkarni, Mohan Wagh, A.M. Naik, Anumolu Ramakrishna, Mohan Karnani, Y. M. Deosthalee each to the joint shareholding of Sudhakar Kulkarni and our Promoter, Mohan Wagh and our Promoter, A.M. Naik and our Promoter, Anumolu Ramakrishna and our Promoter, Mohan Karnani and our Promoter, Y. M. Deosthalee and our Promoter, respectively.
- (2) Pursuant to the resolution passed by our Shareholders on March 30, 2002, our Company sub-divided its equity shares from face value of ₹10 each to face value of ₹ 5 each with effect from March 31, 2002. Therefore, the cumulative number of equity shares held by our Promoter (including equity shares held jointly as nominees of our Promoter) as on March 28, 2007 was 32,250,000 equity shares which represented 100% of the then existing paid-up capital of our Company.
- (3) Pursuant to the resolution passed by our Shareholders on June 22, 2015, our Company sub-divided its equity shares from face value of ₹ 5 each to face value of ₹ 1 each. Therefore, the cumulative number of Equity Shares held by our Promoter as on date of this Prospectus is 161,250,000 which represents 94.94% of the existing pre- Offer capital.

The equity shares allotted by our Company to our Promoter on December 23, 1996 and March 30, 1998 were fully paid-up as on the respective dates. The equity shares allotted by our Company to our Promoter on March 28, 2007 were fully paid up on September 15, 2009. Our Promoter has confirmed to our Company and the BRLMs that the Equity Shares held by our Promoter which shall be locked-in for a period of three years as Promoter's contribution have been financed from its internal accruals and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose. As of the date of this Prospectus, none of the Equity Shares held by our Promoter are pledged.

(b) *Details of Promoter's contribution and lock-in:*

Pursuant to the SEBI Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter, except for the Equity Shares offered under the Offer for Sale, shall be locked in as minimum Promoter's contribution for a period of three years from the date of Allotment and our Promoter's shareholding in excess of 20% shall be locked in for a period of one year. The details of the Equity Shares which are eligible for such lock-in for a period of three years from the date of Allotment are set out in the following table:

Date of the Transaction	Nature of Transaction	Nature of Consideration	Face Value (₹)	Issue Price/ Transfer Price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the pre- Offer and fully diluted post- Offer capital (%)
March 30, 1998	Rights Issue	Cash	1 <sup>(1)</sup>	1 <sup>(1)</sup>	34,082,103	20.00

- (1) For the purposes of calculation of minimum Promoter's contribution, equity shares (of face value of ₹10 each) allotted to our Promoter on March 30, 1998 has been considered. Pursuant to the resolutions passed by our Shareholders on March 30, 2002 and on June 22, 2015, our Company sub-divided its equity shares from face value of ₹10 each to face value of ₹ 5 each and from face value of ₹ 5 each to face value of ₹ 1 each, respectively. Accordingly, 34,082,103 Equity Shares of face value of ₹1 each, representing 20.00% of the pre-Offer and fully diluted post-Offer capital of our Company shall be locked-in for a period of three years from the date of Allotment. For further details in respect of sub-division of equity shares and allotment dated March 30, 1998, see "Capital Structure – History of the Equity Share Capital held by our

The minimum Promoter’s contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as ‘promoter’ under the SEBI Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter’s contribution in terms of Regulation 33 of the SEBI Regulations. In this connection, we confirm the following:

- (i). The Equity Shares offered for Promoter’s contribution have not been acquired in the last three years for (a) consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoter’s contribution;
- (ii). The Promoter’s contribution does not include any Equity Shares acquired during the preceding one year and at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii). Our Company has not been formed by the conversion of a partnership firm into a Company;
- (iv). The Equity Shares held by the Promoter and offered for Promoter’s contribution are not subject to any pledge; and
- (v). All the Equity Shares held by the Promoter are held in dematerialised form.

*Other requirements in respect of lock-in:*

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoter and locked-in for three years as specified above and other than the Equity Shares Allotted pursuant to the Offer for Sale and Equity Shares allotted to the existing employees of our Company under the Existing Employee Stock Option Plans, the entire pre-Offer equity share capital of our Company, will be locked-in for a period of one year from the date of Allotment.

The Equity Shares held by our Promoter which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

The Equity Shares held by our Promoter which are locked-in may be transferred to and amongst the Promoter Group entities or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

*Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors*

Any Equity Shares allotted to Anchor Investors Portion shall be locked-in for a period of 30 days from the date of Allotment.

**3. Shareholding of our Promoter and Promoter Group in our Company**

Our Promoter holds 161,250,000 Equity Shares, equivalent to 94.94% of the total Equity Share capital of our Company. Our Promoter Group does not hold any Equity Shares in our Company. A. M. Naik, one of the directors of our Promoter, holds 871,875 Equity Shares in our Company.

#### 4. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of filing of this Prospectus:

Category y (I)	Category of shareholde r (II)	Nos. of sharehold ers (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity share s held (V)	No. of shares underlyi ng Deposito ry Receipts (VI)	Total nos. shares held (VII) =(IV)+(V)+ (VI)	Shareholdin g as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstandin g convertible securities (including Warrants) (X)	Shareholdin g , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B + C)			No . (a)	As a % of total Share s held (b)	No . (a)	As a % of total Share s held (b)	
								Class eg: Equity Shares	Class eg: Other s	Total								
(A)	Promoter & Promoter Group	1*	161,250,000	0	0	161,250,000	94.94	161,250,000	0	161,250,000	94.94	0	94.94	0	NA	161,250,000		
(B)	Public	1,226	8,593,538	0	0	8,593,538	5.06	8,593,538	0	8,593,538	5.06	0	5.06	0	NA	7,449,813		
(C)	Non Promoter- Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	NA	0		
(C1)	Shares underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	NA	0		
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	NA	0		
	Total	1,227**	169,843,538	0	0	169,843,538	100.00	169,843,538	0	169,843,538	100.00	0	100.00	0	NA	168,699,813		

\* Out of the 162,250,000 Equity Shares held by our Promoter, 17,500,000 Equity Shares have been transferred to the escrow demat account opened by the Registrar in relation to the Offer.

\*\* This includes 11 additional folios held by certain Shareholders of our Company.

5. **The list of top 10 Shareholders of our Company and the number of Equity Shares held by them are set forth below:**

(a) The top 10 Shareholders as on the date of filing of this Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares (face value of ₹ 1 each)*	Percentage (%)
1.	L&T	161,250,000**	94.94
2.	A. M. Naik	871,875	0.51
3.	V. K. Magapu	420,000	0.25
4.	Y. M. Deosthalee	281,250	0.17
5.	Vina Badami	140,000	0.08
6.	Vivek Shiroor	138,000	0.08
7.	Makarand Deolalkar	128,937	0.08
8.	Shrinivasan Venkataraman	125,000	0.07
9.	Hae Ryong Jeong	111,250	0.07
10.	Kavindra Sharma	110,687	0.07
<b>Total</b>		<b>163,576,999</b>	<b>96.32</b>

\* This does not include the Equity Shares that the Shareholders will be entitled to upon exercise of options under the Existing Employee Stock Option Plans and the ESOP Scheme, 2015.

\*\* Out of the 162,250,000 Equity Shares held by our Promoter, 17,500,000 Equity Shares have been transferred to the escrow demat account opened by the Registrar in relation to the Offer.

(b) The top 10 Shareholders 10 days prior to the date of filing of this Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares (face value of ₹ 1 each)*	Percentage (%)
1.	L&T	161,250,000**	94.94
2.	A. M. Naik	871,875	0.51
3.	V. K. Magapu	420,000	0.25
4.	Y. M. Deosthalee	281,250	0.17
5.	Vina Badami	140,000	0.08
6.	Vivek Shiroor	138,000	0.08
7.	Makarand Deolalkar	128,937	0.08
8.	Shrinivasan Venkataraman	125,000	0.07
9.	Hae Ryong Jeong	111,250	0.07
10.	Kavindra Sharma	110,687	0.07
<b>Total</b>		<b>163,576,999</b>	<b>96.32</b>

\* This does not include the Equity Shares that the Shareholders will be entitled to upon exercise of options under the Existing Employee Stock Option Plans and the ESOP Scheme, 2015.

\*\* Out of the 162,250,000 Equity Shares held by our Promoter, 17,500,000 Equity Shares have been transferred to the escrow demat account opened by the Registrar in relation to the Offer.

(c) The top 10 Shareholders two years prior to the date of filing of this Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of equity shares (face value of ₹ 5 each) *	Percentage (%)
1.	L&T	32,250,000	100.00
<b>Total</b>		<b>32,250,000</b>	<b>100.00</b>

\* This included 12 equity shares held by six holders jointly as nominees of our Promoter, out of which two equity shares are held by A. M. Naik, K. Venkataraman, N. Hariharan, R. N. Mukhija, V. K. Magapu and R. Shankar Raman each, jointly as nominees of our Promoter.

6. **Employee stock option plans**

A) **Existing Employee Stock Option Plans**

Our Company has granted 12,935,449 options after adjustment of sub-division of equity shares of our Company from face value of ₹5 each to ₹1 each to the eligible employees under the ESOP Scheme, 2000 and U.S Sub-Plan, 2006 (collectively, the “Existing Employee Stock Option Plans”). For certain risks in relation to the Existing Employee Stock Option Plans, see “Risk Factors” from pages 22 to 23.

### ***ESOP Scheme, 2000***

The ESOP Scheme, 2000 was constituted pursuant to the resolution passed by our Board. The issue of equity shares under the ESOP Scheme, 2000 was approved by our shareholders on March 13, 2000 for issue of equity shares not exceeding in the aggregate five per cent of the issued equity shares of our Company, as may be outstanding, from time to time. On December 16, 2005, the shareholders approved issue of equity shares under the ESOP Scheme, 2000 not exceeding in the aggregate five per cent of the issued equity shares of our Company as on March 31, 2005 excluding equity shares already approved to be issued on March 13, 2000. The ESOP Scheme, 2000 provides for issue of options to all the eligible employees of our Company (including directors), our Subsidiaries, our holding company and subsidiaries of our holding company.

The objective of the ESOP Scheme, 2000 is to reward those employees who contribute significantly to our Company's profitability and shareholder's value as well as encourage improvement in performance and retention of talent. The ESOP Scheme, 2000 provides that implementation and continuation of the ESOP Scheme, 2000 shall always be the sole discretion and prerogative of the Compensation Committee (now referred to as the "Nomination and Remuneration Committee"). The grants and vesting is also at the sole discretion of the Compensation Committee. Our Company has also issued eligibility letters to certain employees which specify the eligibility of such employees to be granted certain options subject to the terms and conditions of the ESOP Scheme, 2000.

The ESOP Scheme, 2000 has been amended on September 9, 2003, September 29, 2005, May 10, 2008, January 13, 2011 and July 17, 2013 by the resolutions passed by our Board and by the Compensation Committee on September 9, 2003, June 28, 2005, April 1, 2008, January 12, 2011 and July 17, 2013. These amendments have not been separately shared with each of the eligible employees. Some of the important amendments made to the ESOP Scheme, 2000 are set out below:

- (a) Exercise date which was originally stipulated to be every half year was amended to be the date determined by the Compensation Committee prior to the IPO of our Company and was referred to as the First Exercise Date;
- (b) Exercise period which was originally stipulated to be seven years from the date of grant was amended to five years from date of grant or two years from date of retirement;
- (c) Introduction of exit mechanism with fixed rate of return;
- (d) Employees who resign may exercise vested options on exercise date or alternatively, exit mechanism can be availed within 90 days from the date of resignation. The employee who has resigned and who has not opted for exit mechanism within such period can exercise the options only on the First Exercise Date and not earlier;
- (e) For options granted from April 1, 2005, first vesting would be on later of April 1, 2009 or IPO of our Company;
- (f) For options already granted where vesting was due on April 1, 2006 and October 1, 2006, vesting was deferred to April 1, 2009 and October 1, 2009, respectively, or till the IPO of our Company, whichever is later;
- (g) For options granted from April 1, 2005, no vesting is allowed if the employee resigns before vesting, however, exit mechanism can be availed within 90 days of resignation;
- (h) If the employee joins a competitor, vested options will not be allowed to be exercised and only exit mechanism will be allowed to be exercised;
- (i) In case of retirement before vesting, unvested options would be considered vested and exit option could also be availed. However, all unvested options will be vested subject to discretion of the management based on consistent past performance and/or such other criteria as deemed fit by the Management;
- (j) Vesting will be based on the consistent performance of the employee and/or such other criteria as may be deemed fit by the management of our Company; and
- (k) Under the ESOP Scheme, 2000, the vesting was to commence one year after the date of grant at the rate of 25% of grant each year unless otherwise provided. For options granted but not yet vested as of January 13, 2011, vesting will commence prior to the date of IPO of our Company or a date determined by the Compensation Committee and vesting of remaining options shall be made every year at the rate of 25%.

### ***U.S Sub-Plan, 2006***

The U.S Sub-Plan, 2006 was constituted pursuant to the resolution of the Board and our shareholders passed on December 6, 2006 and December 7, 2006, respectively. The main objective of the U.S Sub-Plan, 2006 is to attract and retain the best available personnel, to provide additional incentive to the employees of our Company, its holding company and its subsidiaries to promote the success of our Company's business and to enable the employees to share in the growth and prosperity of our Company by providing them with an opportunity to purchase stock in our Company.

By way of resolution passed by the Nomination and Remuneration Committee of our Company on September 16, 2015, the First Exercise Date was decided to be September 28, 2015 and the eligible former and existing employees had a right to exercise options vested under the Existing Employee Stock Option Plans no later than two months from the effective date of the letter issued for exercise of options. Upon expiry of two months from the date of dispatch of the letter, there were certain existing employees and former employees who had not confirmed exercise of their options under the Existing Employee Stock Option Plans. Our Company has provided various extensions for ensuring exercise of the options under the Existing Employee Stock Option Plans and the last extension period expired on January 15, 2016. As of the date of this Prospectus, 86,984 options are vested and unexercised by 11 existing employees ("Existing Employees") and 479,992 options are vested and unexercised by 126 former employees ("Former Employees"). Our Company has intimated to the Former Employees and Existing Employees that the period of exercise of outstanding options is currently closed and shall be re-opened subject to discretion of the management of our Company.

With respect to outstanding options with former employees, our Company had applied for an exemption from SEBI from the requirements of Regulation 26(5)(b) of the SEBI Regulations by way of its letter dated April 12, 2016. SEBI, by way of its observation letter bearing reference number CFD/DIL/NR/OW/14641/2016 dated May 20, 2016, granted an exemption to our Company from the requirements of Regulation 26(5)(b) of the SEBI Regulations. SEBI has granted the aforesaid exemption, subject to compliance of the SEBI Regulations and undertakings provided by our Company in this regard. Accordingly, our Company may allow the former employees of our Company to exercise their options under the Existing Employee Stock Option Plans in the future.

The following table sets forth the particulars of the options granted under the Existing Employee Stock Option Plans as on the date of filing of this Prospectus:

Particulars	Details
Options granted	<p><b><u>ESOP Scheme, 2000:</u></b></p> <p>12,415,049 options of ₹ 1 each</p> <p><b><u>U.S Sub-Plan, 2006:</u></b></p> <p>520,400 options of ₹ 1 each</p>
The pricing formula	<p><b><u>ESOP Scheme, 2000:</u></b></p> <p>The Compensation Committee shall determine the grant price at the time of granting options.</p> <p><b><u>U.S Sub-Plan, 2006:</u></b></p> <p>The Board or the Compensation Committee shall determine the exercise price, provided that such price shall not be less than the fair market value per Equity Share on the date of grant of options.</p> <p>In case the employee, as on the date of grant holds more than 10% of the total combined voting power of all classes of stock of our Company, its holding company or its subsidiaries, the exercise price shall not be less than 110% of the fair market value per Equity Share on the date of grant of options.</p>
Exercise price of options	<p><b><u>ESOP Scheme, 2000</u></b></p> <ul style="list-style-type: none"> <li>2,003,262 options at ₹ 5 per option</li> <li>10,411,787 options at ₹ 2 per option</li> </ul> <p><b><u>U.S Sub-Plan, 2006</u></b></p> <ul style="list-style-type: none"> <li>520,400 options at USD 2.40 per option</li> </ul>
Total options vested <sup>(1)</sup>	<p><b><u>ESOP Scheme, 2000</u></b></p> <p>423,326 options of ₹ 1 each</p>

Particulars	Details		
	<u>U.S Sub-Plan, 2006</u>  143,650 options of ₹ 1 each		
Options exercised <sup>(1)</sup>	<u>ESOP Scheme, 2000</u>  8,286,688 options of ₹ 1 each  <u>U.S Sub-Plan, 2006</u>  306,850 options of ₹ 1 each		
Total number of Equity Shares that would arise as a result of full exercise of options already granted (net of cancelled options)	<u>ESOP Scheme, 2000</u>  2,403,166 Equity Shares of ₹ 1 each  <u>U.S Sub-Plan, 2006</u>  143,650 Equity Shares of ₹ 1 each		
Options forfeited/lapsed/cancelled <sup>(1)</sup>	<u>ESOP Scheme, 2000</u>  1,725,195 options  <u>U.S Sub-Plan, 2006</u>  69,900 options		
Variation in terms of options	For details amendments to ESOP Scheme, 2000, see “Capital Structure – Employee stock option plans - Existing Employee Stock Option Plans – ESOP Scheme, 2000”		
Money realised by exercise of options	₹ 69.33 Million		
Options outstanding (in force)	<u>ESOP Scheme, 2000</u>  2,403,166 options of ₹ 1 each  <u>U.S Sub-Plan, 2006</u>  143,650 options of ₹ 1 each		
Employee wise details of options granted to			
(i) Senior managerial personnel, i.e. Directors and key management personnel	See Note 1 below		
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year.	See Note 2 below		
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.	Nil		
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 ‘Earning Per Share’	<u>Before extraordinary items</u>	<u>Financial Year 2016</u>	<u>Financial Year 2015</u>
	Consolidated	56.13	45.17
	Unconsolidated	57.10	45.91
	<u>After extraordinary items</u>	<u>Financial Year 2016</u>	<u>Financial Year 2015</u>
	Consolidated	56.13	45.64
	Unconsolidated	57.10	45.91
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three financial years	<u>ESOP Scheme, 2000</u>  Set out below is the summary of differences of the fair valuation which had been adopted for the employees compensation under ESOP, 2000:  1. There is no ESOP related compensation charges which have been debited to consolidated profit and loss of our Company for the Financial Year 2016 and the Financial Year 2015 and therefore, there would be no impact due to fair value of options.  2. If the fair value had been employed, the ESOP related compensation charges		



Particulars	Details										
	<p>which have been debited to consolidated profit and loss of our Company for the Financial Year 2014 would have been lower by and profits would have been higher by ₹ 0.79 million.</p> <p>Diluted EPS before extraordinary item at face value of ₹ 1 per share would have increased from ₹ 40.86 to ₹ 40.87.</p>										
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock for the last three financial years	<p><b>ESOP Scheme, 2000</b></p> <p>Weighted average exercise price – ₹ 2 at face value of ₹ 1</p> <p>Weighted average fair value – ₹ 115.65 at face value of ₹ 1</p>										
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option for the last three financial years	<p><b>ESOP Scheme, 2000</b></p> <table border="1"> <thead> <tr> <th>Model used</th><th>Black-Scholes Method</th></tr> </thead> <tbody> <tr> <td>Weighted average risk free interest rate</td><td>6.08%</td></tr> <tr> <td>Weighted average expected Options life</td><td>2.5 years</td></tr> <tr> <td>Weighted average expected volatility</td><td>38.82%</td></tr> <tr> <td>Weighted average expected dividends per share of face value of ₹ 1</td><td>₹ 29.94</td></tr> </tbody> </table> <p>The expected volatility has been calculated entirely based on historic volatility IT Index, as historical data of our Company is not available being an unlisted company.</p>	Model used	Black-Scholes Method	Weighted average risk free interest rate	6.08%	Weighted average expected Options life	2.5 years	Weighted average expected volatility	38.82%	Weighted average expected dividends per share of face value of ₹ 1	₹ 29.94
Model used	Black-Scholes Method										
Weighted average risk free interest rate	6.08%										
Weighted average expected Options life	2.5 years										
Weighted average expected volatility	38.82%										
Weighted average expected dividends per share of face value of ₹ 1	₹ 29.94										
Vesting schedule	<p><b>ESOP Scheme, 2000</b></p> <p>For details of vesting schedule, see “Capital Structure – Employee stock option plans- Existing Employee Stock Option Plans – ESOP Scheme, 2000”</p> <p><b>U.S Sub-Plan, 2006</b></p> <p>Vesting of options granted shall be in terms of the option agreement entered into between the employees of GDA and our Company (the “<b>Option Agreement</b>”).</p> <p>In terms of the Option Agreement, the options shall vest and be exercisable during its terms of five years as follows:</p> <p>(i) 20% of the options granted on December 1, 2007, provided the Employee has enjoyed continuous status as an employee of our Company between the date of grant of options and December 1, 2007; and</p> <p>(ii) 20% of the options granted at the end of each 12 full months of continuous status as an employee of our Company following December 1, 2007 until the option is not fully vested.</p>										
Lock-in	Nil										
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations in respect of options granted in the last three years	<p><b>ESOP Scheme, 2000</b></p> <p>Our Company has not granted any options in the Financial Years 2016, 2015 and 2014. Our Company has accounted for ESOP charges as per guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India.</p> <p><b>U.S Sub-Plan, 2006</b></p> <p>Our Company has not granted any options in the Financial Years 2016, 2015 and 2014.</p>										
Aggregate number of Equity Shares intended to be sold by holders of Equity Shares allotted on exercise of options granted under ESOP Scheme, 2000, within three months after the listing of Equity Shares pursuant to the Issue and quantum of Equity Shares arising out of or allotted under 2006 U.S Sub-Plan intended to be sold within three months after the date of listing, by Directors, senior managerial personnel and employees having Equity Shares issued under ESOP Scheme, 2000 amounting to more than 1% of the issued capital of our Company	<p><b>ESOP Scheme, 2000</b></p> <p>Employees holding Equity Shares at the time of listing of the Equity Shares pursuant to the Offer, may sell the Equity Shares issued in connection with the exercise of options granted under the ESOP Scheme, 2000 within a period of three months from the date of listing of the Equity Shares.</p> <p><b>U.S Sub-Plan, 2006</b></p> <p>Employees holding Equity Shares at the time of listing of the Equity Shares pursuant to the Offer, may sell the Equity Shares issued in connection with the exercise of options granted under the U.S. Sub-Plan, 2006 within a period of three months from the date of listing of the Equity Shares.</p>										

- (1) In terms of the Employee Stock Option Plans, our Company, in the past, had considered certain options lapsed which were unvested at the time of separation of the employees from our Company. The Board of our Company, vide its resolution dated July 27, 2015, approved re-instatement of 51,616 unvested options granted to 20 ex-employees in the United States issued under ESOP Scheme, 2000 (which had been considered lapsed in the previous Financial Years) at a grant price originally issued (₹ 25 or ₹ 10 as applicable) each convertible into 51,616 equity shares of face value of ₹ 5 each (258,080 equity shares after adjustment of sub-division of equity shares of our Company from face value of ₹ 5 each to ₹ 1 each). The Nomination and Remuneration Committee of our Company, vide its resolution dated September 24, 2015, approved vesting of these options. Our Company considers these options as deferred options as such options would have been vested in the ex-employee during the course of employment, if vesting and exercise of options had not been deferred due to various amendments made in the ESOP Scheme, 2000. Out of these options, as of date, 36,125 options (after adjustment of sub-division) held by four former employees of our Company are yet to be exercised.

**Note 1: Details regarding options granted under the Existing Employee Stock Option Plans to the senior managerial personnel i.e. Directors and Key Management Personnel of our Company are set forth below:**

Name of senior managerial personnel	Total Number of Options Granted	Total Number of Options Cancelled/Forfeited	Total Number of Options Outstanding
<b>ESOP Scheme, 2000</b>			
A.M. Naik	1,800,000	Nil	928,125

**Note 2: Employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year, under the Existing Employee Stock Option Plans are set forth below**

Name of Employee	No. of Options Granted
<b>ESOP Scheme, 2000</b>	
A. M. Naik	Granted options amounting to more than 5% of the total options granted during the year in the each of Financial Years 2002 to 2011
Y. M. Deosthalee	Granted options amounting to more than 5% of the total options granted during the year in the each of Financial Years 2007 to 2011

## B) **ESOP Scheme, 2015**

Pursuant to the resolution passed by our Board on July 27, 2015 and by our shareholders on September 14, 2015, our Company has instituted the ESOP Scheme, 2015 for issue of options to eligible employees which may result in issue of Equity Shares of up to 8,062,500 equity shares of face value of ₹ 1 each. The eligible employees include permanent employees (including executive directors and non-executive directors but excluding the independent directors) of our Company and subsidiaries or our holding company. The vesting of options granted under the ESOP Scheme, 2015 will commence one year after the date of grant of options at the rate of 20% of total options granted each year, or at such other rates as may be fixed by the Board and may extend up to five years from the date of grant of options, unless otherwise varied in accordance with the Employee Stock Option Scheme, 2015 Rules framed under the ESOP Scheme, 2015. The exercise period for the options granted under the ESOP Scheme, 2015 would be seven years (84 months) from the date of grant of options or six years from the date of first vesting or three years (36 months) from the date of retirement/death, whichever is earlier, subject to any change as may be approved by the Board. The exercise price may be decided by our Board, in such manner, during such period, in one or more tranches and on such terms and conditions as it may deem fit, provided that the exercise price per option shall not be less than the par value of the equity share of our Company and shall not be more than the market price as defined in the SEBI (Share Based Employee Benefits) Regulations, 2014 (the “ESOP Regulations”) and shall be subject to compliance with accounting policies under the ESOP Regulations. As of date, 3,166,900 options have been issued under the ESOP Scheme, 2015.

The following table sets forth the particulars of the options granted under the ESOP Scheme, 2015 as on the date of filing of this Prospectus:

Particulars	Details
Options granted	3,166,900
The pricing formula	The Nomination and Remuneration Committee shall determine the grant price at the time of granting options.
Exercise price of options	₹ 1 each
Total options vested	Nil
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted (net of cancelled options)	3,166,900
Options forfeited/lapsed/cancelled	Nil

Particulars	Details										
Variation in terms of options	Not applicable										
Money realised by exercise of options	Nil										
Options outstanding (in force)	3,166,900										
Employee wise details of options granted to											
(i) Senior managerial personnel, i.e. Directors and key management personnel	See Note 1 below										
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year.	See Note 2 below										
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.	Nil										
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Not applicable <sup>(1)</sup>										
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three financial years	Not applicable <sup>(1)</sup>										
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock for the last three financial years	Weighted average exercise price – ₹ 1 at face value of ₹ 1  Weighted average fair value – ₹ 387.27 at face value of ₹ 1										
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option for the last three financial years	<table border="1"> <thead> <tr> <th>Model used</th><th>Black-Scholes Method</th></tr> </thead> <tbody> <tr> <td>Weighted average risk free interest rate</td><td>7.20%</td></tr> <tr> <td>Weighted average expected Options life</td><td>3 years</td></tr> <tr> <td>Weighted average expected volatility</td><td>19.32%</td></tr> <tr> <td>Weighted average expected dividends per share of face value of ₹1</td><td>₹ 115.56</td></tr> </tbody> </table> <p>The expected volatility has been calculated entirely based on historic volatility IT Index, as historical data of our Company is not available being an unlisted company.</p>	Model used	Black-Scholes Method	Weighted average risk free interest rate	7.20%	Weighted average expected Options life	3 years	Weighted average expected volatility	19.32%	Weighted average expected dividends per share of face value of ₹1	₹ 115.56
Model used	Black-Scholes Method										
Weighted average risk free interest rate	7.20%										
Weighted average expected Options life	3 years										
Weighted average expected volatility	19.32%										
Weighted average expected dividends per share of face value of ₹1	₹ 115.56										
Vesting schedule	Will commence one year after the date of grant of options at the rate of 20% of total options granted each year, or at such other rates as may be fixed by Board and may extend up to five years from the date of grant of options, unless otherwise varied in accordance with the ESOP Scheme, 2015 and rules framed thereunder.										
Lock-in	Equity Shares to be held till listing and trading approvals are obtained by our Company from all stock exchanges where the Equity Shares are listed.										
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations in respect of options granted in the last three years	Not applicable <sup>(1)</sup>										
Aggregate number of Equity Shares intended to be sold by holders of Equity Shares allotted on exercise of options granted under ESOP Scheme, 2015, within three months after the listing of Equity Shares pursuant to the Offer by Directors, senior managerial personnel and employees having Equity Shares issued under ESOP Scheme, 2015 amounting to more than 1% of the issued capital of our Company	Not applicable <sup>(1)</sup>										

(1) The options have been granted by our Company after March 31, 2016 and will be vested as per the ESOP Scheme 2015.

**Note 1: Details regarding options granted under the ESOP Scheme, 2015 to the senior managerial personnel i.e. Directors and Key Management Personnel of our Company are set forth below:**

Name of senior managerial personnel	Total number of options granted	Total number of options cancelled/forfeited	Total number of options outstanding
Sanjay Jalona	326,000	Nil	326,000
A.M. Naik	300,000	Nil	300,000
S.N. Subrahmanyam	200,000	Nil	200,000
Aftab Ullah	122,000	Nil	122,000
R. Shankar Raman	100,000	Nil	100,000
Ashok Kumar Sonthalia	50,000	Nil	50,000

**Note 2: Employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year, under the ESOP Scheme, 2015 are set forth below:**

Name of Employee	No. of options granted
Sanjay Jalona	326,000
A.M. Naik	300,000
S.N. Subrahmanyam	200,000

7. As on the date of this Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
8. For details in relation to Equity Shares held by our Directors and Key Management Personnel, see “Our Management” on page 146 and 149, respectively.
9. As on the date of this Prospectus, the BRLMs and their respective associates (in accordance with the definition of “associate company” as provided under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.
10. Other than Equity Shares issued pursuant to the Existing Employee Stock Option Plans, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during the last one year.
11. Except as disclosed below, none of the members of our Promoter Group, the directors of the Promoter, or our Directors and their immediate relatives have purchased or sold any Equity Shares or the equity shares of our Company or any of our Subsidiaries, during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus:

Date of the transaction	Name of the shareholder	Promoter/ Promoter Group/ Director	Total no. of Equity Shares transferred	Aggregate consideration (in ₹)	Percentage of pre-Offer capital
March 28, 2016	R. Shankar Raman*	Our Director and director of our Promoter	10	Nil	Negligible

\* Held jointly as a nominee of our Promoter

12. As of the date of the filing of this Prospectus, the total number of our Shareholders is 1,227 (including 11 additional folios held by certain Shareholders of our Company).
13. Neither our Company nor any of our Directors have entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back and/or standby arrangements for purchase of Equity Shares from any person.
14. Except for the options granted under the Existing Employee Stock Option Plans and the ESOP Scheme 2015, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Prospectus.
15. Our Company has not issued any Equity Shares out of its revaluation reserves.
16. Except for issue of the Equity Shares pursuant to the exercise of the options granted pursuant to the Existing Employee Stock Option Plans and the ESOP Scheme, 2015 and their consequent conversion into Equity Shares, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.

17. All Equity Shares allotted pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Prospectus.
18. The Offer has been made through the Book Building Process wherein not more than 50% of the Offer was allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company and the Selling Shareholder allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third was reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription if any, in any category, except in the QIB Category, is allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange. All potential investors, other than Anchor Investors, are mandatorily required to utilise the ASBA process by providing details of their respective bank accounts which will be blocked by the SCSBs to the extent of the respective Bid Amounts, to participate in the Offer. For further details, see "Offer Procedure" beginning on page 383.
19. Any over-subscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot.
20. There have been no financing arrangements whereby our Promoter Group, the directors of the Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months preceding the date of filing of the Draft Red Herring Prospectus.
21. Except for issue of the Equity Shares pursuant to the exercise of the options granted pursuant to the Existing Employee Stock Option Plans and the ESOP Scheme, 2015, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchanges.
22. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

## OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and to carry out the sale of 17,500,000 Equity Shares by the Selling Shareholder. The listing of the Equity Shares will enhance our brand name and provide liquidity to the existing shareholders. The listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer.

### Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ 343.62 million. The Offer related expenses consist of listing fees, fees payable to the BRLMs, underwriting fees, selling commission, legal counsel, Registrar to the Offer, Public Offer Account Bank including processing fee to the SCSBs for processing Bid cum Application Forms submitted by ASBA Bidders procured by the Members of the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses with respect to the Offer will be borne by the Selling Shareholder. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed by the Selling Shareholder to our Company. The break-up for the Offer expenses is as follows:

Activity	Estimated Expense (₹ million)	As a % of total estimated Offer expense	As a % of total Offer size
Fees payable to BRLMs	120.73	35.1	1.0
Processing fees for SCSBs and non Syndicate Members <sup>(1)</sup>	21.63	6.3	0.2
Selling commission for the Syndicate Member, Registered Brokers, RTAs and CDPs <sup>(2)(3)</sup>	21.45	6.2	0.2
Fees payable to Registrar to the Offer	8.65	2.5	0.1
Printing and stationary expenses	14.48	4.2	0.1
Advertising and marketing expenses	60.00	17.5	0.5
Others:	96.67	28.1	0.8
i. Listing fees;			
ii. SEBI, BSE and NSE processing fees;			
iii. Fees payable to Legal Counsels; and			
iv. Miscellaneous.			
<b>Total Offer Expenses</b>	<b>343.62</b>	<b>100.00</b>	<b>2.8</b>

(1) Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Bidders	0.35% of the Amount Allotted* (plus applicable service tax)
Portion for Non-Institutional Bidders	0.20% of the Amount Allotted* (plus applicable service tax)

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking of funds, would be as follows.

Portion for Retail Individual Bidders	₹ 10 per valid application* (plus applicable service tax)
Portion for Non-Institutional Bidders	₹ 10 per valid application* (plus applicable service tax)

\* For each valid applications.

- (2) *Selling commission on the portion for Retail Individual Bidders and the portion for Non-Institutional Bidders which are procured by Syndicate Member (including its sub Syndicate Member), RTAs and CDPs would be as follows:*

<i>Portion for Retail Individual Bidders</i>	<i>0.35% of the Amount Allotted* (plus applicable service tax)</i>
<i>Portion for Non-Institutional Bidders</i>	<i>0.20% of the Amount Allotted* (plus applicable service tax)</i>

*\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

- (3) *Bidding Charges payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:*

<i>Portion for Retail Individual Bidders</i>	<i>₹ 10 per valid application* (plus applicable service tax)</i>
<i>Portion for Non-Institutional Bidders</i>	<i>₹ 10 per valid application* (plus applicable service tax)</i>

*\* Based on valid applications.*

*\* Amount of bidding charges payable to Registered Brokers shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment.*

### **Monitoring of Utilisation of Funds**

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

## BASIS FOR OFFER PRICE

The Offer Price has been determined by our Company and the Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 1 each and the Offer Price is 705 times the face value at the lower end of the Price Band and 710 times the face value at the higher end of the Price Band. Investors should also refer to “Our Business”, “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 105, 16, 183 and 294, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- A. Strong domain focus enabling Business to IT Connect;
- B. Strong parentage and brand equity of our Promoter;
- C. Established long-term relationships with our clients;
- D. Extensive portfolio of IT services and solutions;
- E. Focus on emerging technologies;
- F. Track record of established processes and executing large, end-to-end, mission critical projects;
- G. Strong management culture; and
- H. Conducive work environment to attract and retain talent.

For further details, see “Our Business—Our Competitive Strengths” on pages 105 to 108.

### Quantitative Factors

The information presented below relating to our Company is based on the unconsolidated and consolidated Restated Financial Statements.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

#### I. Basic and Diluted Earnings per Share (“EPS”) (Face value of ₹ 1 each), as adjusted for change in capital:

On an unconsolidated basis:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2016	57.23	57.10	3
March 31, 2015	47.98	45.91	2
March 31, 2014	42.51	40.68	1
<b>Weighted Average</b>	<b>51.69</b>	<b>50.63</b>	

On a consolidated basis:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2016	56.26	56.13	3
March 31, 2015	47.21	45.17	2
March 31, 2014	42.70	40.86	1
<b>Weighted Average</b>	<b>50.98</b>	<b>49.93</b>	

Notes:

1. The face value of each Equity Share is ₹ 1.
2. All share data has been adjusted for events of sub-division of Equity Shares—



- Pursuant to the resolution of our Shareholders on March 30, 2002, our Company sub-divided its equity shares from face value of ₹ 10 each to face value of ₹ 5 each, with effect from March 31, 2002.
  - Pursuant to the resolution of our Shareholders on June 22, 2015, our Company sub-divided its equity shares from face value of ₹ 5 each to face value of ₹ 1 each.
3. Basic and diluted earnings per Equity Share are computed in accordance with Accounting Standard 20 'Earnings per Share' notified by Companies (Accounting Standards) Rules, 2006 (as amended).
  4. The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.
  5. Basic EPS (₹) is Net profit attributable to equity shareholders divided by Weighted average number of Equity Shares outstanding during the year / period. Subsequent to March 31, 2015, our Board has, in its meeting held on June 22, 2015, approved the split of each equity share of face value ₹ 5 to five equity shares of face value ₹ 1 each. Accordingly, the accounting ratios post such split of equity shares has been disclosed.

## II. Price/Earning ("P/E") ratio in relation to Offer Price of ₹ 710 per Equity Share:

Particulars	P/E at offer price of ₹ 710 per Equity Share (no. of times)
Based on basic EPS for the year ended March 31, 2016 on a unconsolidated basis	12.4x
Based on basic EPS for the year ended March 31, 2016 on a consolidated basis	12.6x
Diluted EPS for the year ended March 31, 2016 on a unconsolidated basis	12.4x
Diluted EPS for the year ended March 31, 2016 on a consolidated basis	12.6x

Industry P/E ratio\*

Average: 17.6x

Highest: 20.4x

Lowest: 14.7x

\* Source: The highest and lowest industry P/E shown above is based on the Industry peer set provided below under "Comparison with Listed Industry Peers". The industry composite has been calculated as the arithmetic average P/E of the Industry peer set provided below, based on consolidated EPS numbers. For further details, see "Basis for Offer Price - Comparison with Listed Industry Peers" on pages 88 to 89.

## III. Average Return on Net Worth ("RoNW")

As per unconsolidated Restated Financial Statements:

Financial Year ended / Period ended	RoNW (%)	Weight
March 31, 2016	49.52	3
March 31, 2015	45.59	2
March 31, 2014	50.75	1
<b>Weighted Average</b>	<b>48.42</b>	

As per consolidated Restated Financial Statements:

Financial Year ended / Period ended	RoNW (%)	Weight
March 31, 2016	45.55	3
March 31, 2015	41.87	2
March 31, 2014	46.70	1
<b>Weighted Average</b>	<b>44.52</b>	

Notes:

Return on net worth (%) is net profit attributable to equity shareholders divided by average net worth excluding preference share capital (average for two years).

**IV. Minimum Return on Increased Net Worth required for maintaining pre-issue EPS as at March 31, 2016 is:**

There will be no change in the Net Worth post-Offer, as the Offer is by way of Offer for Sale by the Selling Shareholder.

**V. Net Asset Value per Equity Share (Face value of ₹ 1 each)**

1. Net asset value per Equity Share as on March 31, 2016 on an unconsolidated basis is ₹ 109.72.
2. Net asset value per Equity Share as on March 31, 2016 on a consolidated basis is ₹ 119.11.

As the Offer consists only of an offer for sale by the Selling Shareholder, there will be no change in the NAV post-Offer.

Offer Price: ₹ 710

**VI. Comparison with Listed Industry Peers**

Name of company	Unconsolidated/ Consolidated	Face value (₹ per share)	EPS (₹ per share) <sup>(9)</sup>		NAV (₹ per share) <sup>(10)</sup>	P/E <sup>(11)</sup>	RONW <sup>(12)</sup>
			Basic	Diluted			
Tata Consultancy Services Limited <sup>(1)</sup>	Consolidated	1	123.28	123.28	331.7	20.4	41.9%
Infosys Limited <sup>(2)</sup>	Consolidated	5	59.85	59.84	253.0	20.4	25.2%
Wipro Limited <sup>(3)</sup>	Consolidated	2	36.20	36.12	188.6	15.6	20.3%
HCL Technologies Limited <sup>(4)</sup>	Consolidated	2	52.30	52.10	198.7	15.6	28.6%
Tech Mahindra Limited <sup>(5)</sup>	Consolidated	5	32.34	31.67	148.4	14.7	23.4%
Hexaware Technologies Limited <sup>(6)</sup>	Consolidated	2	13.05	12.94	47.5	18.6	28.9%
Mindtree Limited <sup>(7)</sup>	Consolidated	10	35.99	35.89	142.8	18.1	27.4%

Note:

- 1) Financials for Tata Consultancy Services Limited are for the year ending March 31, 2016 and sourced from its Financial Year 2016 Q4 Quarterly Results.
- 2) Financials for Infosys Limited are for the year ending March 31, 2016 sourced from its annual report for the year ended March 31, 2016.
- 3) Financials for Wipro Limited are for the year ending March 31, 2016 sourced from its Financial Year 2016 Q4 quarterly results. The Financials for Wipro Limited have been prepared in accordance with the recognition and measurement principles laid down in International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standard Board.
- 4) Financials for HCL Technologies Limited ("HCL") sourced from its quarterly report for the period ended March 31, 2016. HCL has changed its year end reporting period from year ended June 30 to March 31 in 2016. Profit after tax and the earnings per share for the 12 month period ended March 31, 2016 and March 31, 2015 considered. Financials for HCL have been prepared in accordance with the US GAAP.
- 5) Financials for Tech Mahindra Limited are for the year ending March 31, 2016 sourced from its Financial Year 2016 Q4 Quarterly Results.
- 6) Financials for Hexaware Technologies Limited sourced from its BSE Filing dated February 04, 2016. Financials for Hexaware Technologies Limited are for year ending December 31, 2015.
- 7) Financials for Mindtree Limited are for the year ending March 31, 2016 sourced from its Financial Year 2016 Q4 Quarterly Results.
- 8) Net worth for the companies has been computed as sum of share capital and reserves. Minority interest and share application money pending allotment not included as part of Net Worth.

- 9) *Basic and Diluted EPS refer to basic and diluted EPS sourced from the company filings as described in Notes 1 - 7.*
- 10) *NAV is computed as the closing net worth of the companies, computed as per Note 8, divided by the closing outstanding number of fully paid up equity shares as sourced from the company filings as described in Notes 1 - 7.*
- 11) *P/E Ratio has been computed as the closing market prices of the companies on the BSE Limited sourced from the BSE website as of financial year end of each company divided by the Basic EPS as described in Note 9.*
- 12) *RoNW has been computed as net profit after tax divided by the average net worth of preceding two financial years of these companies as per Note 8.*

**VII. The Offer price is 710 times of the face value of the Equity Shares.**

The Offer Price of ₹ 710 has been determined by our Company and the Selling Shareholder, in consultation with the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 16, 105, 294 and 183, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

To  
The Board of Directors  
Larsen & Toubro Infotech Limited  
Mumbai – 400 001,  
India.

Dear Sirs,

**Sub: Statement of possible Special Tax Benefits (the ‘Statement’) available to Larsen & Toubro Infotech Limited (including its relevant subsidiaries) and its shareholders under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (‘the Regulations’)**

We hereby confirm that the enclosed annexure, prepared by Larsen & Toubro Infotech Limited (‘the Company’) states the possible special tax benefits available to the Company (including its relevant subsidiaries) and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’) and other tax laws presently in force in India. (i.e. including amendments made by the Finance Act 2016, applicable for the Accounting year 2016-17, relevant to the Assessment year 2017-18). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits, as above, is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only Special tax benefits and do not cover general tax benefits. Special tax benefits are benefits which are generally not available for all companies. Further, the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this Statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the nature of individual tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our views are based on the existing provisions of tax law and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company (including its relevant subsidiaries).

We do not express an opinion or provide any assurance as to whether:

- the Company (including its relevant subsidiaries) will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable, have been/would be met with; and
- the revenue authorities/courts will concur with the views expressed herein.

As per our report attached  
SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W

Firdosh D. Buchia  
Partner  
Membership No: 38332  
Mumbai  
Date: 26 May 2016

## **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO LARSEN & TOUBRO INFOTECH LIMITED ('THE COMPANY') (INCLUDING ITS RELEVANT SUBSIDIARIES) AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible special tax benefits available to the Company (including its relevant subsidiaries) and its shareholders under the Income Tax Act, 1961 ('Act') and other tax laws presently in force in India (i.e. including amendments made by the Finance Act 2016, applicable for the Accounting year 2016-17 relevant to the Assessment year 2017-18).

These benefits are dependent on the Company (including its relevant subsidiaries) or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company (including its relevant subsidiaries) or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

### **1. Special tax benefits available to the Company**

#### **i. Direct taxes:**

As per section 10AA of the Act, an unit set up in a Special Economic Zone ('SEZ'), which begins to manufacture or produce articles or things or provide any services during the previous year relevant to any assessment year commencing on or after the 1<sup>st</sup> day of April 2006, but before the 1<sup>st</sup> day of April, 2021, will be entitled to deduction as follows:

- a. 100 per cent of the profits and gains derived from export of articles or things manufactured or produced or any services provided from its unit set up in a SEZ for a period of 5 consecutive assessment years beginning with the assessment year relevant to the previous year in which such unit begins to manufacture or produce such articles or things or provide services, as the case may be;
- b. 50 per cent of such profits and gains for further 5 assessment years; and
- c. thereafter for another 5 consecutive assessment years, the Company will be entitled to a deduction of such amount not exceeding 50 per cent of the profit as is debited to Profit & Loss Account of the previous year in respect of which the deduction is to be allowed and credited to a special reserve viz. "Special Economic Zone Reinvestment Reserve Account" to be created and utilized for the purpose of the business of the Company in the manner laid down in section 10AA (2) of the Act.

The benefit for all 15 years will be available subject to fulfilment of conditions prescribed by the section.

Note: However, the aforesaid deduction is not available while computing tax liability of the Company under section 115JB of the Act i.e. Minimum Alternative Tax ('MAT') provisions. Nonetheless, such MAT paid/payable on the book profits of the Company computed in terms of the provisions of Act would be eligible for credit against tax liability arising under normal provisions of the Act.

Further, such credit would not be allowed to be carried forward and set off beyond 10th assessment year immediately succeeding the assessment year in which such credit becomes allowable.

#### **ii. Indirect taxes:**

- A. In respect of software development centers of the Company registered under the Software Technology Park ('STP') Scheme, following benefits are available subject to fulfilment of specified conditions and procedures prescribed under the relevant legislations:
  - a. Specified goods listed in the relevant notifications under the Customs Act, 1962, which are in the nature of capital equipment, office equipment, spares and components etc., imported by the STP unit are exempt from customs duty.
  - b. Specified goods listed in the relevant notifications under the Central Excise Act, 1944 which are in the nature of capital equipment, office equipment, spares and components etc., procured within India by the STP unit are exempt from central excise duty.
  - c. Under Service Tax regulations, any taxable service may be exported without payment of service tax.

- d. Cenvat credit could be claimed in respect of input services used to provide taxable output services
- B. Under the Special Economic Zone Act (SEZ), 2005, following indirect tax benefits would be available subject to fulfilment of specified conditions and procedures:
- a. Exemption from any duty of customs, under the Customs Act, 1962 or the Custom Tariff Act, 1975 or any other law, on goods imported into, or service provided in a SEZ unit for carrying out authorized operations.
  - b. Exemption from any duty of customs, under the Customs Act, 1962 or the Custom Tariff Act, 1975 or any other law, on goods exported from, or service provided from a SEZ unit to any place outside India.
  - c. Exemption from any duty of excise, under the Central Excise Act, 1944 or the Central Excise Tariff Act, 1985, on goods brought from DTA to a SEZ Unit to carry on the authorized operations.
  - d. Drawback or such other benefits as may be admissible from time to time on goods brought or services provided from the DTA into a SEZ unit or services provided in a SEZ unit by the service providers located outside India to carry on the authorized operations.
  - e. Exemption from service tax on taxable services provided to carry on the authorized operations to SEZ Unit.
  - f. Exemption from the levy of taxes on the inter-state sale or purchase of goods other than newspapers under the Central Sales Tax Act, 1956 if such goods are meant to carry on the authorized operations in SEZ.

**2. Special tax benefits available to the subsidiaries of the Company**

There are no special tax benefits in India available to the subsidiaries of the Company.

**3. Special tax benefits available to the shareholders of the Company**

There are no Special tax benefits available to the shareholders of the Company.

**Notes:**

1. All the above benefits are as per the Current Tax Laws and any change or amendment in the laws/regulation, which when implemented would impact the same.

The special tax benefits are subject to several conditions and eligibility criteria which need to be examined for precise tax implications.

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The following information includes extracts from publicly available information, industry reports, data and statistics and has been extracted from official sources and other sources that we believe to be reliable, but which has not been independently verified by us or the BRLMs, or any of our or their respective affiliates or advisers.*

*The data may have been re-classified by us for the purpose of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information and estimates as of specific dates and may no longer be current or reflect current trends. Such information, data and estimates may be approximations or use rounded numbers. Prospective investors must rely on their own examination of the information provided in “Industry Overview” section including the risks involved. You should consult your advisors about particular consequences of investing in the Offer.*

*All references to years in the section below are to calendar years unless specified otherwise.*

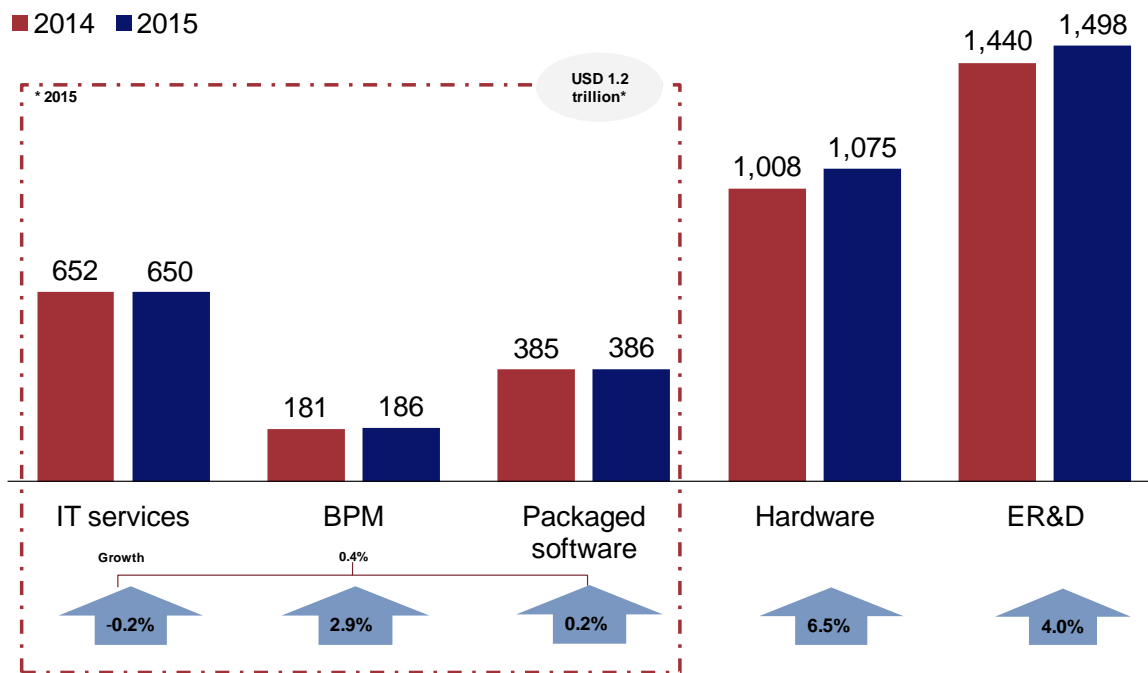
#### **The Global IT-BPM Industry – overview and trends in 2015**

In 2015, the global economy was characterized by volatility and turmoil. According to NASSCOM, developed and emerging countries experienced multiple headwinds as economic growth almost stagnated, global terrorism increased, inflationary pressures continued to build up, turbulence in currency and equity markets prevailed, commodity prices declined and unemployment continued to remain high. NASSCOM notes that, at the same time, the role of technology has also undergone a significant change and technology is no longer exclusive only to the corporate sector. Consumers, leveraging mobile and “24X7” connectivity, are now the key influencing forces shaping technology spend. Governments have also begun to use technology as the platform for citizen outreach and government-to-citizen services. As a result, technology is emerging as integral to all businesses, to all parts of businesses, to the government machinery and to consumers. Globally, the cumulative capital investment in technology is estimated to have reached USD 6 trillion in 2014. However, the global technology industry also faced a challenging environment in 2015. Industrialized and commoditized products are now a part of the technology industry as are multiple disruptive digital technologies. NASSCOM notes that the shift towards digital is inevitable. Incremental expenditures over the next decade may be driven by digital technologies. (Source: *The IT-BPM Sector in India: Strategic Review 2016, NASSCOM, February 2016 (the “NASSCOM Report”)*)

According to NASSCOM, these factors have also impacted global technology spend. Worldwide information technology and business process management (“**IT-BPM**”) spend in 2015 (excluding hardware) was clearly impacted by the volatility in global currencies resulting in a near flat growth of 0.4 per cent (USD 1.2 trillion) in 2015. Information technology (“**IT**”) services saw a slight decline in growth (-0.2 per cent). A shift to cloud-based applications has led to a decline in traditional IS outsourcing and Network and Desktop Outsourcing (“**NDOS**”) businesses, thereby impacting overall IT services growth. (Source: *NASSCOM Report*)

In such a scenario, NASSCOM notes that packaged software in 2015 saw a near-flat growth of 0.2 per cent (at USD 386 billion), largely due to the impact of the US dollar strengthening against other currencies. However, a positive factor for this segment was that enterprises continued to invest in packaged software, with APAC, MEA and LATAM expected to drive growth. Worldwide business process management (“**BPM**”) spend saw an approximately three per cent growth over 2014 with analytics services emerging as the largest driver. According to NASSCOM, customers are beginning to expect analytics as part of bundled BPM services. Verticalised offerings of horizontal services is another important trend driving global BPM spend. Hardware saw a 6.6 per cent growth approximately, driven by higher consumption of mobile devices and tablets. Global ER&D spend reached approximately USD 1.5 trillion, a growth of approximately 4 per cent over 2014. As represented in the chart below, software products, IT and BPM services continued to lead. (Source: *NASSCOM Report*)

**Software & services: Flat growth in 2015**

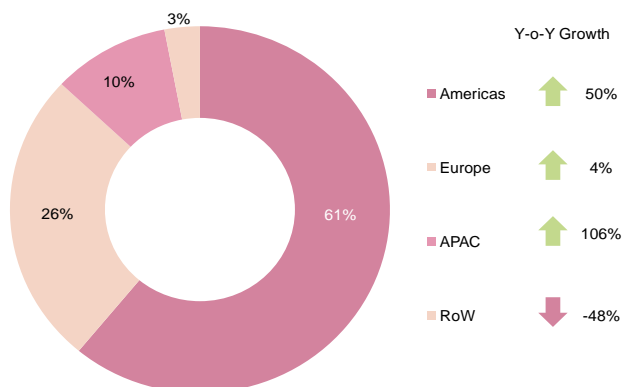


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In 2015, Asia-Pacific saw the fastest growth in total contract value of IT-BPM contracts with a 106 per cent growth compared to 2014 (see chart below) (*Source: NASSCOM Report*).

**2015: APAC sees fastest growth**

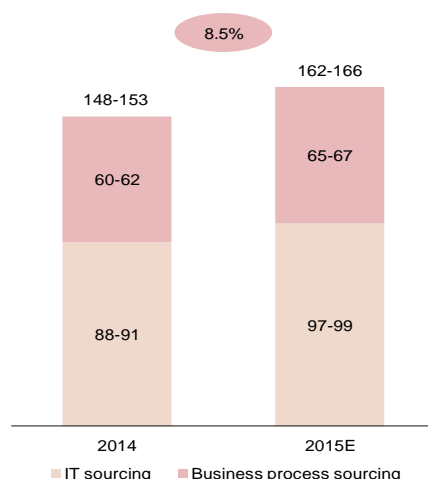
100%=USD 159 billion





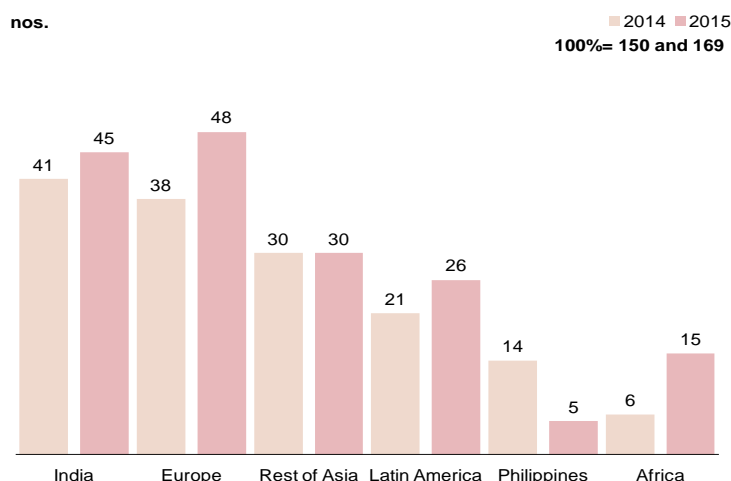
NASSCOM notes that 2015 saw continued demand for overall global sourcing, which grew by 8.5 per cent over 2014 (see chart below).

USD billion



New delivery centers for global sourcing added in 2015 recorded a growth of approximately 12.7 per cent compared to the additions in 2014, with approximately 26.6 per cent of the new additions being in India (see chart below). (Source: NASSCOM Report)

*New delivery centers set up in 2014 and 2015*



## The Indian IT-BPM Industry – Overview and trends

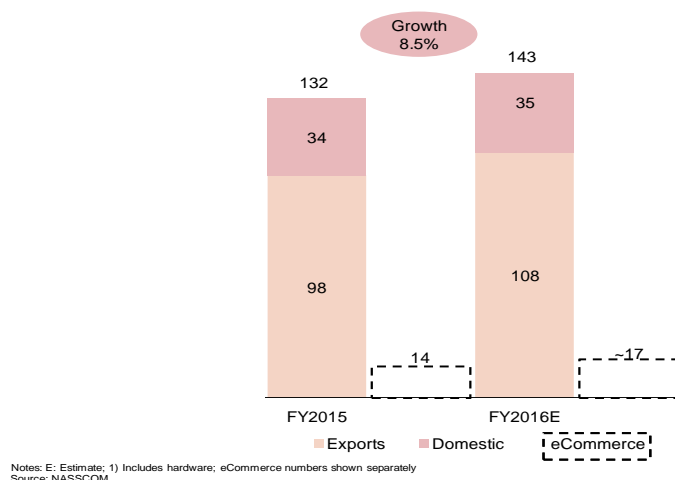
### Overview

According to NASSCOM, the Indian IT-BPM industry is projected to grow at 8.5 per cent in fiscal year 2016, an addition of USD 11 billion. The aggregate growth rate has been affected by the strengthening of the US dollars against the Indian rupee, which is projected to bring the domestic market growth rate down to approximately 3.2 per cent. (see chart below). (Source: NASSCOM Report)

## Indian IT – BPM Industry – Revenues<sup>1</sup>

**Revenue<sup>1</sup>: Added ~ USD 11 billion over FY2015**

USD billion



Notes:

1. Includes hardware; domestic market numbers include eCommerce market.

E: Estimate

(Source: NASSCOM Report)

The table below shows the revenues for the various segments of the Indian IT-BPM domestic and export revenue for fiscal year 2014, fiscal year 2015 and fiscal year 2016 (estimated):

USD billion	FY2014			FY2015			FY2016E		
	Exports	Domestic	Total	Exports	Domestic	Total	Exports	Domestic	Total
IT services <sup>1</sup>	49	12	61	55	13	69	61	14	75
BPM	20	3	24	22	4	26	24	4	28
Packaged software, ER&D and product development <sup>1,2</sup>	18	4	21	20	4	24	22	4	27
Hardware	0.4	13	13	0.4	13	14	0.4	13	14
<b>TOTAL IT-BPM</b>	<b>88</b>	<b>32</b>	<b>119</b>	<b>98</b>	<b>34</b>	<b>132</b>	<b>108</b>	<b>35</b>	<b>143</b>
eCommerce & mobile apps	-	10	10	-	14	14	-	17	17

Notes:

E: Estimate

<sup>1</sup> Offshore Software Product Development (OSPD), which was earlier included with IT services, has now been reclassified under ER&D and product development.

<sup>2</sup> Includes Packaged software, OSPD, Engineering R&D and product development

<sup>3</sup> eCommerce & mobile apps revenues have been indicated as a separate sector.

Due the changes above, these numbers are not comparable with those published earlier. Source: NASSCOM

NASSCOM notes that exports (including hardware) are likely to record a 10.9 per cent growth to reach approximately USD 61 billion in fiscal year 2016, up by approximately USD 6 billion compared to the last fiscal year. (Source: NASSCOM Report)

The table below shows the break-up of the amount of exports (in US dollar terms) of the various segments for Fiscal Year 2014, 2015 and 2016:

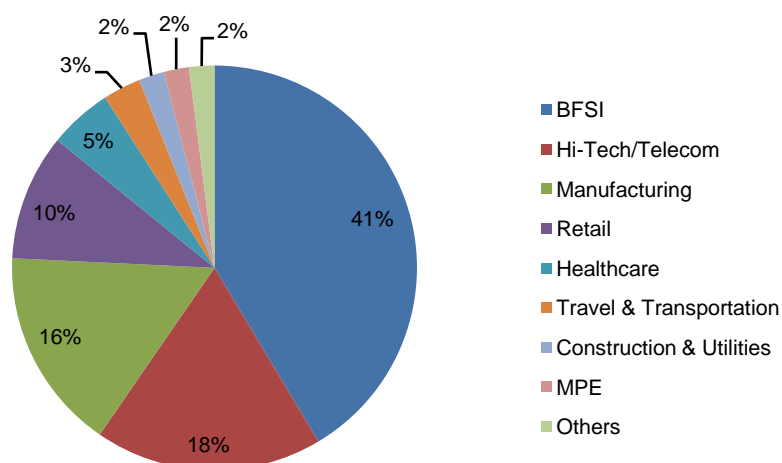
USD billion	FY2014	FY2015	FY2016E
<b>Project based</b>	<b>25</b>	<b>28</b>	<b>30</b>
IT consulting	1	1	2
Systems integration	1	2	2
Custom application development	18	20	22
Network consulting and integration	1	1	1
Software Testing	4	4	5
<b>Outsourcing</b>	<b>21</b>	<b>24</b>	<b>26</b>
Application management	6	7	7
IS outsourcing	9	11	12
<b>Others</b>	<b>5</b>	<b>6</b>	<b>7</b>
Support and Training	4	4	4
Software deploy and support	3	3	3
Hardware deploy and support	0.2	0.2	0.3
IT education and training	1	1	1
<b>TOTAL</b>	<b>49</b>	<b>55</b>	<b>61</b>

Note:

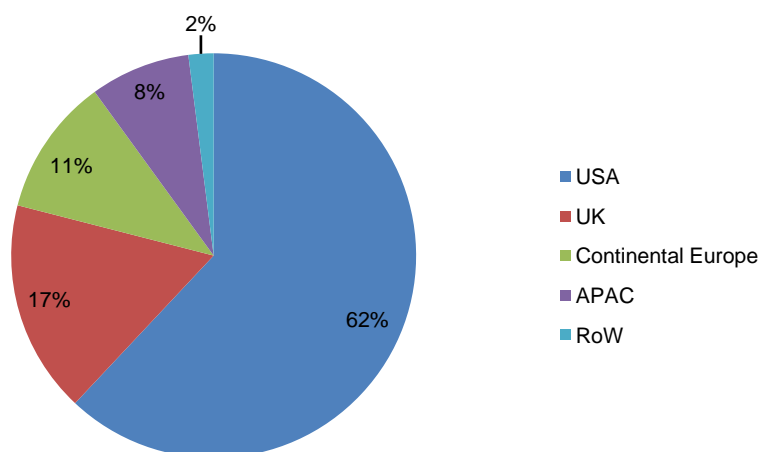
E: Estimate

Source: NASSCOM

The chart below shows the estimated contribution of the various sectors to Indian IT-BPM exports for fiscal year 2016:



The chart below shows the share of Indian IT-BPM exports to various countries in fiscal year 2016:



### Trends

According to NASSCOM, the IT services sector in India has grown over two-fold in the last five years and is expected to reach revenues worth USD 75 billion in fiscal year 2016, with a growth rate of 9 per cent over fiscal year 2015.

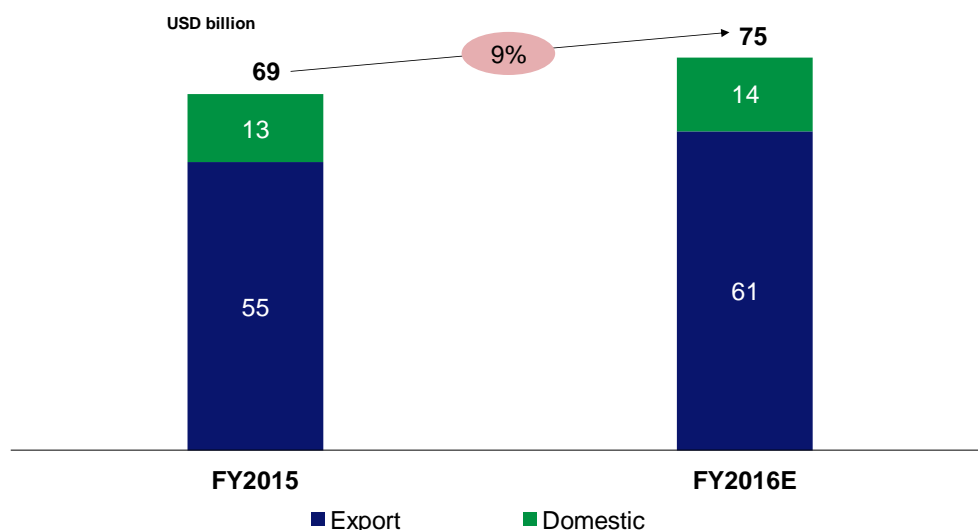
### Exports

Of the total Indian IT services market in fiscal year 2016, revenues from exports contributed 81 per cent. The exports market grew at 10.3 per cent during the fiscal year 2016 to reach USD 61 billion. (Source: NASSCOM Report)

### Domestic

According to NASSCOM, domestic business contributed 19 per cent of the total revenue of Indian IT services market. NASSCOM notes that the domestic market witnessed a growth of 3.9 per cent to reach USD 14 billion in fiscal year 2016. (Source: NASSCOM Report)

The charts below shows the expected increase in revenues of the Indian IT services industry from fiscal year 2015 to fiscal year 2016 respectively:



NASSCOM notes that IT services has come a long way from providing cost arbitrage to managing IT from a business perspective and providing enterprise digital transformation. Not only has the overall understanding of business improved, services are now more closely aligned and customized to the needs of individual customers in every industry and focused on providing business outcomes. The effect of digitization and automation has pervaded all the key service areas, converting from process and delivery driven to strategic and transformational solution providers. (Source: NASSCOM Report)

The IT services exports segment is estimated to have added over 76,000 employees in fiscal year 2016, at a growth rate of 6.2 per cent over previous year. According to NASSCOM, nearly half of the additions made during the year to the IT segment were attributed to the export segment. Over the years, people with specific skillsets have been gaining credence in the sector. With SMAC and other emerging technologies playing a crucial role in the growth of the industry, skill requirements too have undergone various changes. Requirement for people with cloud and mobile technology capabilities, business intelligence and data analytical skills along with domain knowledge have gone up substantially. (Source: NASSCOM Report)

### **Growth of India as an IT-BPM Service Delivery Location**

The Indian IT-BPM industry grew from an approximately USD 1 million industry size in the 1980s to a nearly USD 143 billion industry in fiscal year 2016. Further, the industry has gone from employing less than a million people in the 1980s to emerging as India's largest private sector employer with approximately 3.7 million employees. (Source: NASSCOM Report)

According to NASSCOM, there are certain key factors, which define India's attractiveness as a key IT-BPM service destination:

***A connected and a digital ready market.*** An increasing population of 1.2 billion people with a large potential middle class and large numbers of mobile phone subscribers and mobile internet present a hard-to-ignore end user market for the world. The government of India is expected to invest heavily in digital investments (such as Digital India, eGovernance).

***Maturity – Excellence in business delivery:*** Over the last quarter of a century of its existence, India's IT-BPM has succeeded in creating a worldwide presence – onshore, offshore, nearshore – for its customers. Present in over 78 countries through about 670 offshore development centres, this industry boasts approximately 75 per cent of Fortune 500 enterprises as its customers. The industry landscape consists of over 16,000 firms ranging from multi-billion dollar firms to start-ups that are emerging as the hotbed for innovation and disruptive services.

***High volume of diverse, employable talent:*** India currently has over 6 million graduates; its IT-BPM employee base for fiscal year 2016 is estimated at 3.7 million people, the largest private sector employer.

***World's fastest growing “digital hub”:*** Digitally skilled employees number 250,000 – analytics (90,000), mobility (70,000) and cloud & social media (70,000).

### ***Digital at the core of innovation:***

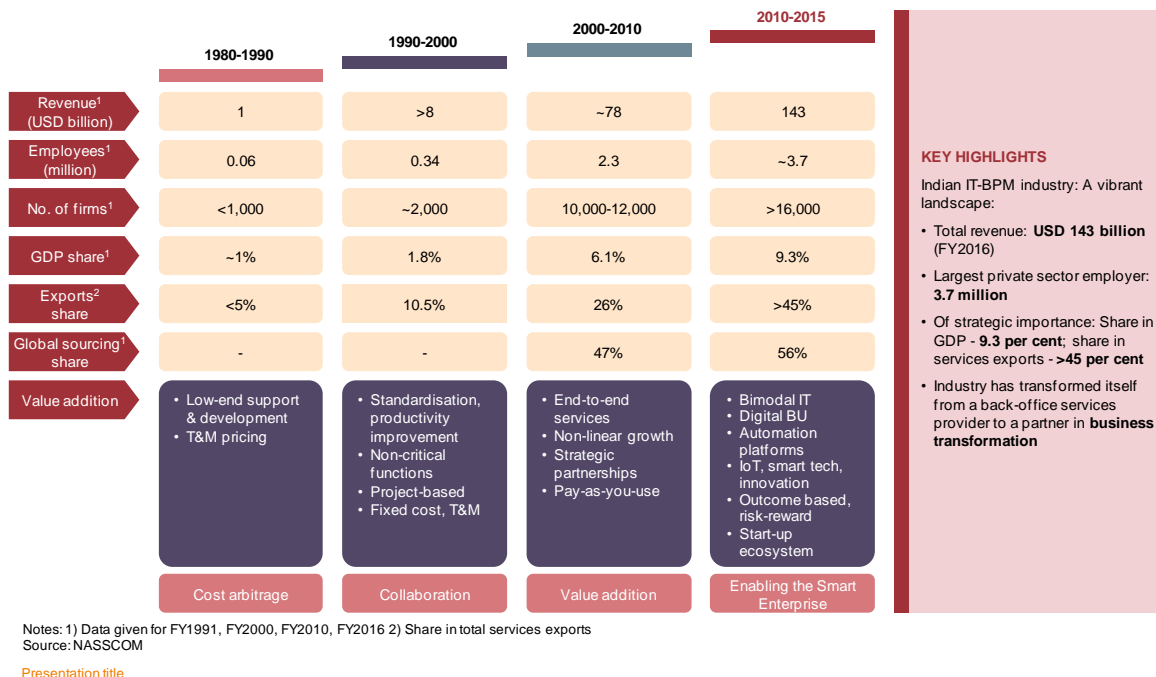
- Product innovation: 3rd largest base globally; >4,200 start ups; 1,200 start ups in 2015; 250per cent growth in funding in B2B space over last year
- Business innovation: New business models, differentiated pricing strategy; shift from size to business agility
- Process innovation: Business process alignment, technology advancement to enhance customer impact, efficiency to transformation and process driven service excellence

(Source: NASSCOM Report)

### **Key emerging industry trends**

The table below shows the evolution of the Indian IT-BPM industry over the past four decades in terms of various metrics:

## Indian IT-BPM: On track to achieve its USD 225 billion target by 2020



7

### Trends in the exports markets

According to NASSCOM, exports in fiscal year 2016 are estimated at USD 108 billion, a 10.3 per cent annual growth. ER&D and product development continued to be the fastest growing segment at 12.6 per cent driven by trends around IoT/connected devices and customers' demands for disruptive innovation. IT services are expected to grow at the same rate as overall exports. Demand for SMAC technologies is pushing the need to modernise legacy systems and cloud solutions. BPM exports, at an approximately 9 per cent year-on-year growth, are being driven by BPaaS, mobility and advanced analytics. (Source: NASSCOM Report)

### Trends in the domestic market

The growth in domestic IT services was driven by IS outsourcing, cloud services and increasing adoption from all customer segments – government, enterprise, consumers and SMBs. The government's digital India and e-governance agenda has given a boost to the domestic sector in an enormous way. The government's expected investments in digitization, infrastructure improvement, implementing technology in healthcare, manufacturing and agriculture sectors is expected to provide an opportunity of around USD 5.9 billion to the IT services sector. The e-governance agenda of reforming government through technology by enabling customer services, providing electronic delivery of services through e-education, e-healthcare etc is also expected to be a major demand driver. (Source: NASSCOM Report)

### Key growth drivers for the IT industry in 2015

Set forth below are some of the key growth drivers for the IT industry in 2015:

#### Traditional verticals continued to drive growth

According to NASSCOM, global IT services spend dropped approximately 0.2 per cent in 2015, to reach USD 650 billion in dollar terms. There are various factors that are responsible for this like large declines in the price of oil, currency fluctuations, volatility in equity and investment markets. Also, NASSCOM notes that traditional and matured verticals like BFSI, manufacturing and telecom continue to drive growth whereas share of verticals like healthcare and retail increased as SMAC adoption across industries increased. ISO and System integration growth dropped while owing to the adoption of SMAC technologies, CADM and IT consulting grew marginally. The segment was also affected by commoditization, increasing demand for cloud platform services and decrease in hardware maintenance services. (Source: NASSCOM Report)

#### Cost reduction and business efficiency

According to NASSCOM, driven by increased competition, some firms took the route of restructuring their businesses to improve profits and reduce costs, while some looked at inorganic growth and collaboration and investing in SMAC. NASSCOM notes that the global IT sourcing market grew at 9-10 per cent in 2015 compared to last year, with India accounting for 67 per cent of the overall sourcing market. The year was marked by spinoffs, buyouts, divestitures and focused acquisitions among service providers which helped bolster the bottom line for the vendors and their customers. Driven by increased competition, some firms took the restructuring of businesses route to improve profits and reduce costs, while some looked at inorganic growth and collaboration, and investing in social media, analytics, and cloud. (Source: NASSCOM Report)

## **Trends of IT spend in key verticals**

### ***Banking***

ISG notes that the banking industry worldwide is in a state of flux. In Europe a lower economic outlook, low interest rates, increasing regulation and regulatory penalties continued to impact the financial performance of large banks in 2014. In the Asia Pacific, and particularly in India growth in new bank licenses and grants of differentiated banking licenses such as payment banks is expected to drive outsourcing spending. Ever-changing and increasing regulations, escalating compliance costs and higher capital requirements are impacting banks' profitability and return ratios. That creates pressure to reduce operating costs and improve return ratios. Banks now also need to cater to the millennial generation, which has demonstrated a preference for alternate and emerging channels. These pressures are driving outsourcing spend in the vertical, apart from spending related to compliance initiatives. (Source: Momentum – Market trends and insights report - 2015 Vertical Industries Report, Information Services Group, June 2015 (the "ISG Report"))

Set forth below are some key trends relating to IT spending in the banking sector:

*New age customers in focus, innovation in demand:* ISG notes that "millennials" are one of the largest customer segments for most retail banks. Clients are interested in partnering with service providers that have developed specific capabilities in segmenting customers based on transaction history; can enable custom offerings; and can help engage, mine and retain their millennial clientele better. (Source: ISG Report)

*Higher cost of compliance:* Banks continue to face challenges in meeting regulatory compliance requirements. These requirements have been driving outsourcing spend for the last few years in the vertical. ISG observes that mature clients in the vertical are engaging with service providers that enable them to optimize compliance spending through automation and other efficiency enhancements. (Source: ISG Report)

*Regional banks an area of opportunity for smaller service providers:* Regional banks continue to invest in automation, process and productivity enhancements and in alternate channels. Their focus on productivity improvement and cost rationalization provide a huge opportunity for smaller service providers to make inroads into this market and help first time outsourcers. (Source: ISG Report)

*Competition from non-traditional firms lead to new investments:* Non-bank lenders have made significant inroads into core banking activities such as lending and payments over the last few years. These firms include microfinance, insurance companies, venture capital and private equity firms, asset management firms, and peer-to-peer lending companies. Such competition from new age firms is forcing banks to invest in new and alternate channels, as well as data management and predictive analytics platforms. They are also optimising processes for quicker turnaround of business requests and lowering transaction costs for the end customer while ensuring stickiness and higher lifetime value. (Source: ISG Report)

### ***Manufacturing***

#### ***Semiconductors***

ISG observes that there are different outsourcing drivers within the semiconductors vertical depending on the particular company's value chain position. Foundries are most focused on driving costs out of operations. Scalability and cost savings are strong selling points for these clients. Design houses are driven by research and development. When selling to that segment, service providers should emphasize their ability to improve speed-to-market. ISG observes a need to embrace and offer new products and services – including ones related to mobility, automation, analytics, X-as-a-service, other cloud technologies, information security, the IoT, social media and other emerging technologies – is a major influence on business activity and outsourcing within companies across the tech sector. Although specific outsourcing engagements vary by industry, the drivers are the same: the need to enhance innovation and protect profitability because customer preferences and the competition are changing quickly. (Source: ISG Report)

#### ***Materials***

ISG observes that economic volatility is continuing to drive focus on cost reduction in this sector. Clients are very particular about cost reduction and there is huge demand to convert most capital expenditure to operational expenditure. Engineering

services has become a prerequisite capability for heavy engineering specific verticals such as materials. ISG observes that IT and BPO service providers may get invited to execute engineering services contracts due to their existing relationships with the CIO office. But in the long run client retention demands deep engineering domain expertise. Service providers that bring in partner firms in the engineering space stand a good chance to win and retain clients. (Source: ISG Report)

### *Conglomerates*

ISG notes that cost-cutting and operational efficiency represent key drivers in this sector. There is opportunity for conglomerates to be successful by increasing efficiency through outsourcing in areas such as product design and product management. It is important that service providers showcase their capability to provide business-specific solutions that address the client's business risk while helping them reduce cost. Emphasis is also placed on service providers being able to display global delivery capabilities that can address both the client's local requirement and risk in transition from one cost-effective location to the other. (Source: ISG Report)

### *Construction*

ISG notes that the need to modernize infrastructure, centralise operations and manage capital expenditures are prominent challenges facing this sector. As such, there is a need to invest in outsourcing in technology areas such as scaleable software solutions, collaborative solutions, cloud-based building information modelling platforms and analytics. (Source: ISG Report)

### *Retail*

ISG notes that outsourcing has been increasing in the retail vertical during the past few years as the nature of the business continues to change and retailers aggressively seek to reduce costs. (Source: ISG Report)

Set forth below are some key trends relating to IT spending in the retail sector:

*Increased spending on outsourcing among mid-sized retailers:* ISG notes that retail companies with revenue in the range of USD2 billion to USD5 billion have significantly increased their level of activity in terms of sourcing. ISG notes that there were multiple outsourcing transactions in 2014, especially in the specialty retail business. (Source: ISG Report)

*Need for integrated solutions:* Retail clients are looking at applications and infrastructure together, and they are looking at a single provider to source both. Clients are seeking value in consolidating and giving everything to one service provider so that they can develop a more meaningful relationship even if the firm is smaller. (Source: ISG Report)

*Service providers lack integrated capability:* Service providers in the retailing industry have been investing in domain capability and hiring consulting resources. However, there is a bit of an integration challenge for service providers, even though some are promoting an integrated story of offering one platform that will run all systems, whether it is applications or infrastructure. (Source: ISG Report)

*Emergence of niche players:* Many smaller companies have emerged as specialists in areas of social media, analytics and mobility solutions for retailers. Clients are relying more on hiring specialist firms that can roll out their mobility rather than the traditional service providers, which are unable to offer end-to-end services in these areas. (Source: ISG Report)

*Greater enthusiasm toward the cloud:* Since retail companies want to reduce operating expenses and maximize savings, and also want to deliver seamless experiences to their customers, cloud computing is a good fit. (Source: ISG Report)

### *Aerospace*

Many firms in the aerospace segment are enthusiastic about the civil aviation segment, with new airlines coming to the market. The stress on research and development and innovation is driving engineering services. ISG observes that clients are partnering with service providers that are flexible and offer managed services and risk-sharing models. Service providers are advised to be flexible and work with clients through new engagement models like gainsharing, while enhancing their engineering services and product development capabilities. (Source: ISG Report)

### *Media*

ISG notes that there are two distinct outsourcing client profiles within the media industry. ISG classifies the two types as "mature" and "immature" outsourcing companies. Mature, experienced outsourcers mostly have already undergone major transformation programmes and currently are concentrating on adjusting their outsourcing engagements to provide incremental savings. Large, transformational opportunities exist at "immature" clients, but these companies are very circumspect about outsourcing. They often do not accept the premise that an outside firm can manage operations better than they can do it themselves. These potential clients are challenging to win, but they offer large potential rewards for service providers because of the scope of opportunity. (Source: ISG Report)



Where media companies fall on the maturity scale often relates directly to how much they have embraced digitalization, which has disrupted the industry. Media companies that are on the front edge of offering digital content through mobile and other channels also tend to be the companies that have undergone transformation and outsource most extensively. Conversely, digital laggards tend to be vertically integrated and manage most of their IT and back-office functions in-house. (Source: ISG Report)

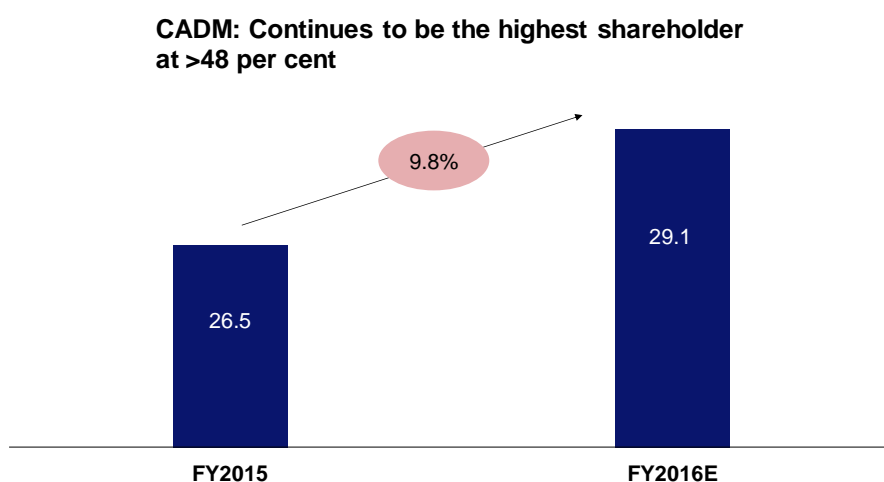
ISG observes that there is a market for cloud storage services in the vertical. The amount of content that media companies produce is exploding because of their need to support different distribution channels. Investing to expand traditional infrastructure becomes cost-prohibitive as storage needs scale, which has led to a strong demand for cloud storage that ISG expects to continue. Outsourcing service providers can promote the new ideas, services and technologies the media industry needs. ISG observes that specialized digital services are a powerful lead-in for winning attention and new business in the vertical. There is strong current demand for content management systems and services that can span all delivery channels (such as mobile, web, print and podcast/audio). (Source: ISG Report)

Set forth below are the key trends in certain service offerings for 2015:

#### *Custom Application Development and Management*

According to NASSCOM, custom application development and management (“CADM”) has seen a greater than 11 per cent CAGR in revenues over the past five years. India’s share in the global CADM market is approximately 30 per cent. Further, approximately 95 per cent of the IT firms operating in India offer CADM services. NASSCOM notes that CADM is expected to see approximately 10 per cent growth in exports for fiscal year 2016 compared to fiscal year 2015. CADM is expected to have the highest share in IT services export (48 per cent) for fiscal year 2015. (Source: NASSCOM Report)

NASSCOM notes that the growth in CADM is driven by specialized services. The chart below shows the expected growth in CADM for fiscal year 2016, compared to fiscal year 2015:



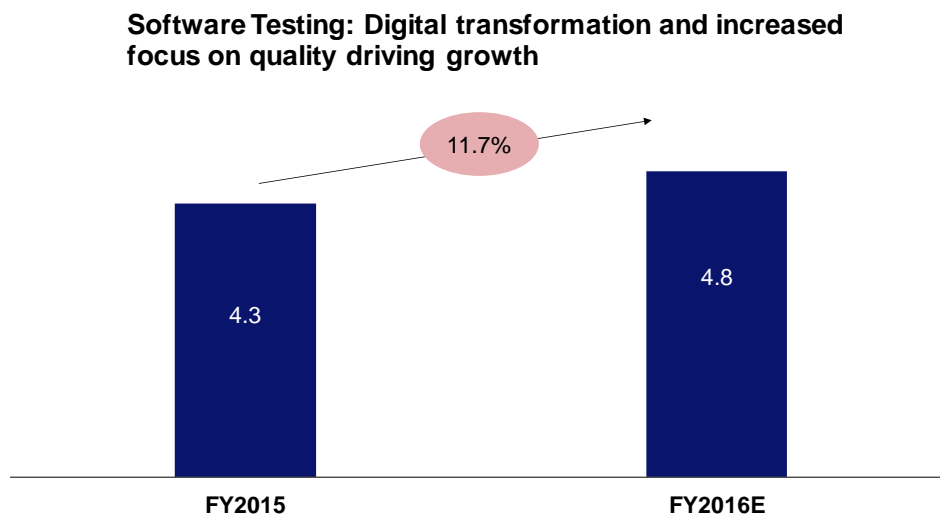
NASSCOM notes the below key trends in relation to CADM:

- Increasing number of firms are using custom application development as a means to enhance customer service with tailored solutions. The need to be differentiate their company and competitors and the need to comply with regulations and industry mandates are driving growth in the segment
- CADM services using cloud computing, mobility considered as a strategic toll to enhance business processes and improve customer satisfaction and acquisition.
- Revenue from maintenance is significant as a substantial share of customer IT budgets is spent on keeping the business running.
- Enterprise applications becoming increasingly consumer oriented-mobile and on-the-go; applications’ delivery mechanism shifting to cloud-based environment vis-a-vis earlier when it was on client’s LAN or intranet.
- Demand for migration, porting and re-platforming of traditional on premise application to SaaS from both clients and ISVs provide significant opportunity. (Source: NASSCOM Report)

#### *Testing*

NASSCOM notes that software testing is expected to see approximately 12 per cent growth in exports for fiscal year 2016 compared to fiscal year 2015. Testing is expected to have an 8 per cent share in IT services export for fiscal year 2016. Testing has seen an approximately 15 per cent CAGR in revenues over the past five years. (Source: NASSCOM Report)

The chart below shows the expected growth in growth in testing for fiscal year 2016, compared to fiscal year 2015:



NASSCOM notes the below key trends in relation to Testing:

According to NASSCOM, agile testing is growing in acceptance even though it is yet to fully mature. Additionally, crowdsourced testing is gaining popularity and testing automation as well as data management are adapting to the new technology demands. NASSCOM notes that key drivers for third party and GICs are cloud based testing, IP-led testing, testing-as-a-service, automated testing and testing in domain-specific niche services along with transformational programs using SMAC and IoT. (Source: NASSCOM Report)]

#### *Digital*

NASSCOM notes the below trends in relation to emerging technologies and digitization:

According to NASSCOM there is a gradual shift from traditional landscape towards digital technology and the service providers need to re-examine their business models, talent requirements and overall organisation. NASSCOM notes that automation in the traditional IT services business could affect revenues in the medium term, which can be replaced by new digital services with early adopters of automation believing that almost a fifth of them reported achieving cost savings of more than 15 per cent from intelligent process automation. (Source: NASSCOM Report)]

## OUR BUSINESS

*In this section, unless the context otherwise requires, a reference to our “Company” or to “we”, “us” and “our” refers to Larsen & Toubro Infotech Limited and our Subsidiaries on a consolidated basis. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our consolidated Restated Financial Statements.*

### Overview

We are one of India’s global IT services and solutions companies. In 2015, NASSCOM ranked us as the sixth largest Indian IT services company in terms of export revenues. We were amongst the top 20 IT service providers globally in 2015 according to the Everest Group’s PEAK Matrix for IT service providers. Our clients comprise some of the world’s largest and well-known organisations, including 49 of the Fortune Global 500 companies.

We offer an extensive range of IT services to our clients in diverse industries such as banking and financial services, insurance, energy and process, consumer packaged goods, retail and pharmaceuticals, media and entertainment, hi-tech and consumer electronics and automotive and aerospace. Our range of services includes application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions and platform-based solutions. We serve our clients across these industries, leveraging our domain expertise, diverse technological capabilities, wide geographical reach, an efficient global delivery model, thought partnership and “new age” digital offerings.

We were incorporated in 1996 and are headquartered in Mumbai, India. We leverage the strengths and heritage of our Promoter, Larsen & Toubro Limited, a leading Indian conglomerate in engineering, construction, manufacturing, finance and technology. The L&T group provides us with access to professionals with deep industry knowledge in the sectors in which we do business. We have also inherited from the L&T group its corporate and business culture and corporate governance practices, which in our view places us in good stead in relation to our business. In addition, we benefit from our “Business-to-IT Connect” model, which we derive from the commonality of business verticals with our Promoter. For further details, see “Our Business – Our Competitive Strengths – Strong domain focus enabling Business-to-IT Connect” on pages 105 to 106.

Our growth has been marked by significant expansion of business verticals and geographies in which we do business. Besides India, we provide services globally and the percentage of our revenue from continuing operations from North America, Europe, Asia Pacific and the rest of the world amounted to 69.0%, 17.4%, 2.0% and 5.8% for Financial Year 2016 and 68.6%, 17.9%, 2.4% and 6.9%, for Financial Year 2015, respectively. As of May 31, 2016, we had 22 Delivery Centres and 41 sales offices globally.

As part of a business restructuring exercise conducted by our Promoter, all engineering services businesses of our Promoter have been consolidated under a separate subsidiary of our Promoter, LTTSL. As part of this restructuring, on January 1, 2014, we sold and transferred the assets and liabilities of our PES Business to LTTSL. Our PES Business was responsible for the operations of our telecom cluster, providing IT services and solutions to our clients in the telecommunication sector. For further details on our PES Business, see “Our Business – Notable Developments” on page 118.

Our revenue from continuing operations increased by a CAGR of 13.5% from ₹45,351.64 million in Financial Year 2014 to ₹58,470.60 million in Financial Year 2016. Our USD revenue from continuing operations comprise amounts in foreign currencies across our operations, excluding the United States, that are converted into USD using the month-end/day-end exchange rates for the relevant period. In USD terms, our revenue from continuing operations increased by a CAGR of 9.0% from USD 746.6 million in Financial Year 2014 to USD 887.2 million in Financial Year 2016. Our net profit from continuing operations increased by a CAGR of 18.2%, from ₹6,598.48 million in Financial Year 2014 to ₹9,223.06 million in Financial Year 2016. Our total number of employees increased by 13.9%, from 17,627 as of March 31, 2014 to 20,072 as of March 31, 2016.

### Our Competitive Strengths

We believe that our principal competitive strengths are as follows:

#### Strong domain focus enabling Business-to-IT Connect

We are among the few IT service providers that are part of a diversified business conglomerate. We are part of the L&T group, whose businesses span multiple industry segments. We benefit from the expertise and experience of the L&T group in verticals such as hydrocarbons, heavy engineering, oil and gas and automotive and aerospace. This provides us with the benefit of strong domain experience and understanding of businesses that operate in these verticals, which assists us in developing and delivering IT services and solutions that benefit our clients in these verticals and differentiates us from our competitors. We refer to this as our “Business-to-IT Connect” model and believe that this is a key strength for us.

Our “Business-to-IT Connect” model primarily leverages the domain experience and institutional knowledge of the L&T group across industries to assist us in developing and delivering IT services and solutions that benefit our clients. Our

Business-to-IT Connect model is supplemented by the knowledge sharing of subject matter experts from L&T group companies to facilitate the development of solutions driven by business context and domain knowledge.

We believe that our Business-to-IT Connect proposition provides us with an advantage over our competitors in that we are able to capitalise on strategic opportunities at a faster pace due to the readily available domain and institutional knowledge at our disposal. Over the past ten years, we have built a strong domain orientation across our business verticals in the way we approach our clients with solutions to their business objectives and the way we deliver services to them.

For example, we were able to use our Business-to-IT Connect model in relation to the IT services that we provided to a global automotive original equipment manufacturer for the establishment of a “smart factory” initiative. Subsequent to our request, our parent company disseminated its knowledge on smart factories to us to capture machine information and effectively use digital technologies in relation thereto. Specifically, L&T teams presented to us on the methodologies, approaches and solutions relevant to this engagement which was very helpful for our employees in delivering services to our client.

### **Strong parentage and brand equity of our Promoter**

The “L&T” brand is one of the most well-respected brands in India, which we believe provides us with a competitive advantage, particularly in: attracting talent and new clients; benefiting from our Promoter’s global network; exploring potential business opportunities; best corporate governance practices; accessing capital; and establishing ourselves as a thought partner with the top management of many global corporations. We have and shall continue to capitalise on the ability to engage with and obtain work from strategic global clients, vendors and partners of the L&T group. This differentiates us from our market competitors that are standalone companies, as we are able to take advantage of exposure to L&T group relationships that are familiar with and trust our Promoter’s brand. Our Promoter’s parentage has contributed towards our growth in the IT services industry, and will continue to help us achieve our strategic objectives.

### **Established long-term relationships with our clients**

Client relationships are the core of our business. Our clients include many leading businesses, including 49 of the Fortune Global 500 companies. Our track record of delivering an extensive range of solutions using our global delivery model, demonstrable industry and technology expertise, and sensitivity to our clients’ feedback, has helped us forge strong relationships with our major clients. For example, in Financial Year 2016, we had 17 clients who generated above USD 10 million in revenue, ten clients who generated above USD 20 million in revenue and three clients who generated above USD 50 million in revenue which is reflective of such strong client relationships. We have a history of high client retention and derive a significant proportion of our revenues from repeat business (defined as repeat business generated in the preceding Financial Year) built on our successful execution of prior engagements. In Financial Years 2016, 2015 and 2014, we generated 96.9%, 98.1% and 96.9%, respectively, of our revenue from continuing operations from existing clients across a range of business verticals. In addition, as of March 31, 2016, we had been engaged with over 100 clients for more than three years and had been doing business with two of our largest clients for over ten years. In order to improve our service delivery and facilitate repeat business, we carry out regular surveys, which is important for us to ensure a high level of client satisfaction through continued feedback. We strive to be flexible to our clients’ business needs and requirements, in part through our Thought Partnership® programme, which is a strategic level programme, designed for us to work with executive officers and business leaders from our clients in terms of addressing their current issues and business needs, such as reducing run costs, re-aligning IT with business changes, and helping envision their future technological needs in line with projected business trends.

We have an active and institutionalised approach for managing client relationships. We engage our clients by having a collaborative sales and marketing model where our sales, solutions and delivery teams participate in the sales process. While our sales and account managers assist our clients in day-to-day account management, members of our executive team also help manage strategic client accounts. These relationships have helped us better understand our clients’ business needs and enabled us to provide effective solutions to meet these needs.

### **Extensive portfolio of IT services and solutions**

We have an extensive portfolio of IT services that we offer our clients to address their different business and technology needs. We have continuously invested in broadening our IT service portfolio to span consulting, IT services and software platform-based services, which we tailor to our clients’ specific needs and industries in which they do business. Our suite of business solutions includes technology consulting, enterprise solutions, systems integration, custom application development, application maintenance and production support, infrastructure management, independent testing and validation, Cloud ecosystem integration and business platforms and solutions. The solutions that we provide our clients are technology agnostic. In other words, we do not advocate a particular technology/product and offer the solutions most appropriate to the needs of our clients.

We believe that our extensive portfolio of IT services and solutions enables us to grow our client relationships and scope of engagements, as well as instill our clients with confidence in our ability to address their diverse and dynamic business needs.

## **Focus on emerging technologies**

We look to assist our clients to “engage the future” through our focus on emerging technologies. We invest in new technologies and track new business trends, and believe that every industry will increasingly adopt digital as a key component of its overall IT solutions and services expenditures. We define our digital business as solutions and services offered to clients through the fusion of “new age” technologies for disruptive business transformations, including as part of our Thought Partnership® programme. Such transformations are enabled by creating innovative business models leading to enhancing client experiences and greater operational efficiencies. Some of the technologies that we consider as “new age” include:

- Social
- Mobile
- AIM
- Cloud Computing
- Big Data
- IoT
- Enterprise Integration
- Business Process Digitalisation
- User Experience
- Cognitive Computing

Over the past few years, we have aligned our existing areas of expertise and have created focused initiatives in developing capabilities in emerging technologies, which we eventually intend to offer under a specific brand. In Financial Years 2016 and 2015, our digital solutions service line represented 11.1% and 9.5%, respectively of our revenue from continuing operations.

Our investment in the digital practice is focused on providing our clients with a competitive edge, as well as giving us a competitive advantage in the market. Our digital assets have received multiple industry recognitions. For example, in 2015, the World Innovation Congress recognised our “ServiceFirst<sup>TM</sup>” application (which provides for aftermarket service management across service ecosystems) as the “most innovative Cloud platform as a service”. Moreover, in 2015, the NetApp® Innovation Awards recognised us for our efforts in “innovation in big data”. In 2015, we also received the “Digital Transformation Leaders Recognition” at the CeBIT India awards held in Bengaluru in October 2015. In 2016, the World Innovation Congress recognised our “MyCar” application (which is a cloud-based application that remotely connects customers to their cars and enables them to manage all information relating to their cars) as the “most innovative product of the year”; our “MediaHub” digital media management platform (which provides cloud-based storage and media conversion) as the “most promising new product technology”; and our “Financial Crime EDD Automation Solution” (which provides automated financial crime enhanced due diligence) as the “best innovation in information technology”. Further, Zinnov positions us in the “Leadership Zone” for digital consulting services in Zinnov Zones for Digital Services, released in 2016.

## **Track record of established processes and executing large, end-to-end, mission critical projects**

We believe that we have a reputation for delivering high quality IT solutions and services, as well as timely project completion within agreed cost parameters. We have expanded our offshore, onshore and near shore presence, thus growing and developing our global delivery model and the services it provides, which are, as a result, sufficiently flexible to be adapted to respond to our clients’ objectives, particularly with respect to security, scalability and cost.

Our Company has a track record of executing a number of large, end-to-end, mission critical projects in diverse business areas and technology domains for clients. For examples, see “Our Business – Our Clients – Key Client Relationships” on pages 122 to 123. As part of our execution of large and complex projects, we leverage our expertise in providing comprehensive project/ programme management through our global delivery model (see “Our Business - Global Delivery Model” from pages 118 to 119) and our clients benefit from our experience in multiple technologies, industry knowledge, project management expertise and proprietary software engineering tools developed in-house. Our Company has successfully competed globally to win projects and our success in such engagements has enhanced our recognition in the global marketplace.

## **Strong management culture**

We have built a strong management culture, which has been influenced by our Promoter's core values and work ethic. Since we started doing business, our Promoter has instilled in us its sense of purpose and passion in the manner in which it does business, and we cherish and live by those values. Our management culture is collaborative and team-oriented, which is inherent in the way we do business and we believe this is a source of competitive advantage.

Our management team comprises seasoned technology professionals with global experience, as well as professionals with deep experience in the domains of our clients, which has helped us deliver strong financial performances consistently. We believe that this blend, together with a strong management culture, helps our management team develop deep insights, anticipate trends in the market, and devise and execute our company's strategy effectively.

### **Conducive work environment to attract and retain talent**

People are critical to our business and our ability to grow, depends to a large extent on our ability to attract, train, motivate and retain employees. We have a highly skilled, well-trained and diverse employee base, which provides us with the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake.

We are recognised as a preferred employer in the Indian IT services industry. In 2015, NASSCOM ranked us among the top 20 IT BPM employers in India. Moreover, in 2015, we won five awards from the World HRD Congress in relation to our Indian operations, including training organisation of the year, best leadership development for middle management, best leadership development program for top management, and most innovative use of training and development as an HR initiative for OD. We are committed to the development of expertise and know-how of our employees, as demonstrated by regular technical seminars and training sessions organised by us. We focus on performance management, providing input on leadership qualities, mentoring and periodic reviews for career alignment and planning.

### **Our Business Strategies**

The key elements of our business strategies are as follows:

#### **Focus on a targeted client portfolio**

We intend to continue building long-term sustainable business relationships with our existing clients to generate greater revenues. This involves *inter alia* increasing the scope of engagements with our existing clients; selling additional services to them; deploying project managers, delivery specialists and other professionals to provide value-added business solutions; and eventually become a thought partner with them in terms of their existing and future business needs by identifying priority solutions in consultation with industry experts.

As part of the foregoing strategy, we plan to have an optimal client portfolio to better focus and serve our clients across the geographies and industries in which we do business. We have a track record of high client retention and as our client relationships mature and deepen, we seek to expand the scope of services offered to those clients to achieve incremental revenue growth. Our ability to establish and strengthen client relationships and expand the scope of services we offer to clients will help us grow our revenues and profits.

#### **Targeting higher total contract values**

We are targeting clients who have the potential to offer opportunities with large total contract values. We intend to originate large engagements by either identifying opportunities with our existing client accounts or by targeting new clients whose existing engagements with IT vendors will be up for renewal. We plan to achieve a higher value client portfolio by focusing on annuity applications and infrastructure management service deals, which tend to be long-term in nature. As part of this strategy, we will need to provide clients with greater pricing flexibility and optionality; further develop our client-specific, industry-specific, technological and other solutions required for larger engagements; provide end-to-end services, improve our service delivery across our global delivery model; capitalise on our strengths, such as our Business-to-IT Connect model and leverage our Promoter's parentage; build additional and more holistic relationships with globally well-known software vendors and other partners; and engage in tailored marketing campaigns for specific client accounts. Furthermore, we are in the process of investing in and building sales operations capabilities to establish standardised processes to facilitate our targeting of larger and higher-value client engagements. We believe that the foregoing will enable us to deliver greater value-added IT solutions to our clients' businesses and increase our share of their IT expenditures.

#### **Continue to focus on emerging technologies**

We regularly track new technologies, industry segments and market trends in the IT solutions market and believe that digitalisation will increasingly become systematically critical in the future. We plan to further enhance our digital platforms, build industry and technology frameworks, the 'internet of things', business process digitalisation and end-to-end digital transformational delivery capabilities. With respect to business process digitalisation, we plan to further develop automation tools providing greater value-added propositions to our clients to bring about business processing efficiency for them. We have established business relationships with a number of players in the digital space and, in addition to our existing



capabilities, such relationships will further enable us to develop complex ecosystems along with our partners as a value-added proposition to our clients. Further, we plan to invest seed capital in startups, which will allow us to benefit from their innovation capabilities and digital offerings. We believe this will help us enhance our digital offerings and in turn, give a platform and opportunity to scale up to startups. In addition, as part of our strategic focus in India, we are *inter alia* positioning ourselves to cater to “Smart Cities” opportunities that we have identified therein.

### **Expand our focus on infrastructure management service offerings**

Our IMS service practice offers a wide spectrum of end-to-end services covering IT infrastructure consulting, design, managed services, migration services, operational support, desktop support, and Cloud enablement, hosting and migration. We aim to leverage our “Business 1<sup>st</sup>™,” approach with respect to IMS, which provides extensive services to clients *inter alia* using application development, maintenance, support and testing services, which collectively assist our clients automate their business processes through customised service delivery plans that are aligned with their business needs and objectives. Similar to our approach in relation to emerging technologies, we have agreements with a number of players in delivering our IMS service offerings in a technologically-agnostic way. This approach is beneficial to our clients and helps establish our credibility with them with a view to eventually becoming their thought partners and long-term service providers.

In addition, we are currently looking for strategic acquisition opportunities in relation to our IMS business. We are specifically looking to acquire a complementary business, technology, service or product that can provide us with access to new markets, capabilities or assets in relation thereto.

### **Expand our geographical presence**

We market and distribute our solutions directly through our global delivery model (see “Our Business – Global Delivery Model” on pages 118 to 119). We have historically been dependent on North America and Europe for most of our revenues. In Financial Years 2016 and 2015, revenues originating from North America represented 69.0% and 68.6%, respectively of our revenue from continuing operations. In Financial Years 2016 and 2015, revenues originating from Europe represented 17.4% and 17.9%, respectively of our revenue from continuing operations. While we intend to continue expanding our presence in the United States and Europe, we also plan to expand our geographical reach in other markets that we have identified as having potential, including Australia, Singapore, Japan, South Africa, India and the Middle East. We are in the process of augmenting our teams in these markets to further explore the opportunities therein.

With respect to our operations in South Africa, the Nordic region and the Middle East, we view these regions as gateways to the rest of Africa, Eastern Europe/the Baltic region and the Middle East/North Africa region, respectively. As such, we intend to allocate resources to these markets not only for pure-play market opportunities therein, but also as stepping-stones to other client opportunities that we can identify through greater regional experience, expertise and client referrals. For example, in South Africa, we recruit local nationals to assist in our market penetration efforts, in addition to complying with local regulatory requirements. In the Middle East, we intend to leverage the strong presence of the L&T group, which is engaged in the oil and gas, construction and transportation sectors.

We have identified Germany, France and the Nordic region as important markets for us going forward and we would like to enhance our capabilities and address gaps in language capability, industry expertise, technical expertise and geographic coverage in these countries. As such, we are also currently contemplating pursuing strategic acquisitions in these markets.

### **Strengthen our brand name in the Indian and global IT services market**

The “L&T” brand is well-established as one of India’s most prominent conglomerates and we have benefited from such parentage. At the same time, we intend to further strengthen our “L&T Infotech” brand by continuing to deliver high quality services to our clients, enhancing our market positions in the markets in which we do business and becoming a thought partner with our clients.

Accordingly, we have engaged in a number of brand building exercises, and intend to continue strengthening our brand in the IT services marketplace through brand building efforts, communication and promotional initiatives, such as interacting with industry research organisations and prominent publications, industry analysts, participating in industry events, public relations and investor relations efforts. We also plan to conduct various customised client events, including seminars, roundtables and breakfast sessions on identified industry or technology specific themes with a view to delivering a focused message on our capabilities, experience and value proposition relevant to the specific theme. In addition, we connect with academia through our campus connect programmes and look to further build our brand by attracting the best talent.

We believe that an established record of excellence, the foregoing initiatives and the listing of the Equity Shares will enhance the visibility of our brand name, contribute to our recruitment and retention initiatives and strengthen our recognition as a leader in the Indian IT services industry.

### **Focus on greater internal operational efficiency**

We plan to continue developing and investing in frameworks, accelerators, in-house proprietary solutions and customised software processes to drive efficiencies internally. We also plan to increase our profitability by streamlining our cost structure with a focus on high employee utilisation and optimising resource mix. We have a specific department to identify and implement direct cost reductions in our operations. To this end, business process digitalisation is important in streamlining our cost structure to make us more operationally efficient. We plan to automate various project delivery processes as well as internal IT service processes to enhance human productivity and once various tools are developed in relation thereto, we plan to institutionalise their usage across our business units, which will provide us with the appropriate business platform to be more efficient. We also plan to introduce specific business process digitalisation initiatives in relation to our business verticals and service lines for us to realise operational cost savings. We believe that the foregoing initiatives will allow us to move up the value chain with respect to services offered.

## Operations

We have organised our business into industrial and services clusters to service the market with a focus on business verticals, achieving greater delivery efficiency by cross-utilising resources within similar business verticals, and generally providing management with greater bandwidth for review and control.

## Our Business Verticals

We combine our range of service offerings with industry-specific experience to provide services to clients engaged in various business verticals.

The following table presents the percentage contribution of our various business verticals to our revenue from continuing operations for Financial Years 2016, 2015 and 2014:

Business Verticals	Percentage of our revenue from continuing operations		
	Financial Year		
	2016	2015	2014
Banking and Financial Services	26.3%	27.1%	26.0%
Insurance	20.7%	20.0%	18.8%
Energy and Process	12.7%	16.2%	22.0%
Consumer Packaged Goods, Retail and Pharmaceuticals	9.3%	9.3%	8.4%
Hi-Tech and Consumer Electronics	5.2%	6.9%	7.4%
Automotive and Aerospace	6.8%	5.7%	4.2%
Media and Entertainment	6.2%	5.4%	4.6%
Others*	12.8%	9.4%	8.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\* Includes plant equipment, utilities, engineering and construction and travel and logistics.

### Banking and Financial Services

We deliver end-to-end IT solutions to our BFS clients. This business vertical contributed 26.3% and 27.1% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively. According to the Everest Group's Banking Application Outsourcing Service Providers' PEAK Matrix Assessment published in 2015, we were positioned as a "major contender" in respect of our market success (as measured by the ACV of large active AO deals, the number of large active AO deals and our yearly vertical specific AO revenue growth) and our delivery capabilities, among banking-application outsourcing service providers.

Our BFS clients are primarily based in the North America, Europe, the Asia Pacific, South Africa and India. Our largest client in Financial Years 2016 and 2015 was Citibank and accounted for 14.9% and 14.1%, respectively of our revenue from continuing operations for such periods. For further details, see "Our Business – Our Clients – Key Client Relationships – Our relationship with Citibank" on page 122.

Our core service offerings in this business vertical are:

*Capital Markets and Investment Banking:* We provide business solutions, capital markets and investment banking IT services across the financial and securities industries. We have experience in working with global financial institutions to develop their IT solutions for pre-trade, trade and post-trade processes. Our areas of expertise include custody and settlement, asset servicing, transfer agency and income statement reporting.

*Wealth and Asset Management:* We deliver wealth and asset management IT services across various asset classes in functional areas such as portfolio management, private banking and fund accounting. Our SaaS-based transfer agency solution, Unitrax<sup>®</sup>, is used by fund houses in Canada.



*Corporate and Retail Banking:* We offer corporate and retail banking IT services and solutions to corporate financial institutions in various areas, including CRM, enterprise data management platform mobility, mobile banking, customer centric channel banking, cash management, trade finance, lending, leasing, payments and cards.

*Finance, Risk and Compliance:* We offer a range of services, including consolidation of financial data across multiple banking entities and the development of IT solutions for in house financial reporting, risk management, and regulatory compliance in areas including KYC, AML, Basel regulatory framework, CCAR and FATCA.

We also provide the following “new-age” service offerings to our clients in this business vertical:

*Digital Transformation:* We implement large digital channels transformation programmes to deliver consistent banking experience across multiple digital channels. We leverage smart devices and our UXD to enhance user experience.

*Front to Back Automation:* Our IT services enable banks to reduce their total cost of ownership by implementing technologies such as machine learning, robotics automation, digitisation and business process management. We leverage our solutions to enhance operational efficiencies and data management.

*IT Simplification:* We provide thought partnership to clients’ CIOs for application portfolio rationalisation, legacy modernisation and decommissioning services.

*Development Operations Digital Delivery:* We offer strong expertise in development operations execution to respond to the business needs of global banks leveraging Cloud, application lifecycle management and remote layer management tools.

*Customer Centric Modeling:* We specialise in consolidating data residing in disparate systems to create a central source of information and offer a complete view of banks’ customers.

*Centralised Risk Based Testing:* We specialise in setting up centralised testing COE to accelerate automation, improve operational efficiency, predictability and reduce our clients’ costs.

*Business 1<sup>st</sup>™ Production Assurance:* Our “Business 1<sup>st</sup>™ Approach” and global delivery model enables CIOs to consolidate and streamline their run-the-bank operations, enhance productivity, introduce automation and reduce total cost of ownership. For further details, see “Our Business – Global Delivery Model” on pages 118 to 119.

## Insurance

We provide industry-specific insurance offerings, including consulting, IT solutions and services across the insurance value chain, with a focus primarily on property and casualty, life and pensions, health market segments, reinsurance sales, administration and policy matters. This business vertical contributed 20.7% and 20.0% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively. According to the Everest Group’s IT Outsourcing in Global Insurance – Service Provider Landscape with PEAK Matrix Assessment 2015, we were positioned as a “star performer” and a “major contender” in respect of our market success (as measured by the ACV of large active AO deals, the number of large active AO deals and our yearly vertical specific AO revenue growth) and our delivery capabilities among insurance IT outsourcing service providers.

Our insurance clients include carriers, brokers, reinsurers, intermediaries and independent software vendors. Our “domain-focused” technology teams enable us to deliver on a wide range of service offerings for our clients. Some of these service offerings include:

*Consulting Capabilities:* Our domain experts equipped with our assessment toolkits, benchmarking models and KPI dashboards can effectively map a client’s insurance landscape relative to the industry and recommend process/technology enhancements to elevate such client’s positioning.

*Operational Efficiency:* Our capabilities in business process management and automation, platform modernisation/replacement and infrastructure optimisation enable clients to streamline processes to reduce their total costs of operations.

*Customer Experience:* Our digital capabilities enhance customer experience by providing consistent look and feel across different channels and devices. Our UXD and styling enable clients to improve their branding.

*Advanced Analytics:* Our capabilities in prescriptive analytics, locational intelligence, and text and speech analytics elevate a client’s capability to communicate with customers and provide customised products through real time feedback and usage monitoring.

*Technology Currency Management:* Our technology factories and assessment toolkits provide a comprehensive evaluation of the operational environment and any specific requirements, versioning and risk assessment of our clients’ applications and servers and recommend portfolio rationalisation and decommissioning services.

*Fraud Control:* Our data analysis frameworks and KPI dashboards provide our clients with details on geographic impact, categories and techniques of fraud practices to minimise losses.

Some of our key solutions include:

*iCEOn®:* A SaaS-based pay-per-use platform for insurance community ecosystem.

*AccuRUSI®:* An underwriting workbench enabling efficiency in underwriting process.

Our IT service offerings and solutions are provided for the business areas of:

*Claims Optimisation:* Our comprehensive sets of toolkits, frameworks and solutions such as digital adjuster analytics for straight-through-processing and automatic allocation enable our clients to improve their operational efficiencies and reduce cycle times.

*Underwriting Profitability Improvement:* Our underwriting solutions facilitate integration with multiple internal and external systems to facilitate workflow automation across the underwriting lifecycle. These solutions leverage advancements in technologies such as location intelligence, business analytics, collaboration and mobility.

*Distribution Effectiveness:* Our portals for agent and partner collaboration, digital assistance for field staff and channel management solutions provide flexibility and adaptability to our client's distribution models.

We work in collaboration with various industry bodies, insurance product companies, technology companies, industry analysts and technical partners. We have expertise in product development and maintenance, which has enabled us to implement the global delivery model for software products in relation to end-to-end software lifecycles. For further details, see "Our Business – Global Delivery Model" on pages 118 to 119.

## Energy and Process

We offer end-to-end energy and process software solutions and consultancy for our energy and process business vertical services mainly in three sub-verticals: oil and gas, mining and process manufacturing. This business vertical contributed 12.7% and 16.2% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively.

Our energy and process global clients include, integrated oil companies, national oil companies, petrochemical, process and mining companies and oil field services organisations. Chevron was one of our largest clients in Financial Years 2016 and 2015 and accounted for 5.9% and 7.0% of our revenue from continuing operations for such periods. For further details, see "Our Business – Our Clients – Key Client Relationships – Our relationship with Chevron" on page 122.

Our IT service offerings are in the following key business areas:

*Oil & Gas Upstream:* We provide IT services pertaining to:

- Geophysical and geological data management;
- Digital oilfield;
- PetroTech services – production optimisation and hydrocarbon accounting; and
- Information management.

*Oil & Gas Midstream:* We offer IT services to our midstream customers pertaining to:

- Energy trading and risk management;
- Supply chain management; and
- Pipeline management.

*Oil & Gas Downstream:* Our solutions and services in the downstream are spread across refinery, consulting, retail/marketing and operations. We offer IT services pertaining to:

- Digital refinery;
- Secondary fuel distribution;
- Fuel retail solutions;

- Enterprise asset management; and
- Regulatory compliance management.

*Process Manufacturing:* Our integrated solutions for the chemicals and process industry connects supply chains to plant processes, production equipment and shop-floor control. We offer IT services pertaining to:

- Structured and unstructured data management for process manufacturing planning, batch tracking and traceability, compliance with manufacturing standards;
- Process automation;
- Inventory and asset management; and
- Remote monitoring.
- *Mining:* We offer IT services to our customers in the mining industry pertaining to:
  - Drill and blast planning;
  - Explosives management and tracking;
  - Blast movement monitoring;
  - Mine design and modeling;
  - Geological data management;
  - Fleet management system; and
  - Mining and ore beneficiation.

We provide the following key IT service offerings to our clients across the value chain in the oil and gas, process and the mining industry:

*Enterprise solutions:* We offer a complete basket of services for enterprise solutions (SAP and JD Edwards) implementation, consolidation, migration and global support across the upstream and downstream segments.

*IT for Large Capital Projects:* We leverage our Promoter's rich experience in executing large oil and gas and EPC projects in delivering efficiency in terms of both cost and time through the effective utilisation of IT-based solutions.

*IT for Operations:* We offer services in the operations space, leveraging our Promoter's experience in providing control and automation solutions to the energy and petrochemical industry, and provide the following IT services:

- Process automation;
- Inventory and asset management;
- Asset performance management;
- Regulatory compliance;
- Remote operation monitoring; and
- Manufacturing execution system.

#### Consumer Packaged Goods, Retail and Pharmaceuticals

We provide IT solutions and services to our clients across the consumer packaged goods, retail, and pharmaceutical industries. This business vertical contributed 9.3% of our revenue from continuing operations in both Financial Years 2016 and 2015. Our clients in these industries include global consumer goods companies, retail chains and global manufacturers of medical devices, pharmaceuticals and consumer goods.

We leverage the engineering, manufacturing, process automation and supply chain management practices of our Promoter to provide Business-to-IT Connect for manufacturers of consumer packaged goods, pharmaceuticals and medical devices. We work closely with our digital solutions and services practice to provide solution accelerators in focused areas, including retail

analytics, Cloud platform migration and consumer experience management. We have capabilities for accelerated enterprise solutions rollouts and a global delivery model in highly regulated industries, including food and drug manufacturing.

#### Hi-Tech and Consumer Electronics

We offer extensive IT solutions and services to our clients in the hi-tech and consumer electronics industries through domain-based offerings to various clients, including semi-conductor manufacturers, foundry manufacturers, original equipment manufacturers, contract manufacturers, solar equipment manufacturers, retailers and distributors. This business vertical contributed 5.2% and 6.9% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively.

Our solutions and services enable semiconductor manufacturing companies to optimise their supply chain process, including supply chain planning cycle optimisation, wafer map analysis, in-memory yield management, and multi-dimensional analytics and reporting solutions. We have several solutions which were developed in-house, that specifically address our clients' needs in the hi-tech and consumer electronics industries.

#### Automotive and Aerospace

We offer a variety of software services and IT solutions to automotive and aerospace manufacturers and suppliers across the value chain, including research and development, sourcing and operations, distribution and logistics, sales and marketing, after-sales and customer service. This business vertical contributed 6.8% and 5.7% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively.

In the aerospace and defense practice, we leverage experience from our parent's heavy engineering division to utilise our Business-to-IT Connect model, which enhances the operational efficiencies we provide across the business value chain. We have developed industry-specific solutions within this industry practice, such as warranty management, product traceability and serialisation, product cost and buyer analytics, dealer business management, field force mobility, field service management, engineering-to-order, bid management, voice of customer programme leveraging social media, Big Data using telematics, mobility-based solutions and IoT, which provides connectivity to enable objects to exchange data.

#### Media and Entertainment

We have experience in delivering specialised, industry-focused solutions in segments, including cable and broadcasting, filmed entertainment, music, print and publishing, information services, and marketing and advertising. Our media and entertainment clients include publishers, digital content producers and broadcasters, such as a U.S.-based global leader in media and entertainment and a U.S.-based global mass media company specialising in cinema and cable television. This business vertical contributed 6.2% and 5.4% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively. According to Zinnov's Media and Entertainment Global Service Providers Rating – 2015, we were positioned in the "leadership zone" for the broadcasting segment and were recognised for our capabilities in the new media, education, entertainment, marketing and advertisement, information services and publishing segments.

Our experience spans across key business processes, including procure to pay, order to cash, digital media supply chain comprising linear and non-linear content packaging and distribution, linear and digital advertisement sale management, rights and royalty management, consumer analytics, content monetisation and content-led e-commerce. We leverage alliances with industry players on a case-by-case basis to enhance our domain expertise in developing customised solutions. We offer IT solutions in industry-specific areas, including OTT broadcasting, digital transformation audit, digital advertising insight, digital vault and STORRM, event and talent management, and social analytics platforms.

#### Others

Our other business verticals contributed 12.8% and 9.4% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively and primarily comprise of:

##### Plant Equipment

We offer comprehensive IT solutions and services to address the specific needs of our clients in the plant equipment industry in relation to discrete manufacturing.

Our customised industry-specific solutions encompass areas such as supply chain management, warranty management, shop-floor-to-top-floor integration and productivity improvement, serialisation and traceability, and production analytics. We have developed various industry-specific capabilities within this business vertical, including construction and mining machinery, electronic and electrical equipment, and industrial machinery and components. Our plant equipment clients include plant equipment and industrial machinery companies, such as a U.S.-based supplier of industrial and environmental machinery and a U.S.-based multinational conglomerate serving customers in the commercial aerospace, defense and building industries.

##### Utilities, Engineering and Construction

We offer software solutions and consultancy services across various phases of the engineering, construction and procurement value chain, from proposal to award; project planning and design to take-off; procure to pay; execution to delivery; and project financials.

We have also developed industry-specific capabilities in various industries within the utility practice, including power plant generation, transmission and distribution, and retail. Our utilities, engineering and construction clients include energy retailers and utility companies, including our Promoter and a U.S.-based midstream company.

#### Travel and Logistics

We offer IT solutions and services to clients in the travel and logistics industries by leveraging our domain expertise across the aviation, shipping, surface transportation and logistics segments. Our travel and logistics client profile comprises logistics and transport service providers and airport operators.

#### **Our Service Lines**

We have expertise in service offerings that address a diverse range of our clients' IT requirements. The following table presents our IT service lines and their percentage contribution to our revenue from continuing operations for the periods indicated:

Service Lines	Percentage of our revenue from continuing operations		
	Financial Year		
	2016	2015	2014
Application Development, Maintenance and Outsourcing	42.4%	43.4%	43.0%
Enterprise solutions	23.7%	24.8%	27.5%
Infrastructure Management Services	9.7%	8.7%	8.0%
Testing	9.8%	9.5%	8.5%
Digital Solutions*	11.1%	9.5%	7.5%
Platform-Based Solutions	3.3%	4.1%	5.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\* Digital Solutions includes AIM, Enterprise Integration and Mobility

#### **Application Development, Maintenance and Outsourcing**

We provide application development and maintenance services over the entire IT life cycle for various business verticals. This service line contributed 42.4% and 43.4% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively and includes the following services:

*Application Development:* We design and develop new applications and systems, and enhance existing applications and systems to meet the specific requirements of our clients. Our application development services span across the entire software development life cycle in our identified business verticals. Our application development services are offered based on both fixed-price and time-and-materials pricing models.

*Application Maintenance and Support:* We provide a wide range of application maintenance and support services, including 24x7 production support, application enhancement, upgrading of application platforms and database migration. Our IT services are designed to ensure the availability of systems for maximum usage, reduce maintenance and support requirements, improve scalability and increase throughput by improving productivity over time.

*Application Outsourcing:* We provide application outsourcing services to our clients, including a four-phase outsourcing approach (i.e., assessment, transition, steady state and transformation (continuous improvement)). We use our proprietary frameworks and four-tier governance model to ensure that engagements follow stakeholders' expectations, through a resource management model, which caters to planned ramp-ups for ongoing client requirements and fast-track ramp-ups for peak resource requirements on short notice. Overall, our global delivery model can be tailored to meet our clients' dynamic needs. For further details, see "Our Business – Global Delivery Model" on pages 118 to 119.

We leverage our solution frameworks developed in-house, which are specifically designed to facilitate governance and operations management in providing application development and maintenance services. The framework helps to manage transition and steady state operations of an offshore centric application development and support services engagement. Some of the tools in the framework include: transition workbench; project management system; request management system; problem tracking system; defect tracking system; time booking system; service level management; and a management utility for strategic information and control.

#### **Enterprise solutions**

Our enterprise solutions' service line provides solutions to clients using SAP, Oracle and Microsoft platforms across our business verticals, such as energy and process, high-tech and consumer electronics, automotive and aerospace, plant equipment and industrial machinery. This service line contributed 23.7% and 24.8% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively.

## SAP

We offer a comprehensive suite of services covering the entire SAP life cycle. Our IT service offerings include implementation, global roll-outs, application maintenance and support, technical and functional upgrades, database migration and solution consulting services. We also assist our clients realise business transformations. By virtue of our domain experience, we build customised solutions on the SAP platform for our clients globally, such as for fuel management systems for power generation companies and sales and profitability cockpits for consumer packaged goods, retail and pharmaceutical clients.

We partner with SAP across various geographies. Our consulting services guide clients throughout the enterprise solution life cycle.

## Oracle

As an Oracle worldwide platinum partner, we have access to the latest Oracle solutions, preferential treatment with respect to technical support, as well as can on-license Oracle solutions to our clients. We combine technical and industry-specific capabilities, including proprietary tools, accelerators and proven methodologies, to deliver business solutions to enable our clients to realise economic returns on their Oracle investments.

We offer IT service capabilities covering: consulting, global template design; implementation; rollouts; change management; instance consolidation; upgrades/migrations; integration; testing; training; maintenance; and support. We focus on innovation and excellence by investing and operating a dedicated CoE across various Oracle products to develop innovative solutions in emerging technologies, including in the digital space.

## Microsoft

We are a Microsoft partner offering services in Microsoft dynamics products: Microsoft Dynamics CRM and enterprise solutions.

### Infrastructure Management Services

Our IMS line assists our clients design, build and operate their critical ICT infrastructure. This service line contributed 9.7% and 8.7% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively.

Our Business 1<sup>st</sup> methodology that we use for our IMS service line enables us to customise our support services in accordance with the complex business needs of our clients. Our processes are certified for ISO/IEC 20000-1:2011 and assessed at CMMI-SVC v1.3 (Maturity Level 5). Our partnerships with hosting and Cloud providers and with end-user computing providers enables us to support the entire ICT infrastructure landscape of our clients.

We have invested in building our capabilities in the areas of Cloud, data centres, application operations, networking, end-user services and IT security. We have built our training infrastructure and training programmes, encapsulated in our SCALE (Simulated Center for Accelerated Learning and Excellence) laboratory.

We have provided our employees with the requisite technical proficiencies required to service our clients. We also have a shared service delivery platform that showcases our capabilities in IMS tooling.

We have recently entered into a multi-year contract with Elkjøp, a large consumer electronics retailer in the Nordic region, to provide infrastructure management and data center services

### Testing

Our comprehensive end-to-end testing service portfolio is divided into three areas: core testing, test advisory services and specialised testing services. Along with such portfolio, we have technology as well as domain centric frameworks and accelerators developed in-house, which are in addition to off-the-shelf products, to deliver efficiencies and effectiveness to our clients in terms of "speed to market" and enhanced product quality. This service line contributed 9.8% and 9.5% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively. In 2016, we were also featured as a "Major Contender" and ranked as a "Star Performer" in Everest Group's Independent Testing Services Providers' Assessment PEAK Matrix™ 2016.

Core testing services are most widely performed for our clients in relation to quality assurance. Our range of core testing services includes: functional testing; system testing; acceptance testing support; integration testing and regression testing. We

also offer performance engineering services as part of a premium package to address the key performance parameters of our clients, such as speed, scalability, availability and capacity. Our suite of performance engineering solutions comprises of managing performance test life cycle activities, defining standards and processes, and consulting.

Our test advisory service includes a testing function assessment based on best industry practices using our current state assessment framework. Such services assist our clients to establish testing COEs and to develop favourable economics for testing as a function.

Specialised testing services cover areas such as test automation, performance, security, data centric testing, mobility testing and product validation.

## Digital Solutions

We define our digital business as solutions and services offered to clients through the fusion of “new age” technologies for disruptive business transformations. Such transformations are enabled by creating innovative business models leading to enhancing client experiences and greater operational efficiencies. Some of the technologies that we consider as “new age” include: SMAC, Big Data, IoT, Enterprise Integration, Business Process Digitisation, User Experience and Cognitive Computing. Our digital solutions service line contributed 11.1% and 9.5% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively and includes the following services:

### Analytics and Information Management

Our AIM service sub-line offers DW, AIM services to clients across various business verticals. Our AIM service portfolio includes end-to-end BI/DW implementation and support, application re-architecting and technology upgrades, data management and quality services, and data visualisation. We provide strategy and consulting services covering industry-specific BI/DW strategy and roadmaps, architecture definitions, establishment of information management competency centers, master data management strategy and architecture services. Our BI solutions are typically customised or pre-built on enterprise information platforms for web reporting and analysis, which enables users to perform *ad hoc* analysis and generate reports through the use of dashboards.

### Enterprise Integration

Our enterprise process integration service sub-line offers consulting, implementation, support and maintenance services covering all enterprise integration requirements, including BPM, business process automation (including robotic process automation), enterprise application integration, application programming interface management, business-to-business integration and enterprise content management. We provide a range of enterprise integration services based on industry-specific experience across various technologies. We also offer certain industry-specific solutions, across various business verticals.

### Mobility

Our mobility service line delivers end-to-end solutions and services on diverse technologies and platforms. We have developed solutions using “new age” technologies, in addition to developing various frameworks and accelerators for rapid application development.

Our in-house developed platform facilitates omni channel application development enabling integration with heterogeneous backend systems. We have developed a suite of applications targeted for different business verticals, including banking and financial services, insurance, energy and process, consumer product goods, retail and pharmaceuticals. These applications cover a wide spectrum of devices and technologies, such as iOS, Android, Windows and Blackberry.

The front-end engineering services that we offer have helped clients re-architect their existing desktop applications into responsive applications with enhanced user experiences. We utilise our global delivery model in developing applications for clients (see “Our Business – Global Delivery Model” on pages 118 to 119) in order to deliver value to our clients in terms of reduced cost and higher efficiency.

## Platform-Based Solutions

Our BI solutions provide enterprise information platform-based solutions for web reporting and analysis, enabling our clients to streamline reporting requirements. This service line contributed 3.3% and 4.1% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively. We also provide a number of solutions designed specifically for the investment fund and asset management industries based on the Unitrax® platform, with several modules that further expand its functionality. In addition, our product line includes Investortrax and Advisortrax, which provide investors and advisors with convenient, web-based, secure and encrypted access to real-time account information.

## Notable Developments



As part of a business restructuring exercise conducted by the L&T group, all engineering services businesses of the L&T group have been consolidated under a separate subsidiary of the L&T group, LTTSL. As part of this restructuring, on January 1, 2014 we sold and transferred the assets and liabilities of our PES Business to LTTSL by way of slump sale. Our PES Business was responsible for the operations of our telecom cluster, providing IT services and solutions to our clients in the telecommunications sector. The IP business of our PES Business was conducted by our wholly-owned subsidiary, GDA USA, and the German operations of our PES Business was conducted by our wholly-owned subsidiary, L&T Infotech GmbH.

The sale and transfer of all of the assets and liabilities of our PES Business housed in GDA USA became effective on January 1, 2014 for a total purchase consideration of ₹4,895.27 million. GDA USA was wound-up on March 28, 2014. As part of the restructuring, we acquired the Indian incorporated subsidiary of GDA USA, GDA Technologies Limited, for a purchase consideration of ₹322.76 million (which was based on a fair valuation carried out by external chartered accountants).

In accordance with the requirements of German law applicable to the sale and transfer of our PES Business to LTTSL, together with the sale and transfer of all of the assets and liabilities of our PES Business housed in L&T Infotech GmbH, became effective on September 1, 2014, for a total purchase consideration of ₹129.20 million (which was based on a fair valuation carried out by an external valuer in Germany). The purchase consideration was determined based on the discounted cash flow method of business valuation. See (Annexure IV (C) (6) to our restated consolidated financial statements for Financial Year 2015 in “Financial Statements” from pages 250 to 251 for a description of the assets and liabilities of our PES Business sold and transferred to LTTSL.

As a result of the transactions described above, we have recognised profits on the sale and transfer of our Product and Engineering Services Business in Financial Years 2015 and 2014 as extraordinary items, which has not occurred in Financial Year 2016 and will not recur in other future financial periods. In addition, we have also recognised revenues from the discontinued operations of our Product and Engineering Services Business for Financial Years 2015 and 2014, which we have not recognised for in Financial Year 2016 and will not recognise in other future financial periods. Accordingly, the results of operations presented in this Prospectus may not be comparable. For further details, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Note Regarding Non-Comparability of Results of Operations” on page 295.

### Global Delivery Model

We have an integrated global delivery model that allows us to deliver on-site and offshore-based IT services to our clients. Our on-site delivery is performed through a combination of employees based at client premises and our Delivery Centres.

	Percentage of export revenues		
	Financial Year		
	2016	2015	2014
Onsite	52.3%	51.8%	53.9%
Offshore	47.7%	48.2%	46.1%

Our Delivery Centres are premises from which we provide services to our clients around the world.

As of May 31, 2016, we had nine Delivery Centres (all of which act as sales offices) in India as further described in the table below:

Location	Number of Delivery Centres
Pune	3
Bengaluru	2
Chennai	1
Navi Mumbai	2
Mumbai	1

As of May 31, 2016, we had thirteen Delivery Centres outside of India (some of which also act as sales offices) as further described in the table below:

Country	Number of Delivery Centres	City
United States	6	Bakersfield (California); Edison (New Jersey); Hartford (Connecticut); Houston (Texas); Jupiter (Florida); Tampa (Florida)
Canada	1	Mississauga (Ontario)
Costa Rica	1	San Jose
Philippines	1	Manila
Singapore	1	Singapore
South Africa	1	Johannesburg
United Kingdom	1	Belfast



Country	Number of Delivery Centres	City
Germany	1	Munich

We view our global delivery model as a competitive strength that enables us to derive maximum benefit from:

- ready access to a large pool of highly skilled IT professionals;
- access to specialists who are part of our different business verticals and service lines;
- the ability to optimally manage our bench strength;
- a 24-hour execution capability across multiple time zones;
- the ability to accelerate the delivery times of large projects by simultaneously processing project components;
- readily available, highly secure and modern infrastructure;
- physical and operational separation of client projects to provide enhanced security;
- systems and processes that are designed to provide high quality and cost-effective services across geographic regions;
- built-in redundancies to ensure uninterrupted services; and
- a knowledge management system that enables us to reuse solutions where appropriate.

We manage and staff our projects with the objective of efficiently meeting project objectives. Our project management skills have been strengthened through our client engagements, especially our extensive work on large, end-to-end and multi-location projects. We have digitised comprehensive software-based process for managing the global delivery of projects, which enables the effective allocation of resources, tracks profitability and timing in relation to specified deliverables, as well as key milestones, in each case, for those projects. If our projects require specific skills that are not available within our organisation at a particular point in time, we insource personnel from our Promoter in India as well as internationally.

Our quality control processes and programmes are designed to minimise defects and ensure adherence to pre-determined project parameters. Additionally, software quality advisers help individual teams establish appropriate processes for projects and adhere to multi-level testing plans. Each project manager is responsible for tracking metrics, including the actual effort spent versus initial estimates, project budgeting and estimating the remainder of efforts required on a project.

Our global delivery model mitigates client risks associated with offshore IT services. For our communication needs, we use multiple service providers and leased lines with alternate routing. Internationally, we rely on multiple leased lines to connect our Delivery Centres with network hubs in the rest of the world. We also provide business continuity and disaster recovery plans to our clients, which are enhanced by the geographic spread of our Delivery Centres located outside India. Furthermore, we use redundant systems for our critical technical and communication infrastructure that enable us to plan for rapid recovery from unplanned outages, and have a disaster recovery center located in Chennai, India.

As part of our global delivery model, we provide productivity gains, faster service delivery, reusability and high quality work to our clients.

## Geographies

We are a global company operating out of North America, Europe, Asia Pacific, India, the Middle East and South Africa. In each of our geographic segments, we have sales managers, sales hunters, account managers, overlay sales managers, solution architects, sales, pre-sales, delivery and consulting professionals who service our clients. We believe that this structure enables us to develop a better understanding of local requirements and service our clients more effectively.

The following table presents the percentage contribution of our geographic segments to our revenue from continuing operations for the periods indicated:

Geographic segments	Percentage of revenue from continuing operations		
	Financial Year		
	2016	2015	2014
North America	69.0%	68.6%	67.3%
Europe	17.4%	17.9%	20.1%
Asia Pacific	2.0%	2.4%	2.6%
India	5.8%	4.2%	3.4%

Geographic segments	Percentage of revenue from continuing operations		
	Financial Year		
	2016	2015	2014
Rest of World*	5.8%	6.9%	6.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\* Middle East, Australia and South Africa

#### North America

In Financial Years 2016 and 2015, the North America segment contributed 69.0% and 68.6% of our revenue from continuing operations, respectively. The United States is our largest market in North America and contributed 65.7% and 65.3% of our revenue from continuing operations in Financial Years 2016 and 2015, respectively. The IT services market in the United States is highly competitive and mature.

As of May 31, 2016, we had 13 sales offices in North America:

U.S. State/Canadian Province	Number of sales offices	City
California	2	Burbank; San Jose
Texas	2	Houston; Plano
Connecticut	1	Hartford
Georgia	1	Alpharetta
Illinois	1	Schaumburg
Michigan	1	Southfield
New Jersey	1	Edison
Ohio	1	Cincinnati
Canada	3	Mississauga, Toronto, Montreal

As of May 31, 2016, we had eight (six in the U.S., one in Costa Rica, and one in Canada) Delivery Centres in North America as further described in “Our Business – Global Delivery Model” on pages 118 to 119 to assist our North American clients.

#### Europe

In Financial Years 2016 and 2015, the Europe segment contributed 17.4% and 17.9% of our revenue from continuing operations, respectively. Our European operations are geographically segmented into four sub-regions: (1) the United Kingdom, (2) France and the Benelux region (Belgium, the Netherlands and Luxembourg), (3) the Nordic region (Denmark, Sweden, Norway and Finland) and (4) the DACH region (Germany, Austria and Switzerland). The Nordic region is our largest market in Europe and contributed 11.1% and 12.0% of our revenue from continuing operations in the Financial Years 2016 and 2015, respectively. We are strengthening our local language expertise in order to target certain markets more effectively, particularly France and Germany.

As of May 31, 2016, we had ten sales offices in Europe, as further described in the table below:

Country	Number of sales offices	City
Germany	1	Leipzig
Belgium	1	Brussels
Denmark	1	Copenhagen
Finland	1	Espoo
France	1	Paris
The Netherlands	1	Amsterdam
Norway	1	Oslo
Sweden	1	Stockholm
United Kingdom	1	London
Spain	1	Madrid

As of May 31, 2016, we had two Delivery Centres in Europe as further described in “Our Business – Global Delivery Model” on pages 118 to 119 to service our European clients.

#### Asia Pacific

In Financial Years 2016 and 2015, the Asia Pacific segment contributed 2.0% and 2.4% of our revenue from continuing operations, respectively. We are expanding our Asia Pacific operations to address the growth opportunities that we see in this region.

As of May 31, 2016, we had two sales offices in the Asia Pacific region, as further described in the table below:

Country	Number of sales offices	City
Japan	1	Yokohama
Singapore	1	Singapore

As of May 31, 2016, we had two Delivery Centres in the Asia Pacific as further described in “Our Business – Global Delivery Model” on pages 118 to 119 to assist our Asian clients.

#### India

In Financial Years 2016 and 2015, India contributed 5.8% and 4.2% of our revenue from continuing operations, respectively. We are currently focusing our India operations on certain industries that we view as important for the long-term, which include power, defense, railways, transportation, banking and financial services, insurance, and media and entertainment. We are also participating in the Government’s “smart cities” initiative, which seeks to address the substantial urbanisation currently taking place in India. In pursuing this initiative, we are utilising the L&T group’s exposure in this space.

As of May 31, 2016, we had nine Delivery Centres (all of which act as sales offices) in India as further described in “Our Business – Global Delivery Model” on pages 118 to 119.

#### Rest of World

In Financial Years 2016 and 2015, other geographies contributed 5.8% and 6.9% of our revenue from continuing operations, respectively.

*Middle East:* We are expanding our Middle East operations to address the growth opportunities that we see in this region. We aim to leverage our Promoter’s experience and strong presence in Middle East and grow our operations there. As of May 31, 2016, we had four sales offices in the Middle East region, as further described in the table below:

Country	Number of sales offices	City
United Arab Emirates	2	Abu Dhabi; Dubai
Kuwait	1	Kuwait City
Saudi Arabia	1	Dammam

*South Africa:* In Financial Years 2016 and 2015, South Africa contributed 3.8% and 4.6% of our revenue from continuing operations, respectively. In Financial Year 2013, we expanded our presence in South Africa to market and leverage our existing business. We partnered with a local South African entity to form a joint venture in the name of Larsen And Toubro Infotech South Africa (Proprietary) Limited. We are expanding our South African operations to address the growth opportunities that we see in this region and view our operations in South Africa as a gateway to commencing operations in other countries in Africa.

As of May 31, 2016, we had one delivery centre in South Africa as further described in “Our Business – Global Delivery Model” on pages 118 to 119 to assist our South African clients.

*Australia:* We are expanding our Australia operations to address the growth opportunities that we see in this region. As of May 31, 2016, we had three sales offices in the Australia region, as further described in the table below:

Country	Number of sales offices	City
Australia	3	Melbourne; Perth; Sydney

#### Our Clients

##### Client Relationships

We believe that the quality and breadth of our client relationships is critical to our business. During Financial Year 2015, we had 232 active clients, including 41 Fortune Global 500 companies. During Financial Year 2016, we had 258 active clients, including 49 Fortune Global 500 companies.

The table below demonstrates the profiles of our clients in terms of contribution to our revenue from continuing operations for the indicated periods:

Revenues	Number of clients in Financial Year		
	2016	2015	2014
>USD 1 million	85	82	84
> USD 5 million	35	33	33

Revenues	Number of clients in Financial Year		
	2016	2015	2014
> USD 10 million	17	20	19
> USD 20 million	10	8	7
> USD 50 million	3	3	3

The table below demonstrates the concentration of our revenue from continuing operations among our top clients:

Revenue Concentration	Percentage of revenue from continuing operations in		
	Financial Year		
	2016	2015	2014
Top Client	14.9%	14.1%	13.1%
Top 5 Clients	37.5%	37.2%	36.3%
Top 10 Clients	52.7%	49.5%	46.8%
Top 20 Clients	68.2%	63.6%	59.6%

The table below demonstrates the number of active and new clients and the percentage of our revenue from continuing operations that was contributed by repeat business and new clients:

	Number of clients and percentage of revenue from continuing operations		
	Financial Year		
	2016	2015	2014
Active Clients <sup>(1)</sup>	258	232	204
New Clients <sup>(2)</sup>	73	57	54
Revenues from new clients	3.1%	1.9%	3.1%
Revenues from repeat business <sup>(3)</sup>	96.9%	98.1%	96.9%

<sup>(1)</sup> Clients who contributed to our revenues in the indicated period and/or the preceding financial year.

<sup>(2)</sup> Clients who contributed to our revenues during the indicated period but not in the preceding financial year.

<sup>(3)</sup> Revenues excluding revenues from new clients.

We have established long-standing relationships with many of our clients. We believe that our ability to establish and strengthen client relationships will be an important factor in our future growth.

### Key Client Relationships

Citibank and Chevron have been two of our largest clients for over ten years. In addition, Barclays and Time Warner are two of our largest clients. We consider these relationships as very important to our business.

#### Our relationship with Citibank

We have had an ongoing relationship with Citibank since 2001. This client was our largest in Financial Years 2016 and 2015 and contributed 14.9% and 14.1% of our revenue from continuing operations in such periods, respectively.

#### Our relationship with Chevron

We have had an ongoing relationship with Chevron since 2004. This client was one of our largest in Financial Years 2016 and 2015 and contributed 5.9% and 7.0% of our revenue from continuing operations in such periods, respectively.

#### Our relationship with Barclays

We have had an ongoing relationship with Barclays since 2007. This client was one of our largest in Financial Years 2016 and 2015 and contributed 3.1% and 3.4% of our revenue from continuing operations in such periods, respectively.

#### Our relationship with Time Warner

We have had an ongoing relationship with Time Warner since 2013. This client was one of our largest in Financial Years 2016 and 2015 and contributed 1.5% and 1.3% of our revenue from continuing operations in such periods, respectively.

In addition to our relationships with Citibank, Chevron, Barclays and Time Warner, we also have a number of other important clients for our business, including large American insurance companies specialising in property, casualty and personal insurance, a USA-based multinational medical devices, pharmaceutical and consumer packaged goods manufacturer and a USA-based multinational conglomerate serving clients in commercial aerospace, defense and building industries.

## Competition

The IT services market that we operate in is highly competitive and rapidly changing. Our competitors include:

- Indian IT services companies, such as Tata Consultancy Services Limited, Infosys Limited, Wipro Limited, HCL Technologies Limited and Tech Mahindra Limited;
- International IT services companies, such as Accenture Limited (“**Accenture**”), Cognizant Technology Solutions, Computer Sciences Corporation and divisions of large multinational technology firms such as IBM Corporation (“**IBM**”), Hewlett-Packard Company and CapGemini S.A. (“**CG**”); and
- Other international, national, regional and local firms from a variety of market segments, including major international accounting firms, systems consulting and implementation firms, applications software firms, service groups of computer equipment companies, general management consulting firms, technology firms, programming companies, and in-house IT departments of large corporations.

Some of our international competitors, such as Accenture, IBM and CG, have expanded their operations in India, which has resulted in increased competition for our IT services. While we expect these competitive pressures to continue, we believe our domain and technology capabilities, and our client base and success in attracting and retaining highly skilled employees will enable us to compete effectively in our industry.

The IT services industry is also witnessing competition from countries and regions such as China, the Philippines, Eastern Europe and Latin America, which have labour costs similar to India. Clients that presently outsource a significant proportion of their IT service requirements to vendors in India may seek to reduce their dependence on one country and outsource work to other offshore destinations.

## Our Pricing Model and Contractual Terms

### Pricing

We price our IT services on multiple models: a time-and-materials or a fixed-price. For fixed-price projects, we typically take responsibility for end-to-end project execution. We use extensive modeling based on the processes and employees that we plan to use and our past project experience, to estimate the effort and risks involved with individual client engagements.

The table below demonstrates the contribution of these pricing models to our services’ revenue from continuing operations for the periods indicated:

Pricing Model	Percentage of services’ revenue from continuing operations		
	Financial Year		
	2016	2015	2014
Time-and-materials	55.0%	59.7%	63.0%
Fixed-Price <sup>(1)</sup>	45.0%	40.3%	37.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>(1)</sup> Revenue is recognised either on the percentage of completion method or as the services are rendered and costs are incurred based on the underlying economic substance of the contract. The duration of our fixed-price contracts is typically less than five years.

### Contractual Terms

We typically enter into MSAs with our clients. These agreements tend to either have a specified term or continue indefinitely until terminated, while containing general rights and obligations governing our relationship with the applicable client. The MSAs generally incorporate a broad scope of work and do not include any minimum purchase commitment on the part of the client.

For each project, we usually enter into separate work orders with the client, which specify the types of services we are required to provide to the client and the pricing terms of the engagement. Although some of our MSAs contain billing rates for time-and-materials work orders, for most of our IT services the separately agreed work order contains the pricing terms.

Our MSAs typically contain the following terms:

- description of services and deliverables to be provided;
- termination rights in favour of the client, in some instances with cause, and in other instances without cause, and in some instances with, and in other instances without, notice;

- roles and responsibilities of the parties;
- pricing terms;
- representations and warranties covering, among other things, the services we perform;
- confidentiality provisions;
- provisions protecting the IP of our clients, our pre-existing IP and any IP rights developed under the MSA;
- certain security obligations, including maintaining network security and back-up and user data, ensuring that our and our clients' networks are virus free and verifying the integrity of employees who work with our clients by conducting background verifications;
- obligations to obtain approvals, compliance with laws and insurance policies;
- indemnification provisions;
- limitation of liabilities; and
- reciprocal non-solicitation of employees subject to local law requirements.

The MSAs typically do not stipulate that we are the preferred supplier for our clients and do not provide entitlements to any minimum amount of work or revenues from them.

Some of our client contracts contain benchmarking and most favoured customer provisions. The benchmarking provisions allow a customer in certain circumstances to request a study prepared by an agreed-upon third party, typically an industry expert, comparing our pricing, performance and efficiency gains for delivered contract services against the comparable services of an agreed-upon list of other service providers. Based on the results of the benchmark study and depending on the reasons for any unfavourable variance, we may be required to reduce our pricing for future services or to improve the quality of services to be performed for the remainder of the contract term or impose higher service levels. Most favoured customer provisions require us to give existing customers updated terms in the event that we enter into more competitive agreements with certain other customers for similar services. As of March 31, 2016, 15 contracts entered into by our Company have clauses with benchmarking provisions. These contracts contributed ₹12,793.1 million and ₹11,212.6 million in the Financial Years 2016 and 2015, respectively, representing 21.9% and 22.6% of our revenue from continuing operations for such periods respectively. As of March 31, 2016, 21 contracts entered into by our Company have clauses with most favoured provisions. These contracts contributed ₹17,059.4 million and ₹15,738.9 million in Financial Years 2016 and 2015, respectively, representing 29.2% and 31.7% of our revenue from continuing operations for such periods respectively. See also, "Risk Factors – Some of our client contracts contain benchmarking and most favoured customer provisions which, if triggered, could result in lower contractual revenues and profitability in the future." on page 22.

## **Sales and Marketing**

Our sales and marketing strategy seeks to gain new business from identified accounts through multiple business development channels and repeat business from existing clients through concerted account management efforts at building and sustaining client loyalty. As of March 31, 2016, we had a total of 234 employees in sales and marketing.

*New Business Development.* We use a cross-functional, integrated sales approach where our sales managers (who address a particular region, country and/or business vertical, and typically report to the heads of the respective geographic segments or business verticals, as the case may be), account/engagement managers (who are dedicated to our strategic clients), sales hunters (who are dedicated to originate new clients), overlay sales managers (who are responsible for promoting service lines), solution architects (who are responsible for devising solutions to clients), the supervisors thereof and our marketing team, which assists in brand building and other corporate level marketing efforts, analyze potential opportunities and collaboratively develop strategies to sell our IT services and solutions to potential clients. Our sales professionals located throughout the world proactively contact potential clients through different channels. We also work closely with industry analysts and advisors to identify opportunities worth pursuing. For larger projects, we typically bid against other IT service providers in response to requests for proposals.

*Promoting Client Loyalty.* We constantly seek to expand the nature and scope of our engagements with existing clients by increasing the volume of our business and extending the breadth of services offered. For existing clients, our on-site project and account managers proactively identify client needs and work with our sales team to structure solutions to address those needs.

We have adopted a collaborative sales and marketing model where our sales, solutions and delivery teams participate in the sales process. Members of our executive management team are actively involved in business development and in managing

key client relationships through targeted interaction with clients' senior management, which enables us to demonstrate our organisational commitment and remain acquainted with emerging industry trends. Our sales organisation includes dedicated sales managers, account/engagement managers, sales hunters, overlay sales managers and solution architects, and, in each case, the supervisors thereof. Our sales efforts are complemented by our marketing team. We build and execute marketing programmes that include media interactions, industry and analyst events, sponsorship of and participation in targeted industry conferences and trade shows.

In addition to our own global sales capabilities, we also work with various technology/product players like SAP, Oracle, Microsoft and other niche players. We jointly evolve "go to market" strategies with identified roles and responsibilities in specific markets to develop new business.

### **Quality Processes**

We attribute a high emphasis to quality. Quality has become a core value of our business, which helps us qualify through the strict scrutiny of international clients and prospects. Some of the certifications received over the years are stated below:

Certifications awarded by Bureau Veritas:

- ISO 9001:2008: This certification focuses on quality management systems, client focus, requirements management and process improvements.
- ISO/ IEC 27001:2013: This certification is for information security management systems and encompasses all of our information processing assets and information in addition to those of our clients with respect to software design, development and implementation, maintenance, production support, testing, consultancy, system integration and IT infrastructure services.
- ISO/ IEC 20000-1:2011: This certification is for IT service management system internal infrastructure support, remote infrastructure management services to external clients, application support services for clients and IT infrastructure services to business units of our Company.
- ISO 14001:2004: This certification is for environmental management systems. These aim to reduce the environmental footprint of a business and to decrease the pollution and waste produced.
- BS OHSAS 18001:2007: This certification is for IT services including IT infrastructure management services, IT operations support, application software development, maintenance and support, package implementation and support, system integration and software testing services.

Certifications awarded by QAI:

- CMMI-SVC v1.3 (Maturity Level 5): This certification is for projects providing application maintenance services and projects providing application support and IMS support.
- CMMI for SVC+SSD v1.3 (Maturity Level 3): This certification is for application maintenance projects, support projects (including IMS) and associated support functions (PET and Metrics, Strategy).
- CMMI for Development v1.3 (Maturity Level 5): This certification is for development, testing, ERP and large maintenance projects.

### **Research and Development**

Our R&D initiatives are run by our technology cell and client-specific R&D functions are run by the respective business verticals and service lines. Our areas of research are focused on automation tools for application development, testing, migration and re-engineering, as well as to build an array of industry-specific accelerators, frameworks, platforms and solutions. We have an enterprise business solution laboratory which tests innovative business ideas and adds value to clients. It also introduces prototype solutions to reduce implementation time and costs associated with our IT services.

### **Intellectual Property**

In the course of our R&D and consulting activities, we create a range of IP, which we brand and protect through trademarks, copyrights and patent laws, and through trade secrets, confidentiality procedures and contractual provisions. We typically require independent contractors and, whenever possible, sub-contractors, to enter into confidentiality agreements upon the commencement of their relationships with us. These agreements typically provide that any confidential or proprietary information developed by us or on our behalf be kept confidential. These agreements also provide that any confidential or proprietary information disclosed to third parties in the course of our business be kept confidential by such third parties.

We regard our trade name, trademarks, service marks and domain names as important to our success. We rely on the law to protect our proprietary rights to them, and we have taken steps to enhance our rights by filing trademark applications where appropriate.

The “L&T” trademark is registered in favour of our Promoter. Pursuant to the Trademark License Agreement, we have been granted a global non-exclusive, non-transferrable license to use the “L&T” trademark in return for certain consideration. For further details on our use of the “L&T” trademark, see “Risk Factors - We do not own the “L&T” trademark and logo. Our Trademark License Agreement may be terminated under certain circumstances. In addition, we may be unable to adequately protect our intellectual property since a number of our trademarks, logos and other intellectual property rights may not be registered and therefore do not enjoy any statutory protection. Further, we may be subject to claims alleging breach of third party intellectual property rights” on page 33.

### **Acquisitions and Strategic Investments**

We are open to effecting acquisitions that will further develop a business vertical, a geography or platform with a view to enhancing revenues and leveraging existing brands and clients who believe in us. In recent years, we have made the following acquisitions and strategic investments that have been strategically important to us.

#### **Information Systems Resource Centre**

In October 2014, our Company acquired ISRC from Otis Elevator Company USA and Otis Elevator Company (India) Limited, units of United Technologies Corporation. ISRC was a provider of software development work for OTIS group companies.

This acquisition has helped us leverage the technology capability and experience of ISRC in order to enhance its value-added service portfolio.

In Financial Year 2015, ISRC had total income of approximately ₹565 million and net income of approximately ₹130 million. It had 287 employees as of March 31, 2015. Pursuant to a court approved scheme of merger dated October 17, 2014, ISRC was merged into our Company with effect from September 21, 2015.

#### **L&T Infotech Financial Services Technologies Inc.**

In 2011, we acquired a 100% shareholding in a company from Citigroup Fund Services Canada. This company is now known as LTIFST.

LTIFST’s service offerings include a range of industry-specific proprietary software products and solutions to its clients. Its BI solutions provide an enterprise information platform for web reporting and analysis, enabling its clients to streamline their reporting requirements.

In Financials Year 2016 and 2015, LTIFST had total income of approximately ₹2,359 million and ₹2,048 million, respectively and net profit of approximately ₹193 million and net loss of approximately ₹177 million, respectively. It had 130 employees as of March 31, 2016.

For further details on our acquisitions and strategic investments, see “Financial Statements” beginning on page 183.

### **Human Resources**

Our success depends to a great extent on our ability to recruit, train and retain high quality IT professionals. Accordingly, we place special emphasis on the human resources function in our organisation. We focus on hiring, engaging and retaining key talent. We seek to align talent engagement, competency development, role and career progression, benchmarked compensation and benefits for our employees worldwide. This has helped us attract and retain high quality talent internationally as well as build a pipeline of leaders to meet our future requirements.

We believe that our strong brand name, industry leadership position, growth opportunities, focus on professional development and performance-linked compensation give us significant advantages in attracting and retaining highly skilled employees.

We strive to instill our values of integrity, excellence, respect for the individual, continuous learning and sharing and leading change in our employees through our organisational culture and training initiatives. Our people development processes encompass technical, behavioral and leadership development programmes designed for various levels, which seek to continuously upgrade the competencies of and prepare our employees for greater responsibilities and enhanced performances.

### **Employee Profiles**



We encourage our employees to develop software engineering and technology skills through formal or informal means, which provides them scope for taking on additional responsibilities and enhancing their career prospects. In the process of doing so, this also allows us to offer differentiated expertise to our clients.

We are an equal opportunity employer with a diverse employee base. Additionally, we have recruited local nationals at certain of our Delivery Centres, such as South Africa, to enhance our understanding of the local markets as well as to enhance our ability to interact with and deliver solutions to our clients in local languages.

## Utilisation

The following table illustrates the combined average utilisation of our employees across our onsite and offshore locations over the Financial Year 2016 and the past two Financial Years:

Employee Utilisation (Average)	Financial Year		
	2016	2015	2014
Including Trainees	73.8%	73.4%	71.6%
Excluding Trainees	75.7%	75.8%	73.6%

## Recruiting

We build our global talent pool by recruiting recent graduates as well as experienced lateral hires from the market. In the case of our graduate recruits, we typically recruit from academic institutions with a reputation for excellence. In respect of our lateral hires, we source candidates through multiple channels and our HR networks.

We rely on a rigorous selection process involving a series of aptitude tests and interviews to identify the best applicants. This selection process is continually assessed and refined based on performance tracking of past recruits. Our reputation as a preferred employer enables us to select from a large pool of qualified applicants.

We plan our recruitment needs through our annual human resources business plan, which is based on expected growth in business from existing clients and prospects, expected changes in the business mix especially relating to changes in the proportion of offshore delivery, and the requirements of our large clients. This exercise helps us formalise our recruitment requirements for experienced professionals as well as trainees.

In order to maintain our brand image and attract the best students from campus, we maintain relationships with these institutions through campus interactions, joint participation with the institutes in areas of R&D, establishment of excellence centers and sponsoring academic and cultural events.

## Training

We place special emphasis on the training of our employees to enable them to develop their skills and to meet our changing requirements. We focus on an initial learning programmes for our trainees as well as continuous learning programmes for all our employees.

For the purpose of training employees, our Promoter set up an exclusive training facility at Lonavala, Pune, India, called “The Leadership Development Academy”. The academy has lodging, a well-equipped library, modern IT facilities and infrastructure as well as a range of amenities for our employees. In addition to in-house faculty members (whom we call “talent gurus”), we invite visiting faculty that includes senior management, senior employees and recognised academics. In addition to this centralised facility, we conduct technical and soft skills training programmes at our major Delivery Centres.

All employees from technical institutes who have joined us with less than one year of industry experience are required to attend an intensive three-month full-time training programme that is industry-specific and/or service line-specific, which helps us develop professionals knowledgeable on our entire organisation. The training programme in part covers technology training and software engineering training. We also conduct continuous learning programmes that address the project-specific, technology and soft skills learning needs of our employees.

We believe that well-trained project managers are key enablers for the efficient growth of our operations and our ability to manage large, complex projects. We are specifically focused on developing project management competencies among our employees so as to be able to assume higher responsibilities going forward.

We offer our employees a choice of various standardised behavioral training programmes. The selection of a specific programme is made in light of discussions between the employee and their relevant career development manager, during which the employee’s career development plans for the following year are set out. The training programme selected is then intended to cater to the employee’s career development needs. The training is provided on a monthly basis throughout the year, and aims to help build the employee’s individual communication, interpersonal, client relations, conflict resolution, negotiation, work-life balance, inter-cultural and language skills.

In addition, we also offer leadership programme to those employees embarking upon the leadership journey and who are transitioning between various levels of seniority. These programmes are aimed towards developing our employees on leadership qualities in four key areas of competency: business development, client relations, interpersonal skills and self-awareness. As well as developing these four competencies, our leadership programmes also offer training which is specific to the employee's organisational and business unit.

Our training programmes have received several accolades in recent years. Notably, in 2015, we won five awards from the World HRD Congress in relation to our Indian operations, including training organisation of the year, best leadership development for middle management, best leadership development programme for top management, and most innovative use of training and development as an HR initiative for OD.

### **Employee Retention and Care**

We have several structured processes, including employee mentoring, grievance management and corporate ethics programmes, which are intended to facilitate a friendly and cohesive organisational culture. Such processes are supplemented by our internal policies, which are also aimed at fostering a positive atmosphere and establishing common ethical values within the work place. Such policies include our policy for the protection of women's rights and our whistle blower policy. We conduct an employee satisfaction survey, which provides us with valuable insights on how we can further streamline individual performances. The attrition rate of employees globally for Financial Years 2016, 2015 and 2014 was 18.4%, 19.5% and 13.2%, respectively. In 2015, NASSCOM ranked us among the top 20 IT BPM employers in India.

### **Performance Management and Compensation**

We have an objective-based performance management system which involves goal-setting, periodic reviews and project-end reviews in addition to annual reviews. The review sessions impress upon several aspects of the employees' careers, such as career and competency development, financial rewards and recognition. We endeavor to link careers to competencies, individual preferences and organisational needs. We also allow our employees sufficient flexibility and opportunities to rotate across streams and geographic locations.

Our compensation has a fixed component that is benchmarked to the industry and a variable component that is linked to the company's and individual's performance.

Our Company has granted 12,935,449 options (after adjustment for the sub-division of equity shares of our Company from face value of ₹5 each to ₹1 each) to the eligible employees under the Existing Employee Stock Option Plans. The objective of the ESOP Scheme, 2000 is to reward those employees who contribute significantly to our Company's profitability and shareholder's value as well as encourage improvement in performance and retention of talent. As of date of this Prospectus, the total options outstanding under the ESOP Scheme, 2000 are 2,403,166 (after adjustment for the sub-division of equity shares of our Company from face value of ₹5 each to ₹1 each).

The main objective of the U.S Sub-Plan, 2006 is to attract and retain the best available personnel, to provide additional incentive to the employees of our Company, its holding company and its subsidiaries, to promote the success of our Company's business and to enable the employees to share in the growth and prosperity of our Company by providing them with an opportunity to purchase stock in our Company. As of date of this Prospectus, the total options outstanding under the U.S Sub-Plan, 2006 are 143,650 (after adjustment for the sub-division of equity shares of our Company from face value of ₹5 each to ₹1 each).

As of the date of this Prospectus, 8,593,538 options have been exercised by the employees and former employees of our Company under the ESOP Scheme, 2000 and U.S Sub-Plan, 2006.

Our Company has also instituted ESOP Scheme, 2015 to reward our employees for their contributions to us. The issue of Equity Shares pursuant to the Existing Employee Stock Option Plans and ESOP Scheme, 2015 will be subject to compliance with applicable laws and regulations, including the securities laws of foreign jurisdictions. As of the date of the Prospectus, 3,166,900 options have been granted under the ESOP Scheme, 2015.

For further details, see "Capital Structure" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" from pages 75 to 82 and 296 to 297, respectively.

### **Property**

We have leased and/or licensed our offices and Delivery Centres from our Promoter and certain third parties, and own and/or lease certain residential premises for providing accommodations to our employees in various locations in and outside of India. Our Registered Office is located in Mumbai, India. Our corporate office is located in Mumbai, India, which we occupy on a leasehold basis. For further details, see "Our Business – Geographies" from pages 119 to 122.

### **Insurance**

We have insurance policies to cover our assets against losses from fire and other risks to our properties. We also maintain insurance policies against third party liabilities, including a commercial general liability policy and a cyber risk protector policy and a policy against errors and omissions, each with worldwide coverage, in addition to group insurance and medical insurance policies for the benefit of our employees, employment practices liability insurance, and such other insurance policies as required by applicable law and/or contract. In addition, we may obtain project-specific insurance coverage for higher risk projects. We are also covered for directors' and officers' liability insurance procured by our Promoter.

**Legal Proceedings**

We are involved in certain legal proceedings, which are described in "Outstanding Litigation and Other Material Developments" beginning on page 324.

## REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific key laws and regulations in India, which are applicable to our Company and our Subsidiaries. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The section also lists out certain other laws in India which are not specific to our Company or to our Subsidiaries.*

### ***Software Technology Parks Scheme***

The STPI Scheme was introduced by the Government with the objective of encouraging, promoting and boosting the software exports from India. The STPI Scheme, which is a 100% export oriented scheme, provides benefits such as data communication facilities, operational space, common amenities, single window clearances and approvals including project approvals, import certification and other facilities to boost software exports from India.

In order to avail the benefits as envisaged by the Government, a company is required to register itself with the appropriate authorities. The principal compliance required of a company accorded approval under the STPI Scheme is the fulfilment of the export obligation. The letters of permission may contain other conditions. Additionally, the unit is required to file monthly, quarterly and annual returns to STPI in the nature of a performance report indicating the export performance.

### ***The Special Economic Zones Act, 2005 and Special Economic Zone Rules, 2006***

SEZs are established, regulated and governed by the Special Economic Zones Act, 2005, as amended (the “SEZ Act”). The SEZ Act was enacted for the establishment, development and management of SEZs for the promotion of exports. An SEZ is a specifically delineated duty free enclave, deemed to be a foreign territory for the purposes of trade operations as well as duties and tariffs. A board of approval (“SEZ Board”) has been set up under the SEZ Act, which is responsible for promoting SEZs and ensuring their orderly development. The SEZ Board has a number of powers including the authority to approve (i) proposals for the establishment of SEZs, (ii) the operations to be carried out in the SEZ by the developer and (iii) foreign collaborations and foreign direct investments in the SEZ for its development, operations and maintenance.

The Special Economic Zone Rules, 2006 (the “SEZ Rules”) have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide a simplified procedure for a single window clearance from central and state governments for setting up SEZs and “units” in SEZs. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, the setting up of an SEZ and conducting business within SEZs, including by way of “self-certification”. The SEZ Rules also provide for the terms and conditions subject to which entrepreneurs and developers shall be entitled to exemptions, drawbacks, concessions and certain other benefits. The SEZ Rules stipulate the minimum area requirement for various categories of SEZs.

### ***Export Oriented Unit Scheme***

The Ministry of Commerce, Government introduced the Export Oriented Unit (the “EOU”) Scheme on December 31, 1980. There is no specially earmarked zone under the EOU scheme and an EOU may be set up anywhere in India subject to operation under the customs bond. They are typically required to fulfil certain criteria such as achievement of positive net foreign exchange over a period of five years. EOUs are units which must export their entire production. They may be engaged in the rendering of services, development of software and manufacture of goods, including repair, remaking, reconditioning and re-engineering. EOUs are allowed to import or locally procure, duty free, all types of goods including capital goods required for export production.

### ***Other Indian laws***

In addition to the above, our Company and our Subsidiaries in India are also governed by laws in relation to Indian Foreign Trade Policy, 2015-20, under which no export or import can be made by a person without an IEC number unless such person is specifically exempted. We are also governed by foreign exchange related laws and the regulations applicable on investments outside India including the Foreign Exchange Management Act, 1999 and the rules made thereunder.

Certain laws relating to intellectual property rights such as patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999 are also applicable to us. In addition to the domestic laws, India is a party to several international intellectual property related instruments including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works adopted at Berne in 1886, the Universal Copyright Convention adopted at Geneva in 1952, the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, 1961, and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights which became effective on January 1, 1995.

Additionally, certain IT-related laws such as the Information Technology Act, 2000, which provides legal recognition to electronic records and creates a mechanism for authentication of electronic documentation through digital signatures, the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, and certain state specific laws such as Information Technology and Information Technology Enabled Services Policy, 2015 framed by State of Maharashtra are also applicable to us.

The tax related laws that are pertinent include the Central Excise Act, 1944, the Value Added Tax 2005, the Income Tax Act, the Customs Act, 1962, the Central Sales Tax Act, 1956 and various service tax notifications. Further, certain legislations such as the Shops and Commercial Establishments Acts of various states and certain state specific laws are applicable to our Company and our Subsidiaries.

A wide variety of labour laws are also applicable to our Company and our Subsidiaries, including the Contract Labour (Regulation and Abolition) Act, 1970, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' State Insurance Act, 1948, the Industrial Disputes Act, 1947 and the Industrial Disputes (Central) Rules, 1957, the Maternity Benefit Act, 1961, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936, Equal Remuneration Act, 1976 and the Workmen's Compensation Act, 1923.

#### ***Laws applicable for operations outside India***

Our Company operates in various jurisdictions, including North America, Europe, Australia, Singapore and South Africa through our Subsidiaries and branch offices. The relevant laws in these jurisdictions are applicable to our Subsidiaries and branch offices, which relate to incorporation or registration as applicable, labour, immigration, intellectual property, data protection, taxation, and other business related laws.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as L&T Information Technology Limited on December 23, 1996 at Mumbai as a public limited company under the Companies Act, 1956. Our Company received the certificate of commencement of business on March 25, 1997. Subsequently, the name of our Company was changed to Larsen & Toubro Infotech Limited pursuant to a special resolution passed by our Shareholders at the EGM held on June 11, 2001. The name of our Company was changed to convey our vision for our global brand and to draw strength from our Promoter. Pursuant to the change of name, a fresh certificate of incorporation was issued to our Company by the RoC on June 25, 2001.

As of the date of this Prospectus, our Company has 1,227 Shareholders (including 11 additional folios held by certain Shareholders of our Company).

For information on our Company's profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, see "Our Management", "Our Business" and "Industry Overview" beginning on pages 141, 105 and 93 respectively.

### Changes in the Registered Office

There has been no change in the Registered Office since our Company's incorporation.

### Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

- "1. To carry on business of analyzing, designing, maintaining, converting, porting, debugging; coding, outsourcing and programming 'software' to be used on computer or any microprocessor based device or any other kind of electronic and electromechanical devices or any other such hardware within or outside India.*
- 2. To purchase, acquire, develop, enhance, improve, compress, experiment with, supply, distribute, customise, import, export, trade, act as agents / dealers of all kinds of software products.*
- 3. To carry on in India or elsewhere business of data collection, compilation, feeding, converting, processing, analysis, testing or any kind of database management for both analog and digital data including CAD/CAM and digitization services for any individual, company or any authority, government or otherwise.*
- 4. To acquire, design, develop, sell, maintain, upgrade any kind of application which uses voice, image, binary or any other kind of data and any type of man-machine interface.*
- 5. To make or give services for making animation films using computer software for any person or company or authority, government or otherwise.*
- 6. To carry on in India or elsewhere business of providing professional services including system analysis, design and implementation, turnkey project execution, reengineering, process analysis and redesigning, management consultancy in the areas of finance, marketing, manufacturing, distribution, administration, human resource management and any such business related area.*
- 7. To design, develop, maintain, operate, expand, upgrade, lease out any kind of communications network consisting of computer, peripherals and electronic devices including telecommunication equipment, connected through any kind of link with or without cables and to provide value added services on such a network within or outside India.*
- 8. To carry on business of preparing, distributing, selling, importing, exporting, trading, modifying all kinds of educational and entertainment software on any kind of storage devices.*
- 9. To carry on in India or elsewhere any engineering and/or contracting business, and in particular to arrange, procure, give on hire or loan for consideration or otherwise, the services of skilled personnel for software and consultancy."*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

### Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company.

<b>Date of Shareholders' Resolution/ effective date</b>	<b>Particulars</b>
March 30, 2002	Clause V of the Memorandum of Association was amended to reflect sub-division of equity shares of ₹ 10 each into equity shares of ₹ 5 each with effect from March 31, 2002.
May 6, 2003	Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 150,000,000 divided into 30,000,000 equity shares of ₹ 5 each to ₹ 152,500,000 divided into 30,500,000 equity shares of ₹5 each with effect from June 1, 2003.
December 7, 2006	Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 152,500,000 divided into 30,500,000 equity shares of ₹ 5 each to ₹ 163,750,000 divided into 32,750,000 equity shares of ₹ 5 each.
June 22, 2015	Clause V of the Memorandum of Association was amended to reflect sub-division of equity shares of ₹ 5 each into Equity Shares of ₹ 1 each.
June 22, 2015	Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 163,750,000 divided into 163,750,000 Equity Shares of ₹ 1 each to ₹ 200,000,000 divided into 200,000,000 Equity Shares of ₹1 each.
September 21, 2015	Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 200,000,000 divided into 200,000,000 Equity Shares of ₹ 1 each to ₹ 240,000,000 divided into 240,000,000 Equity Shares of ₹ 1 each with effect from September 21, 2015, being the effective date of the ISRC Scheme, pursuant to the approval by the Bombay High Court vide its order dated September 4, 2015.

### Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

<b>Financial Year</b>	<b>Particulars</b>
1997	Incorporation of our Company
2002	Our Company was assessed at the Optimizing Level 5 of the Capability Maturity Model for Software, Version 1.1 by the Software Engineering Institute, Carnegie Mellon University, USA for the Mumbai, Navi Mumbai, Pune, Chennai, Bengaluru and Mysuru development centres.
2007	Our Company acquired GDA USA, an electronic design services company.
2008	Our Company established business in South Africa.
2010	Our Company was appraised at Maturity Level 5 (Optimizing) of CMMI® for Development v1.2 for the units at Mumbai, Navi Mumbai, Pune, Bengaluru, Mysuru and Chennai.
2011	Our Company acquired transfer agency business unit of Citigroup Fund Services Canada Inc. and renamed it as LTIFST
2013	Our business verticals were re-cast into two clusters- industrials and services.
2014	Our Company transferred our PES Business unit to LTTSL.
2015	Our Company acquired ISRC from Otis Elevator Company, USA and Otis Elevator Company (India) Limited, units of United Technologies Corporation.
2016	Our Company was assessed at maturity Level 5 CMMI-SVC v1.3 for the units at Mumbai, Navi Mumbai, Pune, Bengaluru and Chennai.
2016	Our Company is positioning to cater to “Smart Cities” opportunities that we have identified.
2017	Our Company was assessed at Maturity Level 5 CMMI-DEV v1.3 for the units at Mumbai, Navi Mumbai, Pune, Bengaluru and Chennai.

For details on certain acquisitions, see “Our Business- Acquisitions and Strategic Investments” on page 126 and “Financial Statements” beginning on page 183. Further, for details on discontinuance of our PES Business, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Financial Statements” and “Our Business” on page 297 to 298, 250 to 251, 118 respectively.

### Awards and Accreditations

1. Our Company has been recognised as the top company for programs on corporate social responsibility by the International Association of Outsourcing Professionals in the 2016 Global Outsourcing 100 Leader Size Judging Group.
2. Zinnov positioned our Company in the Leadership Zone for Digital Consulting Services in Zinnov Zones for Digital Services, released in 2016.
3. Our Company’s internal newsletter “Ping” received Bronze Award at Association of Business Communicators India’s 55<sup>th</sup> Awards ceremony held in March 2016.

4. Company's internal digital magazine "All Go Rhythm" received Gold Award at Association of Business Communicators India's 55<sup>th</sup> Awards ceremony held in March 2016.
5. Our Company has won three awards during the World Innovation Congress, 2016 in relation to (i) Financial Crime EDD Automation Solution, which provides automated financial crime enhanced due diligence processes, for being the best innovation in information technology, (ii) MediaHub, which provides cloud based storage and media conversion, for being the most promising new product technology and (iii) MyCar, which connects users to their cars and enables them to manage information in relation to their cars, for being the most innovative product of the year.
6. Our Company was ranked in the leadership zone for broadcasting sector in Zinnov's Global Service Providers Rating, 2015.
7. Our Company, being the implementation partner for the L&T Metro Rail Hyderabad project, was awarded the SAP ACE Award, 2015 in Strategic HR and Talent Management.
8. Our Company was awarded the Indian Merchants' Chamber Ramkrishna Bajaj National Quality Award 2015 for performance excellence in the Service Category.
9. One of our employees was awarded the Digital Transformational Leader 2015 Award from Deutsche Messe, Fiera Milano - CeBIT for our Company's contribution towards digital transformation, using geospatial analytics technology in the insurance industry.
10. Our Company was awarded the Big Data & Business Analytics Award for Best Analytics Services/ Solution Provider in Predictive Modelling presented to autoMATIC (a telematics based advanced analytics solution) at the World Marketing Congress.
11. Our Company was conferred with the "Innovation in Big Data" Award by the NetApp Innovation Awards in the year 2015.
12. Our Company was conferred with the three awards at the World Innovation Congress, 2015 in the Technology, Innovators and Entrepreneurs categories and five awards from the World HRD Congress, 2015 in relation to our Indian operations, including training organisation of the year, best leadership development for middle management, best leadership development program for top management, and most innovative use of training and development as an HR initiative for OD.
13. Our Company was awarded the Honda North America 2014 Performance Excellence Award in the year 2014.
14. Our Company has won two awards during the World Innovation Congress 2014 in relation to Sapphire<sup>TM</sup>, an open source-based social media analysis solution for being the Most Promising New Product- Information Technology and in relation to Campus Next<sup>TM</sup>, a Cloud enterprise solution for academic institutes for the Best Innovative On-Line Service in the year 2014.
15. Our Company was awarded with the Edge Award for implementation of 1-View, a customisable master data management solution, at INTEROP-2013 conference in the year 2013.

#### **Schemes of arrangement**

##### **1. Scheme of amalgamation entered into between ISRC and our Company.**

On October 17, 2014, our Board of Directors approved a scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of ISRC with our Company, with the appointed date as October 17, 2014. From the effective date (as defined under the ISRC Scheme) of the ISRC Scheme, the entire business and undertaking of ISRC including all its assets, liabilities, rights, duties, and obligations shall be transferred to our Company. In accordance with the ISRC Scheme, the authorised share capital of ISRC will be added to the authorised share capital of our Company and accordingly, the authorised share capital of our Company shall be ₹ 240,000,000. There shall be no issue of Equity Shares under the ISRC Scheme. On September 4, 2015, the Bombay High Court approved the ISRC Scheme (the "ISRC Order"). On September 21, 2015, the ISRC Order was filed with the RoC and the same shall be considered as the effective date under the ISRC Scheme.

##### **2. Scheme of amalgamation entered into between GDA Technologies and our Company, which has been filed with the Bombay High Court and the Madras High Court.**

On October 17, 2014, our Board of Directors approved a scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of GDA Technologies with our Company, with the appointed date as earlier of April 1, 2016 or the effective date of the GDA Scheme, or such other date as may be approved. Upon the GDA Scheme being effective, the share capital of GDA Technologies shall stand automatically cancelled. The entire



undertaking of GDA Technologies including all its assets, liabilities, rights, duties, and obligations shall be transferred to our Company. There shall be no issue of Equity Shares under the GDA Scheme. There shall be no effect on the authorised share capital of our Company. The Bombay High Court and the Madras High Court have admitted the petition to sanction the GDA Scheme on January 8, 2016 and October 14, 2015 respectively. Further, on April 1, 2016, the Bombay High Court has approved the GDA Scheme and it is currently pending for approval before the Madras High Court.

**Certain other agreements are specified below:**

**1. Share subscription and shareholders' agreement dated October 11, 2012, as amended (the South Africa SHA) entered into amongst Befula Investments, L&T Infotech South Africa and our Company.**

Pursuant to the South Africa SHA, our Company formed a joint venture with Befula Investments, a company incorporated in South Africa, with the holding of our Company and Befula Investments being 74.9% and 25.1%, respectively, in L&T Infotech South Africa. Our Company was required to subscribe to 629 equity shares of ZAR 1 each. The South Africa SHA is valid until October 11, 2016.

**2. Business transfer agreement dated December 16, 2013 (the "Business Transfer Agreement") entered into between LTTSL and our Company, as amended by addendum dated March 31, 2014 and addendum no. 1 dated June 19, 2014.**

Pursuant to the Business Transfer Agreement, our Company sold our PES Business to LTTSL for an aggregate consideration of ₹ 5,024.50 million as a going concern in a slump sale on an as-is-where-is basis. The sale of our PES Business includes all rights and interest in the assets exclusively pertaining to our PES Business, services of the then employees of our Company and all records pertaining to our PES Business. Subsequently, by addendum dated March 31, 2014, the parties established their understanding that the consideration of ₹ 5,024.50 million includes consideration of sale of our PES Business of our Company operating in Germany amounting to ₹ 129.20 million. Thereafter, the parties entered into an addendum no. 1 dated June 19, 2014 which stipulates the details of assets and liabilities of LTTSL as on December 31, 2013.

**Our Holding Company**

Our Promoter is our holding company. For details of our holding company, see "Our Promoter and Promoter Group" from pages 155 to 156.

**Our Subsidiaries**

As of the date of this Prospectus, our Company has nine Subsidiaries. For details regarding our Subsidiaries, see "Our Subsidiaries" beginning on page 136.

**Capital raising activities through equity or debt**

For details regarding our capital raising activities through equity and debt, see "Capital Structure", "Financial Statements" and "Financial Indebtedness" beginning on pages 70, 183 and 292, respectively.

**Injunctions or restraining order against our Company**

As of the date of this Prospectus, there are no injunctions or restraining orders against our Company.

**Financial and Strategic Partners**

Our Company does not have a financial or a strategic partner as of the date of this Prospectus.

## OUR SUBSIDIARIES

Unless otherwise specified, all information in this section is as of the date of this Prospectus.

Our Company has the following subsidiaries:

### Subsidiaries of our Company

1. L&T Infotech Financial Services Technologies Inc.;
2. Larsen & Toubro Infotech GmbH;
3. Larsen & Toubro Infotech Canada Ltd.;
4. Larsen And Toubro Infotech South Africa (Proprietary) Limited;
5. Larsen & Toubro Infotech Austria GmbH;
6. L&T Information Technology Spain, Sociedad Limitada;
7. Larsen & Toubro Infotech LLC;
8. L&T Information Technology Services (Shanghai) Co. Limited; and
9. GDA Technologies Limited.

### Details of the Subsidiaries

#### 1. L&T Infotech Financial Services Technologies Inc.

##### *Corporate Information:*

LTIFST was incorporated as CF L&T FTServ Financial Services Technologies Inc. on November 19, 2010, under the laws of Canada, in Canada and acquired by our Company on January 1, 2011. Subsequently, the name of CF L&T FTServ Financial Services Technologies Inc. was changed to LTIFST on January 1, 2011. LTIFST is involved in the business of providing IT services.

##### *Capital Structure:*

	No. of common shares at no par value
Authorised capital	Unlimited
Issued, subscribed and paid-up capital	1,000,000

##### *Shareholding Pattern:*

The shareholding pattern of LTIFST is as follows:

Sr. No.	Name of the shareholder	No. of common shares at no par value	Percentage of total equity holding (%)
1.	Larsen & Toubro Infotech Limited	1,000,000	100
<b>Total</b>		<b>1,000,000</b>	<b>100</b>

There are no accumulated profits or losses of LTIFST not accounted for by our Company for the Financial Year 2016.

#### 2. Larsen & Toubro Infotech GmbH

##### *Corporate Information:*

L&T Infotech GmbH was incorporated as L&T Information Technology GmbH on June 14, 1999 under the laws of Germany, at Leipzig, Germany. Subsequently, the name of L&T Information Technology GmbH was changed to L&T Infotech GmbH on July 17, 2001. L&T Infotech GmbH is involved in the business of rendering consulting services in the field of IT and trade with goods and rights of all kinds, especially with installations, equipment, and fixture for IT and software.

**Capital Structure:**

	No. of equity shares of Euro 25,000
Authorised capital	1
Issued, subscribed and paid-up capital	1

**Shareholding Pattern:**

The shareholding pattern of L&T Infotech GmbH is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Euro 25,000	Percentage of total equity holding (%)
1.	Larsen & Toubro Infotech Limited	1	100
<b>Total</b>		<b>1</b>	<b>100</b>

There are no accumulated profits or losses of L&T Infotech GmbH not accounted for by our Company for the Financial Year 2016.

**3. Larsen & Toubro Infotech Canada Ltd.****Corporate Information:**

L&T Infotech Canada was incorporated as Larsen & Toubro Information Technology Canada Ltd. on April 25, 2000, under the laws of Canada, at Ontario, Canada, which was acquired by our Company on October 14, 2005. Subsequently, the name of Larsen & Toubro Information Technology Canada Ltd. was changed to L&T Infotech Canada on April 22, 2008. L&T Infotech Canada is involved in the business of software development and consultancy services.

**Capital Structure:**

	No. of common shares of CAD 1 each
Authorised capital	unlimited
Issued, subscribed and paid-up capital	100

**Shareholding Pattern:**

The shareholding pattern of L&T Infotech Canada is as follows:

Sr. No.	Name of the shareholder	No. of common shares of CAD 1 each	Percentage of total equity holding (%)
1.	Larsen & Toubro Infotech Limited	100	100
<b>Total</b>		<b>100</b>	<b>100</b>

There are no accumulated profits or losses of L&T Infotech Canada not accounted for by our Company for the Financial Year 2016.

**4. Larsen And Toubro Infotech South Africa (Proprietary) Limited****Corporate Information:**

L&T Infotech South Africa was incorporated as Seven Wood Trading 99 Proprietary Limited on April 5, 2011, under the laws of Republic of South Africa, at Cape Town, South Africa. Subsequently, the name was changed from Seven Wood Trading 99 Proprietary Limited to its present name, L&T Infotech South Africa on July 24, 2012. L&T Infotech South Africa is involved in the business of providing IT services including business process outsourcing and IT enabled services, outsourcing support and allied services. On July 25, 2012, our Company acquired the entire existing shareholding in L&T Infotech South Africa and made it our wholly owned subsidiary. For the purposes of expansion of our Company's presence in South Africa and to market and leverage our existing business, we partnered with Befula Investments, a company incorporated in South Africa, to form a joint venture with a shareholding of our Company and Befula Investments in the ratio of 74.9: 25.1. For further details on our arrangement with Befula Investments, see "History and Certain Corporate Matters- Share subscription and shareholders' agreement dated October 11, 2012 entered into amongst Befula Investments, L&T Infotech South Africa and our Company" on page 135.

**Capital Structure:**

	No. of ordinary shares at no par value
Authorised capital	450,000
Issued, subscribed and paid-up capital	443,725

**Shareholding Pattern:**

The shareholding pattern of L&T Infotech South Africa is as follows:

Sr. No.	Name of the shareholder	No. of ordinary shares at no par value	Percentage of total equity holding (%)
1.	Larsen & Toubro Infotech Limited	332,350	74.9
2.	Befula Investments	111,375	25.1
<b>Total</b>		<b>443,725</b>	<b>100</b>

There are no accumulated profits or losses of L&T Infotech South Africa not accounted for by our Company for the Financial Year 2016.

**5. Larsen & Toubro Infotech Austria GmbH****Corporate Information:**

L&T Infotech Austria was incorporated on June 18, 2015, under the laws of Austria, at Vienna, Austria. L&T Infotech Austria is authorised to do the business of providing services in the field of automatic data processing and IT, IT consulting and IT related services, including outsourcing support and allied services. L&T Infotech Austria has not yet commenced its operations.

**Capital Structure:**

	Share capital
Authorised capital	Euro 35,000
Issued, subscribed and paid-up capital	Euro 35,000

**Shareholding Pattern:**

The shareholding pattern of L&T Infotech Austria is as follows:

Sr. No.	Name of the shareholder	Percentage of total holding (%)
1.	Larsen & Toubro Infotech Limited	100
<b>Total</b>		<b>100</b>

There are no accumulated profits or losses of L&T Infotech Austria not accounted for by our Company for the Financial Year 2016.

**6. L&T Information Technology Spain, Sociedad Limitada**

L&T Infotech Spain was incorporated on February 1, 2016, under the laws of Spain, at Madrid, Spain. L&T Infotech Spain is authorised to do the business of providing IT and outsourcing support and all other related IT services. L&T Infotech Spain has not yet commenced its operations.

**Capital Structure:**

	No. of Equity Shares of EURO 1
Authorised capital	50,000
Issued, subscribed and paid-up capital	50,000

**Shareholding Pattern:**

The shareholding pattern of L&T Infotech Spain is as follows:

Sr. No.	Name of the shareholder	Percentage of total holding (%)
1.	Larsen & Toubro Infotech Limited	100

Sr. No.	Name of the shareholder	Percentage of total holding (%)
<b>Total</b>		<b>100</b>

There are no accumulated profits or losses of L&T Infotech Spain not accounted for by our Company for the Financial Year 2016.

## 7. **Larsen & Toubro Infotech LLC**

### *Corporate Information:*

L&T Infotech LLC was incorporated on July 21, 2009, under the laws of the State of Delaware, in the USA. L&T Infotech LLC is involved in the business of IT related services. L&T Infotech LLC is incorporated as a limited liability company and our Company is its sole shareholder. The laws of State of Delaware, USA permit a single shareholder to form a business structure without the need of making contribution of share capital in the form of cash.

### *Shareholding Pattern:*

The shareholding pattern of L&T Infotech LLC is as follows:

Sr. No.	Name of the shareholder	Percentage of total holding (%)
1.	Larsen & Toubro Infotech Limited	100
<b>Total</b>		<b>100</b>

There are no accumulated profits or losses of L&T Infotech LLC not accounted for by our Company for the Financial Year 2016.

## 8. **L&T Information Technology Services (Shanghai) Co. Limited**

### *Corporate Information:*

L&T Infotech Shanghai was incorporated on June 28, 2013 under the laws of the People's Republic of China, at Shanghai. L&T Infotech Shanghai is involved in the business of *inter alia*, technology services, computer software (excluding audio visual products and publications) design, development and production, sales of own products and after sale services, commission agency (excluding auction) in relation to computer software and hardware, engineering and technical consulting. Investment in L&T Infotech Shanghai is not denominated in number of equity shares as per the laws of the People's Republic of China.

### *Capital Structure:*

	<b>Total investment and registered capital</b>
Registered capital	USD 175,000
Issued, subscribed and paid-up capital	USD 175,000

### *Shareholding Pattern:*

The shareholding pattern of L&T Infotech Shanghai is as follows:

Sr. No.	Name of the shareholder	Value of holding	Percentage of total paid up capital
1.	Larsen & Toubro Infotech Limited	USD 175,000	100
<b>Total</b>		<b>USD 175,000</b>	<b>100</b>

There are no accumulated profits or losses of L&T Infotech Shanghai not accounted for by our Company for the Financial Year 2016.

## 9. **GDA Technologies Limited**

### *Corporate Information:*

GDA Technologies was incorporated on October 22, 1997 under the Companies Act, 1956, at Coimbatore, Tamil Nadu and became our Subsidiary on March 15, 2007 through the acquisition of GDA Technologies Inc. GDA Technologies is involved in the business of *inter alia*, designing, developing and manufacturing of hardware and software, providing consultancy services in the areas of system definition, maintenance and distribution of products

in India and abroad and designing and developing technologies in the area of software, animation, graphics and internet. In accordance with the GDA Scheme, GDA Technologies shall be amalgamated with our Company. For further details of the GDA Scheme, see “History and Certain Corporate Matters- Scheme of amalgamation entered into between GDA Technologies and our Company, which has been filed with the Bombay High Court and the Madras High Court” on pages 134 and 135.

**Capital Structure:**

	No. of equity shares of ₹ 10 each
Authorised capital	400,000
Issued, subscribed and paid-up capital	168,197

**Shareholding Pattern:**

The shareholding pattern of GDA Technologies is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Larsen & Toubro Infotech Limited	167,234	99.43
2.	N. Hariharan*	900	0.50
3.	Vaishali Desai*	18	0.02
4.	Subodh Shetty*	18	0.02
5.	Prasad V. Shanbhag*	9	0.01
6.	A. K. Sonthalia*	9	0.01
7.	Kedar Gadgil*	9	0.01
<b>Total</b>		<b>168,197</b>	<b>100.00</b>

\* Equity shares held jointly as nominees on behalf of our Company.

There are no accumulated profits or losses of GDA Technologies not accounted for by our Company for the Financial Year 2016.

**Other Confirmations**

None of our Subsidiaries have made any public or rights issue in the last three years.

None of our Subsidiaries are listed on any stock exchange in India or abroad.

**Interest of the Subsidiaries in our Company**

None of our Subsidiaries hold any Equity Shares in our Company.

None of our Subsidiaries have any business interest in our Company except as stated in the “Our Business” and “Related Party Transactions” beginning on pages 105 and 181, respectively.

**Material Transactions**

There are no sales or purchases between any of the Subsidiaries and our Company where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

**Common Pursuits**

Our Company undertakes its business through its Subsidiaries and accordingly, there are certain common pursuits amongst our Subsidiaries and our Company.

## OUR MANAGEMENT

In terms of the Articles of Association, our Company is required to have not less than three directors and not more than 15 Directors. As on the date of this Prospectus, our Board comprises of eight Directors.

The following table sets forth details regarding our Board:

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p>A. M. Naik</p> <p><b>Father's name:</b> Late Manibhai Naik</p> <p><b>Designation:</b> Non-Executive Chairman</p> <p><b>Address:</b> High Trees, 54 Pali Hill, Bandra (W), Mumbai 400 050</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 00001514</p>	74	<ul style="list-style-type: none"> <li>Larsen &amp; Toubro Limited;</li> <li>L&amp;T Realty Limited; and</li> <li>L&amp;T Technology Services Limited.</li> </ul>
<p>Sanjay Jalona</p> <p><b>Father's name:</b> Shyam Kumar Jalona</p> <p><b>Designation:</b> Chief Executive Officer and Managing Director</p> <p><b>Address:</b> 79/9, Sunny Brooks, Sarjapur Road, Bengaluru 560 035</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of five years from August 10, 2015 to August 9, 2020</p> <p><b>DIN:</b> 07256786</p>	47	None
<p>S. N. Subrahmanyam</p> <p><b>Father's name:</b> Sekharipuram Subrahmanyam Narayanan</p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Address:</b> E-116, 16<sup>th</sup> Cross Street, Besant Nagar, Chennai 600 090, Tamil Nadu</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 02255382</p>	56	<ul style="list-style-type: none"> <li>Larsen &amp; Toubro Limited</li> <li>Construction Skill Development Council of India;</li> <li>L&amp;T Metro Rail (Hyderabad) Limited; and</li> <li>L&amp;T Technology Services Limited.</li> </ul>

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p>R. Shankar Raman</p> <p><b>Father's name:</b> Late Erukoor Dhandapani Ramamurthi</p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Address:</b> Flat no. 123, 12<sup>th</sup> Floor, Kalpataru Royale, Plot no. 110, Road no. 29, Off Sion Circle, Sion (East), Mumbai 400 022</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 00019798</p>	57	<ul style="list-style-type: none"> <li>• Larsen &amp; Toubro Limited;</li> <li>• L&amp;T Finance Holdings Limited;</li> <li>• L&amp;T General Insurance Company Limited;</li> <li>• L&amp;T Hydrocarbon Engineering Limited;</li> <li>• L&amp;T Infrastructure Development Projects Limited;</li> <li>• L&amp;T Investment Management Limited;</li> <li>• L&amp;T Metro Rail (Hyderabad) Limited</li> <li>• L&amp;T Realty Limited; and</li> <li>• L&amp;T Seawoods Limited.</li> </ul>
<p>Samir Desai</p> <p><b>Father's Name:</b> Thakorbhai R. Desai</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> 7050 NW 126 Terrace, Parkland, Florida 33076, United States of America</p> <p><b>Occupation:</b> Professional (Retired)</p> <p><b>Nationality:</b> Citizen of United States of America</p> <p><b>Term:</b> For a period of three years from April 1, 2014 to March 31, 2017</p> <p><b>DIN:</b> 01182256</p>	69	L&T Technology Services Limited
<p>M. M. Chitale</p> <p><b>Father's Name:</b> Manohar Govind Chitale</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> 4/46, Vishnuprasad Society, Shahaji Raje Marg, Vile Parle (East), Mumbai 400 057</p> <p><b>Occupation:</b> Chartered Accountant</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of three years from April 1, 2014 to March 31, 2017</p> <p><b>DIN:</b> 00101004</p>	66	<ul style="list-style-type: none"> <li>• Larsen &amp; Toubro Limited;</li> <li>• Asrec (India) Limited;</li> <li>• Atul Limited;</li> <li>• Essel Propack Limited;</li> <li>• ITZ Cash Card Limited;</li> <li>• L&amp;T General Insurance Company Limited;</li> <li>• ONGC Mangalore Petrochemicals Limited;</li> <li>• ONGC Petro Additions Limited;</li> <li>• Principal Pnb Asset Management Company Private Limited; and</li> <li>• Ram Ratna Wires Limited.</li> </ul>



Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p>Vedika Bhandarkar</p> <p><b>Father's Name:</b> Late Upendra Nath Upadhyaya</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> B-8, Sea Face Park, 50 Bhulabhai Desai Road, Mumbai 400 026</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> For a period of five years from March 16, 2015 to March 15, 2020.</p> <p><b>DIN:</b> 00033808</p>	48	<ul style="list-style-type: none"> <li>• Tata Autocomp Systems Limited;</li> <li>• Tata Investment Corporation Limited;</li> <li>• Tata Motors Finance Limited;</li> <li>• Tata Motors Finance Solutions Limited; and</li> <li>• Tata Sky Limited.</li> </ul>
<p>Arjun Gupta</p> <p><b>Father's Name:</b> Late Satish Chandra Gupta</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> 980 East Hopkins Avenue, Aspen Colorado 81611, United States of America</p> <p><b>Occupation:</b> Venture Capitalist</p> <p><b>Nationality:</b> Citizen of United States of America</p> <p><b>Term:</b> For a period of 5 years from October 28, 2015 to October 27, 2020.</p> <p><b>DIN:</b> 07320919</p>	55	<ul style="list-style-type: none"> <li>• L&amp;T Technology Services Limited;</li> <li>• Calient Technologies Inc.;</li> <li>• Jumpstart Games Inc.; and</li> <li>• Nexant Inc.</li> </ul>

*Note:*

(1) Sanjay Jalona, Samir Desai, M. M. Chitale, Vedika Bhandarkar and Arjun Gupta, who have been appointed for a fixed term, are not liable to retire by rotation.

#### Relationship between our Directors

None of our Directors are related to each other.

#### Brief Biographies of Directors

**A. M. Naik** is the Non-Executive Chairman of our Company. He obtained his graduate degree in mechanical engineering from the Birla Vishvakarma Mahavidyalaya, Sardar Patel University of Gujarat. He has been associated with our Promoter for over five decades. He rapidly rose to secure the position of Managing Director & CEO, followed by Chairman in 2004 and culminating in Group Executive Chairman in 2012. He is the Hon. Consul General for Denmark in Mumbai and was awarded the Order of the Dannebrog as Knight 1st Class by Queen Margrethe of Denmark. He has been awarded an Honorary Degree of Doctor of Letters from Veer Narmad South Gujarat University. He has made several contributions for social upliftment and has contributed to the setting up of certain educational facilities and hospitals such as the Kharel Education Society, the Manibhai Nichhabhai Naik Higher Secondary School, the Anil Naik Technical Training Centre and the Nirali Memorial Radiation Centre. He has secured several global, national and professional honours, including the "Padma Bhushan", "Gujarat Garima Award" - Gujarat's highest civilian honour, "Asia Business Leader of the Year Award" and "India's Business Leader of the Year Award" by CNBC Asia, "Business Leader of the Year (Building India) Award" by NDTV Profit and "Business Leader of the Year Award" by the Economic Times. He has been a Director of our Company since December 23, 1996.

**Sanjay Jalona** is the Chief Executive Officer and Managing Director of our Company. He has obtained a degree of Master of Science (Technology) in computer science from the Birla Institute of Technology and Science, Pilani. He has over 25 years of

experience in the IT industry. Prior to joining our Company, he worked at Infosys Limited as the Executive Vice President and Global Head of High-Tech, Manufacturing and Engineering Services. He has also served as a member of the Board of Lodestone Holding AG (now known as Infosys Consulting Holding AG), the management consulting subsidiary of Infosys in Europe and chaired the Board of Infosys Technologies (China) Company Limited and Infosys Technologies (Shanghai) Company Limited. He was appointed as a Director of our Company with effect from August 10, 2015.

**S. N. Subrahmanyan** is a Non-Executive Director of our Company. He has obtained a graduate degree in civil engineering from the Kurukshetra University, Haryana and has completed a post-graduate course in business administration from Symbiosis Institute of Business Management, Pune. He has over 30 years of experience in the infrastructure and construction industry. He joined the L&T group in 1984. He is a member of the Governing Council of the Construction Skill Development Council of India. He is also a member of the Board of Governors of the National Institute of Construction Management and Research. Mr. Subrahmanyan is a Fellow of the Institution of Civil Engineers- United Kingdom. He was the Chairman of the CII Gulf Committee for the Financial Year 2012 and was a member of the Working Committee, Projects Exports Promotion Council. Mr. Subrahmanyan was awarded the “Leadership Award” by the Qatar Contractors Forum in 2014. He was ranked 36<sup>th</sup> in the “2014 Construction Week Power 100” in the global construction sector in a survey by international publication the Construction Week, in its issue dated June 22, 2014. In 2012, he was awarded with the “Outstanding Contribution to Industry (Infrastructure)” by the Construction Week Magazine. He was appointed as Director of our Company on January 10, 2015.

**R. Shankar Raman** is a Non-Executive Director of our Company. He is a qualified Chartered Accountant. He has over 28 years of experience in various capacities in the field of finance. Mr. Shankar Raman joined the L&T group on November 14, 1994 for incorporating L&T Finance Limited. He was appointed as the chief financial officer of L&T in September 2011 and subsequently elevated to the board of directors of L&T on October 1, 2011. He presently oversees the finance functions in L&T. Mr. Shankar Raman holds the position of director in several companies within the L&T group. He was ranked amongst the top three CFOs in Asia by the Institutional Investor magazine in the infrastructure sector in 2013 and in the industrials sector in 2014 and 2015. In 2013, Mr. Shankar Raman won CNBC TV18’s ‘CFO of the Year Award’ and Business Today’s Best CFO Award for Consistent Liquidity Management under Large Companies category. He ceased to be the Director of our Company on September 26, 2015 and was re-appointed on October 28, 2015.

**Samir Desai** is an Independent Director of our Company. He has obtained a post-graduate degree in electrical engineering from the Illinois Institute of Technology. He also holds a post-graduate degree in business administration from Loyola University, Chicago. Mr. Desai has over 30 years of experience in management. Prior to joining our Company, he worked at Motorola for over 30 years and has also served as a chief information officer at Motorola. He has also served as general manager of iDEN® Networks & Devices. He was appointed as a Director of our Company on January 27, 2007.

**M. M. Chitale** is an Independent Director of our Company. He has obtained a graduate degree in commerce from the University of Mumbai. He is a qualified Chartered Accountant. He has over 40 years of experience as a Chartered Accountant in practice. He has been a fellow member of the ICAI and has served as the President of ICAI in the year 1997-98. He was also associated as a member of governing council of Banking Codes and Standards Board of India. Mr. Chitale was also the Chairman of the Ethics Committee of the Stock Exchange, Mumbai. He was a member of Advisory Board on Bank, Commercial and Financial Frauds. He was also a member of the group for Amalgamation of Urban Co-operative Banks. He was a member of the Working Group on Restructuring of Weak Public Sector Banks appointed by RBI (Verma Committee) and the Committee on Procedures and Performance Audit of Public Services appointed by RBI (Dr. Tarapore Committee) as well. He was appointed as the Chairman of National Advisory Committee on Accounting Standards. He was appointed as a Director of our Company on October 17, 2011.

**Vedika Bhandarkar** is an Independent Director of our Company. She has obtained her graduate degree in science from the Mohanlal Sukhadia University, Udaipur and completed a two year post-graduate programme in management from the Indian Institute of Management, Ahmedabad. She has over 25 years of experience in the financial services industry. Prior to joining our Company, she held the position of the Managing Director and Vice-Chairman, India, of Credit Suisse Securities (India) Private Limited (“Credit Suisse”). She has served as the head of Indian investment banking and global markets solution group, India, at Credit Suisse from July 2010 to February 2015. She has also worked with JP Morgan India Private Limited in India as the Managing Director from May 1998 to July 2010. She was appointed as a Director of our Company with effect from March 16, 2015.

**Arjun Gupta** is an Independent Director of our Company. He received a graduate degree in economics (Honors) from St. Stephen’s College, Delhi University; a graduate degree (Phi Beta Kappa) in computer science and a post graduate degree in computer science from Washington State University; and a post graduate degree in business administration from Stanford University. He was also an Advanced Leadership Fellow from Harvard University and a 2001 Henry Crown Fellow from the Aspen Institute. He has been the managing partner of TeleSoft Partners, a special situations venture capital firm he founded in 1997 in USA. He has over 27 years of experience working with technology companies in engineering, consulting and venture capital roles. He was ranked by Forbes Magazine in the Top-100 technology venture capital investors on the 2006, 2007, 2008 and 2009 Midas Lists. He serves on the boards of various companies in USA such as Calient Technologies Inc., Jumpstart Games Inc. (formerly Knowledge Adventure) and Nexant Inc.; and he is an advisor of DocuSign. He was appointed as a Director of our Company on October 28, 2015.

## Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

## Terms of appointment of the Executive Director

Sanjay Jalona was appointed as the Chief Executive Officer and Managing Director of our Company pursuant to the resolution passed by our Board on July 27, 2015, for the period commencing from August 10, 2015 up to and including August 9, 2020. Pursuant to the employment agreement dated August 26, 2015, entered into between Sanjay Jalona and our Company (the "Employment Agreement"), he shall be entitled to the following remuneration as given hereunder <sup>(1)</sup>:

Particulars	Indian remuneration (based in India) (in ₹)	USA remuneration (based in USA) (in USD)
Base pay	1.875 million per month	750,000 per annum
Variable compensation <sup>(2)</sup>	Upto 7.5 million per annum	Upto 180,000 per annum
Retention bonus <sup>(3)</sup>	2.5 million per annum	300,000 per annum
Commission on profit	0.2% of the standalone PAT, calculated as per the Companies Act, 2013	
Stock compensation	Mr. Jalona will be eligible to receive employee stock options having a market value of USD 2 million at the time of grant under our Company's employee stock ownership scheme	

Notes:

- (1) The Indian remuneration shall be applicable when Mr. Jalona is based in India. Upon obtaining a valid work permit to work in the U.S.A and commencing such work, USA remuneration shall become applicable. The remuneration for the Financial Year 2016 would be paid on pro-rata basis.*
- (2) Variable compensation will be based on the achievement of the milestones/goals, laid out in the variable compensation plan as set out annually.*
- (3) Mr. Jalona will have an option to convert the retention bonus in part or full into employee stock options.*
- (4) The definition of profit for the purpose of commission will be the operating net PAT, for and from the Financial Year 2016 and excluding extraordinary/exceptional profits or losses arising from sale of business/assets, sale of shares in any of our subsidiaries and associate companies/special purpose vehicles/joint ventures and also from sale of strategic investments/adjustment in valuation of strategic investments. The commission on PAT and conversion rate of USD and Rupee figures, for such computations shall be as on day when that accounts are approved for the pertinent Financial Year, in accordance with the Companies Act, 2013.*

Other benefits provided under the Employment Agreement include (i) coverage under the Larsen & Toubro Officers and Supervisory Staff Provident Fund Scheme, (ii) medical benefits and health insurance, (iii) employee benefit programs, (iv) leave encashment and (v) reimbursement of expenses.

Sanjay Jalona shall not be entitled to sitting fees for attending the meetings of our Board or committees of our Company from the date of his appointment.

In case of termination of the Employment Agreement by our Company, Sanjay Jalona will be entitled to twelve months' base pay if the Employment Agreement is terminated within the first year of service, and if the Employment Agreement is terminated after the first year of service, he will be entitled to six months' base pay or, in case of non-performance or low performance, three months' full base pay and three months' half base pay.

## Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in the Financial Year 2016, which includes remuneration accrued for the Financial Year 2016, but payable in the Financial Year 2017, are as follows:

### 1. Remuneration to Executive Director:

During the Financial Year 2016, Sanjay Jalona was paid a remuneration of ₹ 35.22 million, which includes remuneration accrued for the Financial Year 2016 but paid in the Financial Year 2017.

## 2. Remuneration to Non-Executive Directors:

The aggregate value of the remuneration paid to the existing Non-Executive Directors in the Financial Year 2016 is ₹ 10.18 million.

The details of the remuneration and sitting fees paid to the existing Non-Executive Directors of our Company in the Financial Year 2016 are set forth in the table below:

Sr. No.	Name of the Director	Sitting Fees (in ₹ million)	Commission (in ₹ million)	Total (in ₹ million)
1.	Samir Desai	0.53	6.51	7.04
2.	M. M. Chitale	0.55	Nil	0.55
3.	A. M. Naik	Nil	Nil	Nil
4.	S. N. Subrahmanyam	Nil	Nil	Nil
5.	R. Shankar Raman	Nil	Nil	Nil
6.	Vedika Bhandarkar	0.25	0.83	1.08
7.	Arjun Gupta	0.10	1.41	1.51

In addition to the above, certain Directors have also been granted employee stock options. For further details, see “Capital Structure” on pages 80 to 82.

Except as disclosed in “Related Party Transactions” on page 181, none of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company. Further, except statutory benefits upon termination of their employment in our Company or retirement, other than Sanjay Jalona (as disclosed above), none of our Directors are entitled to any benefits upon termination of employment.

No remuneration has been paid, or is payable, by our Subsidiaries to the Directors of our Company.

Except for Sanjay Jalona (as disclosed above), none of the Directors are a party to any bonus or profit sharing plan of our Company.

### Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board or member of senior management.

### Shareholding of Directors in our Company:

The shareholding of our Directors as of the date of filing this Prospectus is set forth below:

Name of Director	Number of Equity Shares held	% of the pre-Offer shareholding
A. M. Naik	871,875	0.51

Our Articles of Association do not require our Directors to hold any qualification shares.

### Shareholding of Directors in Subsidiaries

Our Directors do not hold any equity shares in our Subsidiaries.

### Appointment of relatives of Directors to any office or place of profit

None of the relatives of our Directors currently hold any office or place of profit in our Company.

### Interest of Directors

All Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and Committees thereof, and reimbursement of expenses payable to them under our Articles of Association and commission payable to them as approved by our Board of Directors. Our Executive Director may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to him under our Articles of Association and to the extent of remuneration paid to him for services rendered as an officer of our Company.

Our Directors may also be regarded as interested in the Equity Shares or employee stock options held by them or that may be subscribed or Allotted, pursuant to the Offer, to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters.

Except as disclosed in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

Our Directors have no interest in the promotion of our Company other than in the ordinary course of business.

Further, our Directors have no interest in any property acquired within two years from the date of the Draft Red Herring Prospectus or proposed to be acquired by our Company.

Except as stated in “Related Party Transactions” on page 181, our Directors do not have any other interest in our business.

No loans have been availed by our Directors or the Key Management Personnel from our Company.

#### Changes in the Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
V.K. Magapu	October 1, 2013 <sup>(1)</sup>	Re-appointed as Managing Director
K.R.L. Narasimham	April 8, 2014 <sup>(2)</sup>	Re-appointed as Executive Director
Keshab Panda	April 30, 2014	Ceased to be Non-Executive Director
Chandrashekara Kakal	July 21, 2014 <sup>(3)</sup>	Appointed as Executive Director
V.K. Magapu	October 1, 2014	Re-appointed as Managing Director
Vivek Chopra	December 31, 2014	Ceased to be Executive Director
S. N. Subrahmanyam	January 10, 2015 <sup>(4)</sup>	Appointed as Non-Executive Director
Sunil Pande	January 10, 2015 <sup>(4)</sup>	Appointed as Executive Director
Mukesh Aghi	February 28, 2015	Ceased to be Executive Director
Vedika Bhandarkar	March 16, 2015 <sup>(4)</sup>	Appointed as Independent Director
Rama Iyer	April 1, 2015	Ceased to be Independent Director
K.R.L. Narasimham	April 8, 2015	Ceased to be Executive Director
Sanjay Jalona	August 10, 2015 <sup>(5)</sup>	Appointed as Chief Executive Officer and Managing Director
Sunil Pande	August 26, 2015	Ceased to be Executive Director
Chandrashekara Kakal	August 27, 2015	Ceased to be Executive Director
V.K. Magapu	September 26, 2015	Ceased to be Managing Director
R. Shankar Raman	September 26, 2015	Ceased to be Non-Executive Director
Arjun Gupta	October 28, 2015 <sup>(6)</sup>	Appointed as Independent Director
R. Shankar Raman	October 28, 2015 <sup>(6)</sup>	Appointed as Non-Executive Director

(1) The Shareholders of our Company approved appointment of V.K. Magapu as the Managing Director on September 13, 2012 and consequent re-appointments on August 19, 2013 and September 10, 2014.

(2) The Shareholders of our Company approved the re-appointment of K.R.L. Narasimham as Executive Director on January 25, 2013 and subsequently on March 31, 2014.

(3) The Shareholders approved appointment of Chandrashekara Kakal as a director on September 10, 2014. Further, Rama Iyer, M. M. Chitale and Samir Desai were appointed as Independent Directors under the Companies Act, 2013 for a fixed term on September 10, 2014.

(4) The Shareholders approved appointment of S. N. Subrahmanyam, Sunil Pande and Vedika Bhandarkar as directors on June 12, 2015.

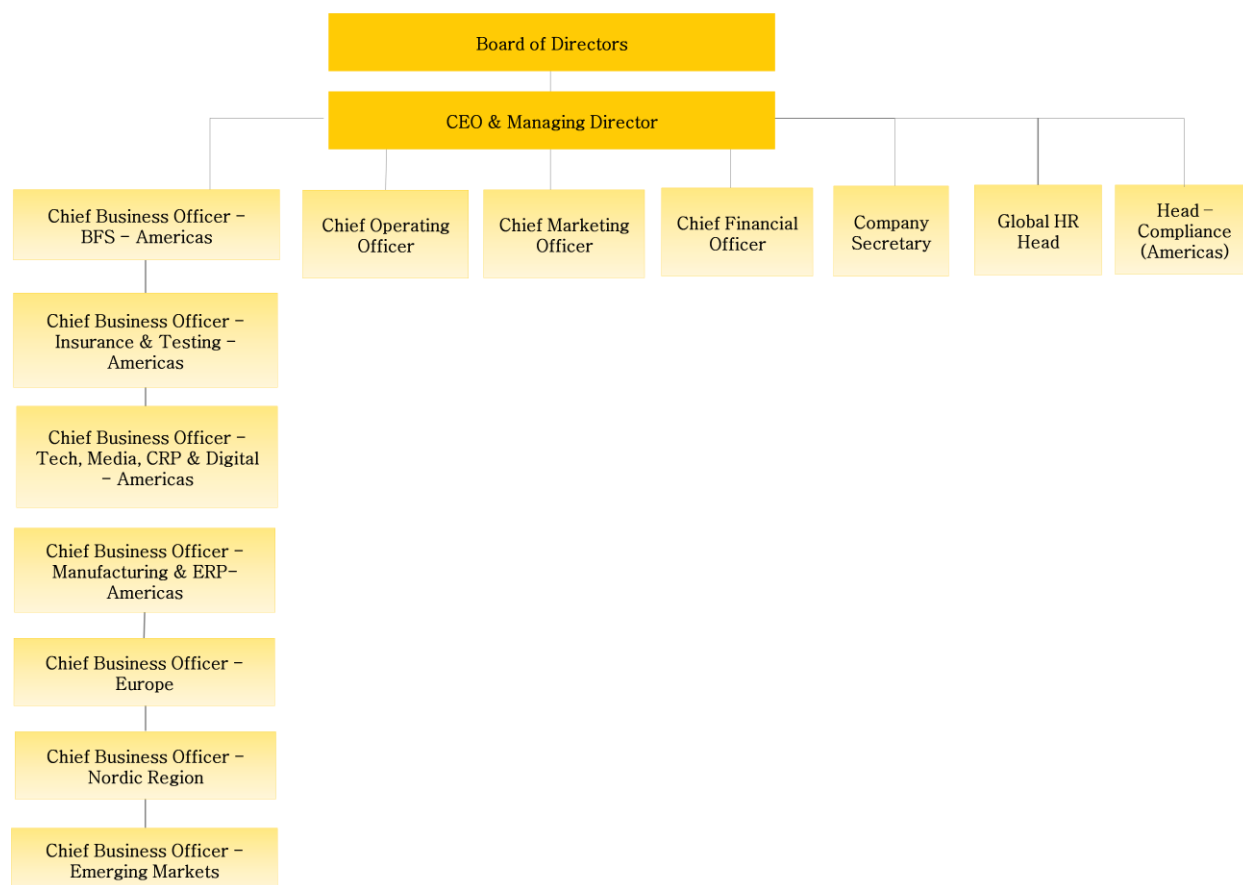
(5) The Shareholders approved appointment of Sanjay Jalona as the Chief Executive Officer and Managing Director on September 14, 2015.

(6) The Shareholders approved appointment of Sanjay Jalona, R. Shankar Raman and Arjun Gupta as directors on May 31, 2016.

#### Borrowing Powers of Board

Our Board of Directors is authorised to borrow any sum or sums of money from time to time which together with monies already borrowed by our Company do not exceed the aggregate of the paid-up capital of our Company and its reserves, apart from temporary loans obtained from our Company’s bankers in the ordinary course of business.

## Management Organisation Chart



## Key Management Personnel

### Brief Biographies of Key Management Personnel

For details in relation to biographies of Sanjay Jalona, see “Our Management- Brief Biographies of Directors” on pages 143 to 144.

**Aftab Ullah**, aged 45 years is the Chief Operating Officer of our Company. He joined our Company on February 9, 2016. He has obtained a graduate degree in engineering from Banaras Hindu University, Varanasi (designated as an Indian Institute of Technology since 2012). He has over 20 years of experience in the IT industry. Previously, Mr. Ullah worked with BA Continuum India Private Limited in various capacities including senior vice president and head, Global Delivery Centre of Expertise, India as well as Whole Time Director. In our Company, he is responsible for global delivery, global operations and corporate services of our Company. During the Financial Year 2016, he received a compensation of ₹ 2.76 million from our Company. In addition to the same, he is also entitled to variable compensation for the Financial Year 2016 and shall be paid accordingly.

**A. K. Sonthalia**, aged 48 years, is the Chief Financial Officer of our Company. He joined our Company on August 26, 2015. He is a Chartered Accountant. He has over 24 years of experience in the areas of strategic financial planning, treasury and finance and accounts in various industry verticals. Previously, he has worked at senior finance positions in L&T Power IC, Greaves Cotton Limited and Tata Group Companies- Tata Inc. (USA), and Tata Chemicals Limited. He completed one year management programme for Tata Steel officers from XLRI, Jamshedpur. In our Company, he has overall responsibility for the finance function. During the Financial Year 2016, he received a compensation of ₹8.50 million from our Company. In addition to the same, he is also entitled to variable compensation for the Financial Year 2016 and shall be paid accordingly.

**S. K. Bhatt**, aged 63 years, is the Company Secretary of our Company. He joined our Company on August 26, 2015. He holds a graduate degree in law from University of Mumbai and a post graduate degree in commerce and financial management from University of Mumbai. He is a fellow member of the ICSI. He has over 44 years of experience in various fields such as banking, corporate finance, legal and corporate compliance. He has worked for 16 years in Bank of India followed by over three years with Chemical Terminal Trombay Limited, a subsidiary of Tata Power Company Limited as the Company Secretary and Finance Manager. Post this, he has worked at Godrej Industries Limited as the Executive Vice-President (Corporate Services) and Company Secretary. He was appointed by our Promoter as the Chief Legal Advisor on May 2, 2009, a position he holds currently. As Chief Legal Advisor of our Promoter, he is responsible for all corporate related matters and he also supervises legal matters. During the Financial Year 2016, he received a compensation of ₹3.23 million

from our Company. In addition to the same, he is also entitled to variable compensation for the Financial Year 2016 and shall be paid accordingly.

Except Sanjay Jalona, none of the appointment or deputation letters issued to the Key Management Personnel specify the term of office of the Key Management Personnel. However, the appointment letters issued by our Promoter to S. K. Bhatt, who is deputed by our Promoter to our Company, provide for his retirement on January 1, 2017.

Further, except statutory benefits upon termination of their employment in our Company or retirement, none of our Key Management Personnel are entitled to any benefits upon termination of employment other than Sanjay Jalona. For further details in relation to termination benefits of Sanjay Jalona, see “Our Management- Terms of appointment of the Executive Director” from pages 145.

None of our Key Management Personnel are related to each other.

Except S. K. Bhatt who is deputed by our Promoter to our Company, all our Key Management Personnel are the permanent employees of our Company. Our Promoter recovers from our Company, the remuneration paid to the deputed Key Management Personnel.

Except S. K. Bhatt who is deputed by our Promoter to our Company, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel were selected as a Director or a member of our senior management.

### **Shareholding of Key Management Personnel**

As of the date of this Prospectus, none of the Key Management Personnel hold any Equity Shares in our Company.

### **Bonus or profit sharing plan of the Key Management Personnel**

Except for Sanjay Jalona and certain performance linked incentives and retention pay set out in the respective appointment letters of the Key Management Personnel, our Company does not have any bonus or profit sharing plan for the Key Management Personnel. For further details in relation to entitlement under profit sharing plan for Sanjay Jalona, see “Our Management-Terms of appointment of the Executive Director” on page 145.

### **Interests of Key Management Personnel**

None of our Key Management Personnel have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business, the Equity Shares held and the employee stock options held, if any.

### **Changes in our Key Management Personnel**

The changes in our Key Management Personnel in the last three years are as follows:

<b>Name</b>	<b>Date of change</b>	<b>Reason for change</b>
Chandrashekara Kakal	May 26, 2014	Appointed as Chief Operating Officer
Angna Arora	May 8, 2015	Ceased to be Company Secretary and Re-designated as Head- Secretarial
Pramod S. Kapoor	May 8, 2015	Appointed as Chief Financial Officer and Company Secretary
Pramod S. Kapoor	August 26, 2015	Ceased to be a Chief Financial Officer and Company Secretary
A. K. Sonthalia	August 26, 2015	Appointed as Chief Financial Officer
S. K. Bhatt	August 26, 2015	Appointed as Company Secretary
Chandrashekara Kakal	August 27, 2015	Ceased to be Chief Operating Officer
Aftab Ullah	February 9, 2016	Appointed as Chief Operating Officer

In addition to the changes in our Key Management Personnel set out above, for details in relation to changes in our Directors who are also our Key Management Personnel, see “Our Management- Changes in the Board in the last three years” on page 147.

### **Payment or Benefit to officers of our Company**

Except for the payment of remuneration or commission for services rendered by our officers, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer and consideration for payment of giving of the benefit.

Our Company has granted options to certain employees of our Company. For details, see “Capital Structure - Employee stock option plans - Existing Employee Stock Option Plans” and “Capital Structure – Employee stock option plans – ESOP Scheme, 2015” on pages 75 to 80.

## Corporate Governance

The provisions of the Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act, 2013 and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has eight Directors. In compliance with the requirements of the Listing Regulations, we have a Non-Executive Chairman, one Executive Director and six Non-Executive Directors including four Independent Directors, on our Board. Further, in compliance with the Listing Regulations and the Companies Act, 2013, we have a woman director on our Board.

### Committees of the Board

In addition to the committees of the Board detailed below, our Board of Directors may, from time to time, constitute committees for various functions.

#### *Audit Committee*

The members of the Audit Committee are:

1. M. M. Chitale, Independent Director (*Chairman*),
2. Samir Desai, Independent Director,
3. S. N. Subrahmanyam, Non-Executive Director, and
4. Vedika Bhandarkar, Independent Director.

The Audit Committee was last re-constituted by our Board on April 18, 2016. Our Audit Committee met four times during the Financial Year 2016. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18(3) of the Listing Regulations and its terms of reference include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;



6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To establish and review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of the chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board or specified/provided under the Companies Act, 2013 or by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

#### ***Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

1. Samir Desai, Independent Director (*Chairman*),
2. A. M. Naik, Non- Executive Chairman,
3. S. N. Subrahmanyam, Non-Executive Director, and
4. M. M. Chitale, Independent Director.

The Nomination and Remuneration Committee was last re-constituted by our Board on August 26, 2015. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19(4) of the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board of directors;

3. To consider and approve Employee Stock Option Schemes and to administer and supervise the same;
4. Devising a policy on diversity of Board of Directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. To consider whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

#### ***Stakeholders' Relationship Committee***

The members of the Stakeholders' Relationship Committee are:

1. S. N. Subrahmanyam, Non- Executive Director (*Chairman*),
2. Vedika Bhandarkar, Independent Director, and
3. Sanjay Jalona, Chief Executive Officer and Managing Director.

The Stakeholders' Relationship Committee was last re-constituted by our Board on August 26, 2015. This committee is responsible for the redressal of shareholder grievances.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20(4) of the Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee of our Company include the following:

1. To redress grievances of shareholders, debenture holders and other security holders;
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. To consider and resolve grievances related to non-receipt of declared dividends, annual report of the Company or any other documents or information to be sent by the Company to its shareholders; and
5. Carrying out any other function as may be decided by the Board or specified/provided under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

#### ***Corporate Social Responsibility Committee:***

The members of the Corporate Social Responsibility Committee are:

1. S. N. Subrahmanyam, Non-Executive Director (*Chairman*),
2. Sanjay Jalona, Chief Executive Officer and Managing Director, and
3. M. M. Chitale, Independent Director.

The Corporate Social Responsibility Committee was last re-constituted by our Board on August 26, 2015. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013.

The terms and reference of the Corporate Social Responsibility Committee include the following:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 including any amendments thereto;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

- c) To monitor CSR policy of the Company including instituting a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.

### ***Risk Management Committee***

The members of the Risk Management Committee are:

1. S. N. Subrahmanyam, Non-Executive Director- (*Chairman*),
2. Sanjay Jalona, Chief Executive Officer and Managing Director, and
3. A. K. Sonthalia, Chief Financial Officer.

The Risk Management Committee was last re-constituted by our Board on August 26, 2015. The Risk Management Committee has been authorised to do all the acts, deeds and things on such terms and conditions as laid before the Board and in such manner as they deem fit. The roles of the Risk Management Committee are the following:

1. Framing, implementing, reviewing and monitoring the risk management plan for the Company;
2. Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
3. Oversight of the risk management policy/ enterprise risk management framework (identification, impact assessment, monitoring, mitigation & reporting);
4. Review key strategic risks at domestic/international, macro-economic & sectoral level (including market, competition, political & reputational issues);
5. Review significant operational risks; and
6. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or statutorily prescribed under any other law or by any other regulatory authority.

### ***IPO Committee***

The members of the IPO Committee are:

1. A. M. Naik, Non- Executive Chairman (*Chairman*),
2. S. N. Subrahmanyam, Non-Executive Director, and
3. Sanjay Jalona, Chief Executive Officer and Managing Director.

The IPO Committee was last re-constituted by our Board on September 26, 2015. The terms and reference of the IPO Committee include the following:

- a. To make applications in consultation with the Selling Shareholder, where necessary, to such authorities as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;
- b. To approve and file in consultation with the Selling Shareholder where applicable, the draft red herring prospectus with SEBI, the red herring prospectus and prospectus with the Registrar of Companies and to make necessary amendments or alterations, therein;
- c. To decide along with the Selling Shareholder on the timing, pricing, reservation and discount if any, to any class of investors as allowed under applicable law and all the terms and conditions of the Offer, including the price band, opening and closing of Offer, size of the offer in terms of number of Equity Shares or amount, Offer price, Offer size and to accept any amendments, modifications, variations or alterations thereto;
- d. To appoint and enter into arrangements in consultation with the Selling Shareholder where applicable, with the book running lead managers, underwriters to the Offer, syndicate members to the Offer, advisors to the Offer, brokers to the Offer, stabilising agent, escrow collection bankers to the Offer, refund banks to the Offer, public issue account bankers to the Offer, registrar to the Offer, legal advisors to the Underwriters and to the Company, international legal advisors and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise the terms of their appointment;

- e. To negotiate, finalise, settle and to execute in consultation with the Selling Shareholder where applicable and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wraps, offer agreement, share escrow agreement, syndicate agreement, underwriting agreement, cash escrow agreement, agreements with the registrar and the advertising agency and all other documents, deeds, agreements and instruments and any notices, supplements and corrigenda thereto, as may be required or desirable in relation to the Offer;
- f. To open with the bankers to the Offer such accounts as may be required by the regulations issued by SEBI;
- g. To open and operate bank accounts in terms of the escrow agreement with a scheduled bank to receive applications along with application monies, handling refunds and for the purposes set out in Section 40(3) of the Companies Act, 2013 in respect of the Offer, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- h. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under applicable laws and the listing agreement to be entered into by the Company with the relevant stock exchanges;
- i. To issue allotment letters/confirmation of allotment notes with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;
- j. To do all such acts, deeds, matters and things and execute all such other documents, etc. in consultation with the Selling Shareholder where applicable, deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;
- k. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited and such other agencies, authorities or bodies as may be required in this connection;
- l. To make applications to such authorities as may be required for the Offer;
- m. To make applications for listing of the equity shares of the Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or necessary documentation to the concerned stock exchange(s) and to select the Designated Stock Exchange;
- n. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may, in consultation with the Selling Shareholder, where applicable, deem fit and to undertake any action in relation to the Offer as required including withdrawal of the Offer and to delegate such of its powers as may be deemed necessary to the officials of the Company.

## OUR PROMOTER AND PROMOTER GROUP

### Our Promoter

The Promoter of our Company is L&T. Our Promoter currently holds 161,250,000 Equity Shares, equivalent to 94.94% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company.

### Our Promoter

Our Promoter was incorporated on February 7, 1946 at Mumbai. The registered office of our Promoter is located at L&T House, Ballard Estate, Mumbai 400 001. Our Promoter was set up as a partnership in 1938 by two Danish engineers after whom the company is named - Henning Holck-Larsen and Soren Kristian Toubro. The partnership supplied Indian industry with equipment made in Europe. Subsequently it began manufacture of primary equipment for dairy and other industries. In 1946, the partnership was incorporated as a private limited company, and in 1950, was converted to a public limited company. Our Promoter established a reputation for quality, reliability and customer-orientation, and rapidly expanded its capabilities. It manufactured equipment and executed projects that served critical sectors of the economy - chemical plants, refineries, mining, nuclear, aerospace and infrastructure at a works complex in Powai, Mumbai. Expanding beyond its works at Powai, Mumbai, our Promoter set up manufacturing facilities at other locations including Chennai (then Madras), Kansbahal (near Rourkela), Faridabad and Bengaluru (then Bangalore).

Our Promoter entered the business of cement manufacturing in the early 1980s. Setting up a number of cement plants in succession, it emerged within a couple of decades as one of the country's major manufacturers of premium quality cement.

In 1987, our Promoter set up a waterfront facility at Hazira, capable of fabricating over-dimensioned equipment and platforms for the hydrocarbon industry. Additionally, our Promoter strengthened its manufacturing capability by setting up new facilities, including those at Ahmednagar and Talegaon in Maharashtra, Mysuru in Karnataka and Coimbatore in Tamil Nadu. Currently, our Promoter's manufacturing footprint extends across India, the Middle East, South East Asia and U.K.

Our Promoter has also taken steps to augment its engineering and design capabilities. In addition to an entire campus - 'Knowledge City' at Vadodara, our Promoter has design facilities and 'Technology Centres' including those at Faridabad, Mumbai, Bengaluru, Mysuru and Chennai. Across the decades, our Promoter's profile and portfolio have changed in line with its strategic vision. It has either discontinued or divested stake in business lines not integral to its core strengths in engineering and construction. Businesses from which it has exited include equipment for the food processing industry, packaging equipment, glass containers, tractors, medical equipment and plastics processing. The cement business was de-merged in 2004.

With an emphasis on scalable businesses, our Promoter has set its sight on business lines which draw on its core strengths. The Hazira facility has been expanded to include manufacture of advanced equipment for supercritical power plants, in collaboration with a Japanese major. Hazira also incorporates a shipyard and a large forge shop, set up in 2012, for the manufacture of nuclear grade steel and heavy forgings for the nuclear and hydrocarbon industry. At Kattupalli near Chennai, our Promoter set up a major shipyard in 2012 and a minor port, commissioned in 2013. A facility at Talegaon is dedicated to the manufacture of defence related equipment. Our Promoter set up its own power plant at Rajpura, Punjab, commissioned in 2013.

Selected business verticals have been formed into subsidiary companies in order to create a dedicated structure and achieve sharper focus. In 2013, L&T Hydrocarbon Engineering Limited was formed as a subsidiary company. Other subsidiaries include L&T Valves Limited and L&T Construction Equipment Limited.

Across the decades, change at our Promoter has been in step with continuity. Our Promoter continues to be a company engaged in the core sector of the economy. It is augmenting its presence in infrastructure, defence and technology sectors and sees an expansive role in building of smart cities and communications. Corporate social responsibility and sustainability remain central to its vision, as evidenced in the number of community health centres and skill training centre it has set up. Our Promoter helps in the industry-wide propagation of knowledge through its Leadership Development Academy at Lonavala, Project Management Institute in Vadodara and Switchgear Training Centres around the country.

Our Promoter does not have any identifiable promoters and is widely held and is a professionally managed company.

There has been no change in control or management of our Promoter in the last three years.

### Board of directors of our Promoter

The board of directors of our Promoter as on the date of this Prospectus are as set out below:

Sr. No.	Name of the director	Designation
1.	A. M. Naik	Group Executive Chairman
2.	S.N. Subrahmanyam	Deputy Managing Director and President

Sr. No.	Name of the director	Designation
3.	R. Shankar Raman	Whole-time Director and Chief Financial Officer
4.	Shailendra N. Roy	Whole-time Director and Senior Executive Vice President (Power, Heavy Engineering and Defence)
5.	D.K. Sen	Whole-time Director and Senior Executive Vice President (Infrastructure)
6.	M. V. Satish	Whole-time Director & Senior Executive Vice President (Buildings, Minerals & Metals)
7.	M.M. Chitale	Independent Director
8.	Subodh Bhargava	Independent Director
9.	M. Damodaran	Independent Director
10.	Vikram Singh Mehta	Independent Director
11.	Sushobhan Sarker	Nominee of Life Insurance Corporation of India
12.	Adil Siraj Zainulbhai	Independent Director
13.	Akhilesh Krishna Gupta	Independent Director
14.	Bahram N. Vakil	Independent Director
15.	Sunita Sharma	Nominee of Life Insurance Corporation of India
16.	Thomas Mathew T.	Independent Director
17.	Ajay Shankar	Independent Director
18.	Subramanian Sarma	Non-Executive Director
19.	Naina Lal Kidwai	Independent Director
20.	Sanjeev Aga	Independent Director
21.	Narayanan Kumar	Independent Director

## Shareholding pattern of our Promoter

The shareholding pattern of our Promoter as on March 31, 2016 is as follows:

Category (I)	Category of shareholder (II)	No. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No. shares held (VII)” (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR.1957) (VIII) As a % of (A+B+C2)	Number of Voting rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total shares held(b)	Number (a)	As a % of total shares held(b)	
								Class-X	Class eg :y	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	NA	0	
(B)	Public	1,028,540	912,265,161	0	0	912,265,161	100.00	912,265,161	0	912,265,161	100.00	6,346,986	100.00	114,752,281	12.58	NA	892,660,097	
(C)	Non promoter-Non Public	1	0	0	19,213,684	19,213,684	0.00	0	0	0	0	0	0	0	0	NA	19,213,684	
(C1)	Shares underlying DRs	1	0	0	19,213,684	19,213,684	0.00	0	0	0	0	0	0	0	0	NA	19,213,684	
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	NA	0	
	Total	1,028,541	912,265,161	0	19,213,684	931,478,845	100.00	912,265,161	0	912,265,161	100.00	6,346,986	100.00	114,752,281	12.58		911,873,781	

Our Company confirms that the PAN, bank account numbers, the company registration number and address of the registrar of companies where our Promoter is registered has been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

### **Interest of our Promoter**

Our Promoter is interested in our Company to the extent it has promoted our Company and to the extent of its shareholding and the dividends payable if any and certain services provided in the ordinary course of business, including licensing of “L&T” trademark pursuant to the Trademark Licensing Agreement and human resources’ services and shared services in respect of employees’ pay roll. For details regarding the shareholding of our Promoter in our Company, see “Capital Structure” on pages 71 to 72.

Our Promoter has entered into agreements with our Company to lease office space in respect of properties situated at Chennai, Bengaluru and Powai. Our Promoter receives rent from our Company in respect of these properties on an arm’s length basis. Our Promoter has no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of the Draft Red Herring Prospectus, or in any transactions by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoter recovers from our Company the remuneration paid to the deputed Key Management Personnel.

Except as stated in this Prospectus, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoter is directly or indirectly interested and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with it other than in ordinary course of business. For further details of related party transactions, as per Accounting Standard 18, see “Related Party Transactions” on page 181.

Except for LTTSL and its subsidiaries L&T Thales Technology Services Private Limited (“L&T Thales”) and L&T Technology Services LLC (“L&T Technology”), our Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by our Company. LTTSL, a wholly owned subsidiary of our Promoter, is involved in the IT services and products business. LTTSL is involved in the business of engineering services. Specific services offered by LTTSL include mechanical engineering, embedded systems, engineering process services and product lifecycle management, as well as proprietary solutions in engineering data analytics, power electronics, machine-to-machine and the IoT. L&T Thales and L&T Technology are involved in the business of software development services.

For details of related party transactions entered into by our Company with its Subsidiaries, as per Accounting Standard 18, the nature of transactions and the cumulative value of transactions, see “Related Party Transactions” on page 181.

Except as disclosed in “Related Party Transactions” on page 181, our Promoter is not related to any sundry debtors of our Company.

### **Payment or Benefits to our Promoter**

Except as stated otherwise in “Related Party Transactions” which provides the related party transactions, as per Accounting Standard 18 and in “Our Promoter and Promoter Group- Interests of our Promoter” on pages 181 and 158, respectively, there has been no payment or benefit to our Promoter or Promoter Group during the two years prior preceding filing of the Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of the Draft Red Herring Prospectus.

### **Confirmations**

Our Promoter is not a Wilful Defaulter.

SEBI has issued notices to our Promoter and one of our Directors, A. M. Naik, in relation to alleged violation of the SEBI Act and the SEBI Insider Trading Regulations, 1992, for delay in reporting obligations in connection with certain trades in shares of our Promoter. For further details, see “Outstanding Litigation and Material Developments- Litigation involving our Directors - Litigation against our Directors” on pages 355 to 356.

Further, SEBI has issued summons to our Promoter and S. N. Subrahmanyam, in his capacity of director of our Promoter, in furtherance of the ongoing investigation proceedings initiated by SEBI against Sharepro Services (India) Private Limited. For further details, see “Outstanding Litigation and Material Developments - Litigation involving our Promoter - Actions taken by regulatory and statutory authorities - Actions taken by SEBI” on page 331.

Further, SEBI has informed our Company that SEBI has initiated adjudication proceedings against our Promoter in relation to alleged violation of continuous disclosure norms under the SEBI Insider Trading Regulations, 1992. For further details, see “Outstanding Litigation and Material Developments - Litigation involving our Promoter - Actions taken by regulatory and statutory authorities - Actions taken by SEBI” on page 331.



Except as disclosed herein, there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against our Promoter.

Our Promoter and Promoter Group entities have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Prospectus against our Promoter, except as disclosed under “Outstanding Litigation and Material Developments” on page 324.

Our Promoter is not and has never been a promoter, director or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

#### **Companies with which our Promoter has disassociated in the last three years**

Except as provided below, our Promoter has not disassociated itself from any of the companies during the three years preceding the date of filing of the Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of the disassociated entity</b>	<b>Reasons and circumstances leading to the disassociation and terms of disassociation*</b>	<b>Date of disassociation</b>
1.	L&T Chennai Projects Private Limited	Sale of shares	October 3, 2013
2.	L&T Bangalore Airport Hotel Limited	Sale of shares	January 24, 2014
3.	L&T Tech Park Limited	Sale of shares	May 22, 2014
4.	L&T Tejomaya Limited	Sale of shares	May 22, 2014
5.	The Dhamra Port Company Limited	Sale of shares	June 23, 2014
6.	NAC Infrastructure Equipment Limited	Sale of shares	August 1, 2014
7.	Salzer Electronics Limited	Sale of shares	August 5, 2015
8.	CSJ Infrastructure Private Limited	Sale of shares	November 13, 2015
9.	Rishi Consfab Private Limited	Sale of shares	December 21, 2015
10.	JSK Electricals Private Limited	Sale of shares	March 29, 2016
11.	Hyderabad International Trade Expositions Limited	Sale of shares	March 31, 2016
12.	L&T Hitech City Limited	Sale of shares	March 31, 2016
13.	L&T Infocity Limited	Sale of shares	March 31, 2016
14.	Vizag IT Park Limited	Sale of shares	March 31, 2016

\* Disassociation does not include merger, amalgamation and liquidation of entities with which our Promoter was associated.

#### **Promoter Group**

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations are set out below:

1. Bhilai Power Supply Company Limited;
2. Chennai Vision Developers Private Limited;
3. Consumer Financial Services Limited;
4. EWAC Alloys Limited;
5. Family Credit Limited;
6. Feedback Infrastructure Services Private Limited;
7. GDA Technologies Limited;
8. Grameen Capital India Private Limited;
9. Henikwon Corporation Sdn. Bhd;

10. Hi-Tech Rock Products & Aggregate Limited;
11. Indiran Engineering Projects And Systems Kish (LLC);
12. International Seaports (Haldia) Private Limited;
13. Kana Controls General Trading & Contracting Company WLL;
14. Kesun Iron And Steel Company Private Limited;
15. Kudgi Transmission Limited;
16. L&T Chiyoda Limited;
17. L&T - Gulf Private Limited;
18. L&T Access Distribution Services Limited;
19. L&T Ahmedabad-Maliya Tollway Limited;
20. L&T Arunachal Hydropower Limited;
21. L&T Asian Realty Project LLP;
22. L&T Aviation Services Private Limited;
23. L&T BPP Tollway Limited;
24. L&T Camp Facilities LLC;
25. L&T Capital Company Limited;
26. L&T Capital Markets Limited;
27. L&T Cassidian Limited;
28. L&T Chennai Tada Tollways Limited;
29. L&T Construction Equipment Limited;
30. L&T Cutting Tools Limited;
31. L&T Deccan Tollways Limited;
32. L&T Devihalli Hassan Tollway Limited;
33. L&T Electrical & Automation FZE;
34. L&T Electrical & Automation Saudi Arabia Company Limited LLC;
35. L&T Electrical And Automation Limited;
36. L&T Finance Holdings Limited;
37. L&T Finance Limited;
38. L&T Fincorp Limited;
39. L&T Geostructure LLP;
40. L&T General Insurance Company Limited;
41. L&T Global Holdings Limited;
42. L&T Halol-Shamlaji Tollway Limited;
43. L&T Himachal Hydropower Limited;

44. L&T Housing Finance Limited;
45. L&T Howden Private Limited;
46. L&T Hydrocarbon Engineering Limited;
47. L&T IDPL Trustee Manager Pte. Ltd.;
48. L&T Information Technology Services (Shanghai) Co. Ltd.;
49. L&T Information Technology Spain, Sociedad Limitada;
50. L&T Infotech Financial Services Technologies Inc;
51. L&T Infra Debt Fund Limited;
52. L&T Infra Investment Partners Advisory Private Limited;
53. L&T Infra Investment Partners Trustee Private Limited;
54. L&T Infrastructure Development Projects Lanka (Private) Limited;
55. L&T Infrastructure Development Projects Limited;
56. L&T Infrastructure Engineering Limited;
57. L&T Infrastructure Finance Company Limited;
58. L&T Interstate Road Corridor Limited;
59. L&T Investment Management Limited;
60. L&T Kobelco Machinery Private Limited;
61. L&T Krishnagiri Thopur Toll Road Limited;
62. L&T Krishnagiri Walajahpet Tollway Limited;
63. L&T Metro Rail (Hyderabad) Limited;
64. L&T Modular Fabrication Yard LLC;
65. L&T Mutual Fund Trustee Limited;
66. L&T Overseas Projects Nigeria Limited;
67. L&T Panipat Elevated Corridor Limited;
68. L&T Parel Project LLP
69. L&T Port Kachchigarh Limited;
70. L&T Power Development Limited;
71. L&T Power Limited;
72. L&T Rajkot-Vadinar Tollway Limited;
73. L&T Realty FZE;
74. L&T Realty Limited;
75. L&T Samakhiali Gandhidham Tollway Limited;
76. L&T Sambalpur - Rourkela Tollway Limited;
77. L&T Sapura Offshore Private Limited;

78. L&T Sapura Shipping Private Limited;
79. L&T Seawoods Limited;
80. L&T Shipbuilding Limited;
81. L&T South City Projects Limited;
82. L&T Special Steels And Heavy Forgings Private Limited;
83. L&T Technology Services Limited;
84. L&T Technology Services LLC;
85. L&T Thales Technology Services Private Limited;
86. L&T Transportation Infrastructure Limited;
87. L&T Trustee Company Private Limited;
88. L&T Uttaranchal Hydropower Limited;
89. L&T Vadodara Bharuch Tollways Limited;
90. L&T Valves Limited;
91. L&T Vision Ventures Limited;
92. L&T Vrindavan Properties Limited;
93. L&T Western Andhra Tollways Limited;
94. L&T Western India Tollbridge Limited;
95. L&T-MHPS Boilers Private Limited;
96. L&T-MHPS Turbine Generators Private Limited;
97. L&T-Sargent & Lundy Limited;
98. L&T-Valdel Engineering Limited;
99. Larsen & Toubro (East Asia) Sdn. Bhd;
100. Larsen & Toubro (T&D) SA (Proprietary) Limited;
101. Larsen & Toubro ATCO Saudia LLC;
102. Larsen & Toubro Electromech LLC;
103. Larsen & Toubro Heavy Engineering LLC;
104. Larsen & Toubro Hydrocarbon International Limited LLC;
105. Larsen & Toubro Infotech Austria GmbH;
106. Larsen & Toubro Infotech Canada Limited;
107. Larsen & Toubro Infotech GmbH;
108. Larsen & Toubro Infotech LLC;
109. Larsen & Toubro International FZE;
110. Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability;
111. Larsen & Toubro LLC;

112. Larsen & Toubro Oman LLC;
113. Larsen & Toubro Qatar & HBK Contracting LLC;
114. Larsen & Toubro Qatar LLC;
115. Larsen & Toubro Readymix and Asphalt Concrete Industries LLC;
116. Larsen & Toubro Saudi Arabia LLC;
117. Larsen And Toubro Infotech South Africa (Pty) Limited;
118. Larsen Toubro Arabia LLC;
119. LTH Milcom Private Limited;
120. Magtorq Private Limited;
121. Marine Infrastructure Developer Private Limited;
122. Mudit Cement Private Limited;
123. Nabha Power Limited;
124. PNG Tollway Limited;
125. PT Tamco Indonesia;
126. PT. Larsen & Toubro Hydrocarbon Engineering Indonesia;
127. Raykal Aluminium Company Private Limited;
128. Servowatch Systems Limited;
129. Spectrum Infotech Private Limited;
130. Tamco Electrical Industries Australia Pty Ltd;
131. Tamco Switchgear (Malaysia) Sdn Bhd; and
132. Thalest Limited.

## GROUP COMPANIES

Our Board has approved that other than companies which constitute part of the related parties of our Company in accordance with the applicable accounting standards (Accounting Standard 18) as per the restated consolidated financial statements of our Company in the last five financial years, there are no material group companies of our Company. Accordingly, we have set out below the details of our Group Companies which have also been disclosed in this Prospectus in “Financial Statements” from pages 274 to 275. Our Board has also approved that other than the companies disclosed below, there are no other material group companies of our Company.

1. Family Credit Limited;
2. L&T BPP Tollway Limited;
3. L&T Capital Markets Limited;
4. L&T Construction Equipment Limited;
5. L&T Cutting Tools Limited;
6. L&T Devihalli Hassan Tollway Limited;
7. L&T Electrical & Automation FZE;
8. L&T Electrical & Automation Saudi Arabia Company Limited LLC;
9. L&T Finance Limited;
10. L&T General Insurance Company Limited;
11. L&T Housing Finance Limited;
12. L&T Howden Private Limited;
13. L&T Hydrocarbon Engineering Limited;
14. L&T Infrastructure Development Projects Limited;
15. L&T Infrastructure Finance Company Limited;
16. L&T Investment Management Limited;
17. L&T Kobelco Machinery Private Limited;
18. L&T Metro Rail (Hyderabad) Limited;
19. L&T Modular Fabrication Yard LLC;
20. L&T Power Development Limited;
21. L&T Power Limited;
22. L&T Realty Limited;
23. L&T Sapura Shipping Private Limited;
24. L&T Seawoods Limited;
25. L&T Special Steels and Heavy Forgings Private Limited;
26. L&T Technology Services Limited;
27. L&T Technology Services LLC;
28. L&T Thales Technology Services Private Limited;
29. L&T Valves Limited;
30. L&T-MHPS Boilers Private Limited;

31. L&T-MHPS Turbine Generators Private Limited;
32. L&T-Sargent & Lundy Limited;
33. L&T-Valdel Engineering Limited;
34. Larsen & Toubro (East Asia) SDN. BHD;
35. Larsen & Toubro ATCO Saudia LLC;
36. Larsen & Toubro Electromech LLC;
37. Larsen & Toubro Hydrocarbon International Limited LLC;
38. Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability;
39. Larsen & Toubro LLC;
40. Larsen & Toubro Saudi Arabia LLC;
41. Nabha Power Limited;
42. PT. Tamco Indonesia;
43. Spectrum Infotech Private Limited; and
44. Tamco Electrical Industries Australia PTY Limited.

**A. Details of the five largest Group Companies (based on turnover):**

**1. L&T Hydrocarbon Engineering Limited**

*Corporate Information*

L&T Hydrocarbon Engineering Limited (“L&T HEL”) was incorporated on April 2, 2009 under the Companies Act, 1956 at Mumbai. L&T HEL is involved in the business of designing, building, operating and maintaining engineering, procurement and construction of projects and products on a turnkey basis.

*Interest of our Promoter*

Our Promoter holds 100% of the total issued and paid up equity and preference share capital of L&T HEL.

*Financial Information*

The operating results of L&T HEL for the last three Financial Years are as follows:

Particulars	For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Equity Capital (including share application money)	10,000.50	10,000.50	10,000.50
Reserves (excluding revaluation reserves) and surplus	(4,841.70)	(6,122.30)	(194.10)
Income including other income	71,223.30	57,407.00	87,167.90
Profit / (Loss) after tax	864.70	(6,541.20)	1,057.30
Basic EPS (in ₹ )	0.86	(6.54)	0.97
Diluted EPS (in ₹ )	0.55	(6.54)	0.97
Net asset value per share (in ₹ )	5.16	3.88	9.81

**2. Nabha Power Limited**

*Corporate Information*

Nabha Power Limited (“Nabha Power”) was incorporated on April 9, 2007 under the Companies Act, 1956 at Chandigarh. Nabha Power is involved in the business of construction, operation and maintenance of electricity system and acting as consultant and technical advisors of public and private sector enterprise.

### *Interest of our Promoter*

Our Promoter, through its wholly owned subsidiary L&T Power Development Limited, holds 100% of the total issued and paid up equity and preference share capital of Nabha Power.

### *Financial Information*

The operating results of Nabha Power for the last three Financial Years are as follows:

Particulars	(in ₹ million, except per share data) For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Equity Capital (including share application money)	23,250.00	23,250.00	23,250.00
Reserves (excluding revaluation reserves) and surplus	5,616.90	750.84	(1,153.43)
Income including other income	33,058.83	31,799.39	28,372.54
Profit / (Loss) after tax	1,962.05	1,904.28	(230.73)
Basic EPS (in ₹ )	0.84	0.82	(0.15)
Diluted EPS (in ₹ )	0.80	0.74	(0.13)
Net asset value per share (in ₹)	12.73	11.88	9.50

## **3. L&T Technology Services Limited**

### *Corporate Information*

L&T Technology Services Limited ("LTTSL") was incorporated on June 14, 2012 under the Companies Act, 1956 at Mumbai. LTTSL is involved in the business of engineering services.

### *Interest of our Promoter*

Our Promoter holds 100% of the total issued and paid up equity share capital of LTTSL.

### *Financial Information*

The operating results of LTTSL for the last three Financial Years are as follows:

Particulars	(in ₹ million, except per share data) For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Equity Capital (including advance towards equity commitment)	3,000.00	3,000.00	1,027.20
Reserves (excluding revaluation reserves) and surplus	662.48	67.43	(178.16)
Income including other income	29,694.04	25,856.22	1,222.01
Profit / (Loss) after tax	4,342.36	3,151.77	62.14
Basic EPS (in ₹ )*	45.86	47.64	0.84
Diluted EPS (in ₹ )*	33.82	47.64	0.84
Net asset value per share (in ₹)*	148.83	140.9	189.23

\*Equity share at face value of ₹ 40 each.

## **4. L&T Infrastructure Finance Company Limited**

### *Corporate Information*

L&T Infrastructure Finance Company Limited ("L&T IFCL") was incorporated on April 18, 2006 under the Companies Act, 1956 at Chennai. L&T IFCL is an NBFC- infrastructure finance company providing entire gamut of infra and wholesale financing.

### *Interest of our Promoter*

Our Promoter, through its subsidiary L&T Finance Holdings Limited, holds 100% of the total issued and paid up equity share capital of L&T IFCL.



## Financial Information

The operating results of L&T IFCL for the last three Financial Years are as follows:

*(in ₹ million, except per share data)*

Particulars	For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Equity Capital (including advance towards equity commitment)	8,462.54	8,292.33	8,292.33
Reserves (excluding revaluation reserves) and surplus	20,171.06	17,182.53	16,395.29
Income including other income	24,361.51	21,173.10	18,699.60
Profit / (Loss) after tax	2,400.36	2,254.67	2,921.30
Basic EPS (in ₹ )	2.87	2.72	3.52
Diluted EPS (in ₹ )	2.87	2.72	3.52
Net asset value per share (in ₹)	33.84	30.72	29.77

## 5. L&T Finance Limited

### Corporate Information

L&T Finance Limited (“L&T Finance”) was incorporated on November 22, 1994 under the Companies Act, 1956 at Mumbai. L&T Finance is an NBFC – asset finance company providing entire gamut of retail financing.

### Interest of our Promoter

Our Promoter, through its subsidiary L&T Finance Holdings Limited, holds 100% of the total issued and paid up equity share capital of L&T Finance.

### Financial Information

The operating results of L&T Finance for the last three Financial Years are as follows:

*(in ₹ million, except per share data)*

Particulars	For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Equity Capital (including share application money)	2,384.22	2,384.22	2,384.22
Reserves (excluding revaluation reserves) and surplus	18,964.47	20,533.11	19,546.12
Income including other income	23,519.93	23,964.31	22,455.09
Profit / (Loss) after tax	2,072.20	2,556.05	2,012.27
Basic EPS (in ₹ )	8.69	10.72	8.44
Diluted EPS (in ₹ )	8.69	10.72	8.44
Net asset value per share (in ₹)	89.54	96.12	91.98

## B. Details of Group Companies with negative net worth

### 1. L&T Special Steels and Heavy Forgings Private Limited

#### Corporate Information

L&T Special Steels and Heavy Forgings Private Limited (“L&T Special Steels”) was incorporated on July 1, 2009 under the Companies Act, 1956 at Mumbai. L&T Special Steels is involved in the business of establishing an integrated heavy forge facility. L&T Special Steels falls under the definition of ‘sick company’ under the provisions of SICA and accordingly, has made a reference before the Board for Industrial and Financial Reconstruction.

#### Interest of our Promoter

Our Promoter holds 74% of the total issued and paid up equity share capital in L&T Special Steels.

### Financial Information

The operating results of L&T Special Steels for the last three Financial Years are as follows:

Particulars	(in ₹ million, except per share data)		
	For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Equity Capital	5,666.00	5,666.00	5,666.00
Reserves (excluding revaluation reserves) and surplus	(10,747.67)	(7,900.10)	(5,079.45)
Income including other income	946.58	1,023.00	654.65
Profit / (Loss) after tax	(2,842.75)	(2,798.42)	(3,344.83)
Basic EPS (in ₹ )	(5.02)	(4.94)	(6.04)
Diluted EPS (in ₹ )	(5.02)	(4.94)	(6.04)
Net asset value per share (in ₹ )	(8.97)	(3.94)	1.04

## 2. Larsen & Toubro ATCO Saudia LLC

### Corporate Information

Larsen & Toubro ATCO Saudia LLC (“L&T ATCO LLC”) was incorporated on July 8, 2007 in Saudi Arabia. L&T ATCO LLC is involved in the business of undertaking general contracting works including electromechanical construction and civil works in project of oil and gas.

### Interest of our Promoter

Our Promoter, through its wholly owned step down subsidiary Larsen & Toubro International FZE, holds 75% interest in L&T ATCO LLC.

### Financial Information

The operating results of L&T ATCO LLC for the last three Financial Years (being calendar years) are as follows:

Particulars	(in ₹ million, except per share data)		
	For the year ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Equity Capital (including share application money)	10.82	10.82	10.82
Reserves (excluding revaluation reserves) and surplus	(4,366.49)	(2,017.89)	(66.98)
Income including other income	3,129.41	8,979.09	5,412.78
Profit / (Loss) after tax	(2,179.65)	(1,994.55)	(32.45)
Basic EPS (in ₹)	(2,179,647.68)	(1,994,548.76)	(32,446.00)
Diluted EPS (in ₹)	(2,179,647.68)	(1,994,548.76)	(32,446.00)
Net asset value per share (in ₹)	(4,355,668.91)	(2,007,068.82)	(56,158.39)

## 3. Larsen & Toubro Saudi Arabia LLC

### Corporate Information

Larsen & Toubro Saudi Arabia LLC (“L&T Saudi Arabia LLC”) was incorporated on June 22, 1999 in Saudi Arabia. L&T Saudi Arabia LLC is involved in the business of offering turnkey solutions in civil, mechanical and electrical engineering for petrochemicals, infrastructure, buildings, factories, power transmission and distribution and telecommunication projects.

### Interest of our Promoter

Our Promoter directly holds 4.35% interest and through its wholly owned step down subsidiary Larsen & Toubro International FZE, holds 95.65% in L&T Saudi Arabia LLC.

### Financial Information

The operating results of L&T Saudi Arabia LLC for the last three Financial Years (being calendar years) are as follows:

(in ₹ million, except per share data)

Particulars	For the year ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Equity Capital (including advance against share capital)	222.28	186.43	186.43
Reserves (excluding revaluation reserves) and surplus	(1,596.54)	(1,498.69)	(1,290.69)
Income including other income	16,243.49	4,169.27	2,292.31
Profit / (Loss) after tax	90.19	(568.13)	(397.42)
Basic EPS (in ₹)	6,274.04	(142,031.32)	(99,354.85)
Diluted EPS (in ₹)	6,274.04	(142,031.32)	(99,354.85)
Net asset value per share (in ₹)	(95,600.68)	(328,064.74)	(276,065.11)

#### 4. Larsen & Toubro Electromech LLC

##### Corporate Information

Larsen & Toubro Electromech LLC (“L&T Electromech LLC”) was incorporated on August 25, 1976 in Oman. L&T Electromech LLC is involved in the business of engaging in the hydrocarbon and power sector through civil, mechanical, electrical and instrumentation works for oil and gas, refinery, petrochemicals and chemicals, pipelines and gas based power projects.

##### Interest of our Promoter

Our Promoter, through its wholly owned step down subsidiary Larsen & Toubro International FZE, holds 65% interest in L&T Electromech LLC.

##### Financial Information

The operating results of L&T Electromech LLC for the last three Financial Years (being calendar years) are as follows:

(in ₹ million, except per share data)

Particulars	For the year ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Equity Capital (including advance against share capital)	35.56	35.56	35.56
Reserves (excluding revaluation reserves) and surplus	(943.33)	(738.76)	1,082.53
Income including other income	4,947.70	6,070.10	7,889.48
Profit / (Loss) after tax	(164.72)	(1,788.42)	(683.33)
Basic EPS (in ₹)	(549.07)	(5,961.41)	(2,277.75)
Diluted EPS (in ₹)	(549.07)	(5,961.41)	(2,277.75)
Net asset value per share (in ₹)	(3,025.91)	(2,344.01)	3,726.96

#### 5. L&T Modular Fabrication Yard LLC

##### Corporate Information

L&T Modular Fabrication Yard LLC (“L&T MFY LLC”) was incorporated on July 5, 2006 in Oman. L&T MFY LLC is involved in the business of fabricating jackets and decks, floating production storage and offloading systems rigs and any other offshore structure inputs.

##### Interest of our Promoter

Our Promoter, through its wholly owned step down subsidiary Larsen & Toubro International FZE, holds 65% interest in L&T MFY LLC.

## Financial Information

The operating results of L&T MFY LLC for the last three Financial Years (being calendar years) are as follows:

*(in ₹ million, except per share data)*

Particulars	For the year ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Equity Capital (including advance against share capital)	327.49	327.49	327.49
Reserves (excluding revaluation reserves) and surplus	(1,388.61)	(975.53)	270.12
Income including other income	3,573.59	853.21	3,490.04
Profit / (Loss) after tax	(369.68)	(1,248.44)	(534.99)
Basic EPS (in ₹)	(128.16)	(432.79)	(185.46)
Diluted EPS (in ₹)	(128.16)	(432.79)	(185.46)
Net asset value per share (in ₹)	(367.86)	(224.65)	207.17

## 6. PT. Tamco Indonesia

### Corporate Information

PT. Tamco Indonesia (“PT. Tamco”) was incorporated on March 27, 1992 in Indonesia. PT. Tamco is involved in the business of designing, manufacturing and supplying of low and medium switchgears.

### Interest of our Promoter

Our Promoter, through its wholly owned step down subsidiary Larsen & Toubro International FZE, holds 99% interest in PT. Tamco and through its wholly owned step down subsidiary Tamco Switchgear (Malaysia) Sdn. Bhd. Holds 1% interest in PT. Tamco.

### Financial Information

The operating results of PT. Tamco for the last three Financial Years (being calendar years) are as follows:

*(in ₹ million, except per share data)*

Particulars	For the year ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Equity Capital	2.21	2.21	2.21
Reserves (excluding revaluation reserves) and surplus	(418.12)	(392.75)	(342.55)
Income including other income	525.71	382.89	607.02
Profit / (Loss) after tax	(48.33)	(51.43)	37.07
Basic EPS (in ₹)	(193.30)	(205.73)	148.27
Diluted EPS (in ₹)	(193.30)	(205.73)	148.27
Net asset value per equity share (in ₹)	(1,663.66)	(1,562.17)	(1,361.35)

## 7. Larsen & Toubro Hydrocarbon International Limited LLC

### Corporate Information

Larsen & Toubro Hydrocarbon International Limited LLC (“L&T HIL”) was incorporated on June 17, 2013 in Saudi Arabia. L&T HIL is involved in the business of maintaining and operating oil and gas plants.

### Interest of our Promoter

Our Promoter directly holds 90% of the total issued and paid up equity share capital of L&T HIL and through its wholly owned step down subsidiary Larsen & Toubro International FZE, holds 10% of the total issued and paid up equity share capital of L&T HIL.

## Financial Information

The operating results of L&T HIL for the last three Financial Years (being calendar years) are as follows:

*(in ₹ million, except per share data)*

Particulars	For the year ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Equity Capital (including advance against share capital)	7.58	7.58	7.58
Reserves (excluding revaluation reserves) and surplus	(8.08)	(13.04)	(9.88)
Income including other income	14.30	17.60	-
Profit / (Loss) after tax	5.08	(3.03)	(9.99)
Basic EPS (in ₹)	10,156.08	(6,056.23)	(19,975.00)
Diluted EPS (in ₹)	10,156.08	(6,056.23)	(19,975.00)
Net asset value per share (in ₹)	(1,011.94)	(10,914.59)	(4,608.29)

## 8. L&T Thales Technology Services Private Limited

### Corporate Information

L&T Thales Technology Services Private Limited (“L&T Thales”) was incorporated on April 4, 2006 under the Companies Act, 1956 at Chennai. L&T Thales is involved in the business of providing software development services.

### Interest of our Promoter

Our Promoter, through its wholly owned subsidiary LTTSL, holds 76% of the total issued and paid up equity share capital of L&T Thales.

### Financial Information

The operating results of L&T Thales for the last three Financial Years are as follows:

*(in ₹ million, except per share data)*

Particulars	For the year ended		
	March 31, 2016	March 31, 2015*	December 31, 2013
Equity Capital (including share application money)	20.55	20.55	20.55
Reserves (excluding revaluation reserves) and surplus	(52.12)	(33.90)	(38.55)
Income including other income	373.01	249.61	294.04
Profit / (Loss) after tax	(18.22)	4.65	61.63
Basic EPS (in ₹)	(8.86)	2.26	29.99
Diluted EPS (in ₹)	(8.86)	2.26	29.99
Net asset value per share (in ₹)	(15.36)	(6.50)	(8.76)

\* The Financial Year ended March 31, 2015 was for a period of 15 months since December 31, 2013.

## 9. L&T Technology Services LLC

### Corporate Information

L&T Technology Services LLC (“L&T Technology”) was incorporated on June 26, 2014 in the United States of America. L&T Technology is involved in the business of providing engineering services.

### Interest of our Promoter

Our Promoter, through its wholly owned subsidiary LTTSL, holds 100% of the interest in L&T Technology.

### Financial Information

The operating results of L&T Technology for the last two Financial Years are as follows:

*(in ₹ million, except per share data)*

Particulars	For the year ended
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	March 31, 2016	March 31, 2015*
Equity Capital (including share application money)	0.62	0.62
Reserves (excluding revaluation reserves) and surplus	(221.27)	(48.93)
Income including other income	1,848.62	449.37
Profit / (Loss) after tax	(167.41)	(47.88)
Net asset value	(220.65)	(48.32)

\* L&T Technology was incorporated in the Financial Year 2015. Further, L&T Technology does not have equity share capital and accordingly, details of basic EPS and diluted EPS have not been disclosed above.

## 10. Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability

### Corporate Information

Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability (“L&T Kuwait”) was incorporated on November 29, 2006 in Kuwait. L&T Kuwait is involved in the business of construction projects in oil and gas, power and infrastructure with primary focus on electro-mechanical construction.

### Interest of our Promoter

Our Promoter, through its wholly owned step down subsidiary, Larsen & Toubro International FZE, holds 49% of the total issued and paid up equity share capital and 75% of the total voting power of L&T Kuwait.

### Financial Information

The operating results of L&T Kuwait for the last three Financial Years (being calendar years) are as follows:

(in ₹ million, except per share data)

Particulars	For the year ended		
	December 31, 2015	December 31, 2014	December 31, 2013
Equity Capital (including advance against share capital)	320.22	320.22	320.22
Reserves (excluding revaluation reserves) and surplus	(322.87)	(255.43)	122.47
Income including other income	19.12	409.95	1,452.98
Profit / (Loss) after tax	(66.60)	(370.17)	13.99
Basic EPS (in ₹)	(33,301.24)	(185,086.00)	6,996.00
Diluted EPS (in ₹)	(33,301.24)	(185,086.00)	6,996.00
Net asset value per share (in ₹)	(1,322.88)	32,395.13	221,343.99

## C. Details of other Group Companies

### 1. Family Credit Limited

#### Corporate Information

Family Credit Limited (“Family Credit”) was incorporated on November 24, 1993, under the Companies Act, 1956 at Kolkata. Family Credit is an NBFC company dealing in automobile financing, corporate and term loans.

#### Interest of our Promoter

Our Promoter through its subsidiary L&T Finance Holdings Limited, holds 100% of the total issued and paid up equity share capital of Family Credit.

### 2. L&T BPP Tollway Limited

#### Corporate Information

L&T BPP Tollway Limited (“L&T BTL”) was incorporated on May 25, 2011 under the Companies Act, 1956 at Chennai. L&T BTL is involved in the business of construction of roads.

#### Interest of our Promoter

Our Promoter, through its subsidiary L&T IDPL, holds 100% of the total issued and paid up equity share capital of L&T BTL.

### **3. L&T Capital Markets Limited**

#### *Corporate Information*

L&T Capital Markets Limited (“L&T Capital Markets”) was incorporated on February 7, 2013 under the Companies Act, 1956 at Mumbai. L&T Capital Markets is involved in the business of offering and distributing financial products and services of third parties and is registered as a portfolio manager with SEBI under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.

#### *Interest of our Promoter*

Our Promoter, through its subsidiary, L&T Finance Holdings Limited, holds 100% of the total issued and paid up equity share capital of L&T Capital Markets.

### **4. L&T Construction Equipment Limited**

#### *Corporate Information*

L&T Construction Equipment Limited (“L&T CEL”) was incorporated on July 29, 1997 under the Companies Act, 1956 at Mumbai. L&T CEL is involved in the business of manufacturing hydraulic excavators and high pressure hydraulic systems and components.

#### *Interest of our Promoter*

Our Promoter holds 100% of the total issued and paid up equity share capital of L&T CEL.

### **5. L&T Cutting Tools Limited**

#### *Corporate Information*

L&T Cutting Tools Limited (“L&T CTL”) was incorporated on September 18, 1952 under the Companies Act, 1913 at Mumbai. L&T CTL is involved in the business of trading industrial cutting tools.

#### *Interest of our Promoter*

Our Promoter holds 100% of the total issued and paid up equity share capital of L&T CTL.

### **6. L&T Devihalli Hassan Tollway Limited**

#### *Corporate Information*

L&T Devihalli Hassan Tollway Limited (“L&T DHTL”) was incorporated on April 27, 2010 under the Companies Act, 1956 at Chennai. L&T DHTL is involved in the business of construction of roads on design build finance operate transfer basis.

#### *Interest of our Promoter*

Our Promoter, through its subsidiary L&T IDPL, holds 100% of the total issued and paid up equity share capital of L&T DHTL.

### **7. L&T Electrical & Automation FZE**

#### *Corporate Information*

L&T Electrical & Automation FZE (“L&T FZE”) was incorporated on April 7, 2008 at Dubai, UAE. L&T FZE is involved in the business of manufacture of control and automation components.

#### *Interest of our Promoter*

Our Promoter, through its wholly owned step down subsidiary Larsen & Toubro International FZE, holds 100% of the total issued and paid up equity share capital of L&T FZE.

### **8. L&T Electrical & Automation Saudi Arabia Company Limited LLC**

#### *Corporate Information*

L&T Electrical & Automation Saudi Arabia Company LLC (“L&T EA LLC”) was incorporated on August 22, 2006 at Saudi Arabia. L&T EA LLC is involved in the business of manufacturing switchboards and related solutions in Saudi Arabia.

*Interest of our Promoter*

Our Promoter, through its wholly owned step down subsidiary Larsen & Toubro International FZE, holds 75% of interest in L&T EA LLC and through Tamco Switchgear (Malaysia) SDN. BHD, holds 25% of interest in L&T EA LLC.

**9. L&T General Insurance Company Limited**

*Corporate Information*

L&T General Insurance Company Limited (“L&T GICL”) was incorporated on December 27, 2007 under the Companies Act, 1956 at Mumbai. L&T GICL is involved in the business of general insurance.

*Interest of our Promoter*

Our Promoter holds 100% of the total issued and paid up equity share capital of L&T GICL. Our Promoter has entered into a share purchase agreement dated June 3, 2016 to sell its entire shareholding in L&T GICL to HDFC ERGO General Insurance Company Limited. The transfer of shares of L&T GICL is subject to receipt of regulatory approvals which are yet to be received and as of date, our Promoter holds 100% of the total issued and paid up equity share capital of L&T GICL.

**10. L&T Infrastructure Development Projects Limited**

*Corporate Information*

L&T IDPL was incorporated on February 26, 2001 under the Companies Act, 1956 at Chennai. L&T IDPL is involved in the business of infrastructure development.

*Interest of our Promoter*

Our Promoter holds 97.45% of the total issued and paid up equity share capital of L&T IDPL.

**11. L&T Housing Finance Limited**

*Corporate Information*

L&T Housing Finance Limited (“L&T Housing Finance”) was incorporated on August 31, 1994 under the Companies Act, 1956 at Mumbai. L&T Housing Finance is an NHB – Housing Finance Company and is involved in the business of offering a wide range of housing finance products like home loans, loans for construction/ and is repair of property and loan against property.

*Interest of our Promoter*

Our Promoter, through its subsidiary L&T Finance Holdings Limited, holds 100% of the total issued and paid up equity share capital of L&T Housing Finance.

**12. L&T Howden Private Limited**

*Corporate Information*

L&T Howden Private Limited (“L&T HPL”) was incorporated on June 17, 2010 under the Companies Act, 1956 at Mumbai. L&T HPL is involved in the business of designing, engineering, manufacturing, marketing, selling, and supplying rotary air pre-heaters (excluding for the avoidance of any doubt rotary gas pre-heaters) and variable pitch axial fans.

*Interest of our Promoter*

Our Promoter holds 50.1% of the total issued and paid up equity share capital of L&T HPL.

**13. L&T Investment Management Limited**

*Corporate Information*



L&T Investment Management Limited (“L&T IML”) was incorporated on April 25, 1996 under the Companies Act, 1956 at Mumbai. L&T IML is an asset management company to L&T Mutual Fund, registered with SEBI, and is also involved in portfolio management services business.

*Interest of our Promoter*

Our Promoter, through its subsidiary, L&T Finance Holdings Limited, holds 100% of the total paid up equity share capital of L&T IML.

**14. L&T Kobelco Machinery Private Limited**

*Corporate Information*

L&T Kobelco Machinery Private Limited (“L&T KMPL”) was incorporated on November 25, 2010 under the Companies Act, 1956 at Mumbai. L&T KMPL is involved in the business of designing, engineering, manufacturing, import, export, marketing, sales, distribution and after sales service of rubber processing machinery and spares.

*Interest of our Promoter*

Our Promoter holds 51% of the total issued and paid up equity share capital of L&T KMPL.

**15. L&T Metro Rail (Hyderabad) Limited**

*Corporate Information*

L&T Metro Rail (Hyderabad) Limited (“L&T MRHL”) was incorporated on August 24, 2010 under the Companies Act, 1956 at Hyderabad. L&T MRHL is involved in the business of designing, building, financing, operating and transferring the Hyderabad metro rail project together with the development of transit oriented development activities.

*Interest of our Promoter*

Our Promoter directly holds 1% of the total issued and paid up equity share capital of L&T MRHL and through its subsidiary, L&T IDPL, holds 99% of the total issued and paid up equity share capital of L&T MRHL.

**16. L&T Power Development Limited**

*Corporate Information*

L&T Power Development Limited (“L&T PDL”) was incorporated on September 12, 2007 under the Companies Act, 1956 at Mumbai. L&T PDL is involved in the business of developing, acquiring, operating power generation projects of all types.

*Interest of our Promoter*

Our Promoter holds 100% of the total issued and paid up equity share capital of L&T PDL.

**17. L&T Power Limited**

*Corporate Information*

L&T Power Limited (“L&T Power”) was incorporated on March 9, 2006 under the Companies Act, 1956 at Mumbai. L&T Power is involved in the business of execution of power projects and laying down thermal power plants and stations.

*Interest of our Promoter*

Our Promoter holds 99.99% of the total issued and paid up equity share capital of L&T Power.

**18. L&T Realty Limited**

*Corporate Information*

L&T Realty Limited (“L&T Realty”) was incorporated on November 30, 2007 under the Companies Act, 1956 at Mumbai. L&T Realty is involved in the business of the development of real estate.

*Interest of our Promoter*

Our Promoter holds 100% of the total issued and paid up equity share capital of L&T Realty.

**19. L&T Seawoods Limited**

*Corporate Information*

L&T Seawoods Limited (“L&T Seawoods”) was incorporated on March 13, 2008 under the Companies Act, 1956 at Mumbai. L&T Seawoods is involved in the business of developing the Seawoods – Darave railway station at Navi Mumbai and the integrated commercial complex.

*Interest of our Promoter*

Our Promoter holds 100% of the total issued and paid up equity and preference share capital of L&T Seawoods.

**20. L&T-Sargent & Lundy Limited**

*Corporate Information*

L&T-Sargent & Lundy Limited (“L&T SLL”) was incorporated on May 5, 1995 under the Companies Act, 1956 at Mumbai. L&T SLL is involved in the business of engineering services.

*Interest of our Promoter*

Our Promoter holds 50.01% of the total issued and paid up equity share capital of L&T SLL.

**21. L&T-Valdel Engineering Limited**

*Corporate Information*

L&T-Valdel Engineering Limited (“L&T Valdel”) was incorporated on November 25, 2004 under the Companies Act, 1956 at Bengaluru. L&T Valdel is involved in the business of engineering consultancy.

*Interest of our Promoter*

Our Promoter, through its wholly owned subsidiary, L&T HEL, holds 100% of the total issued and paid up equity share capital of L&T Valdel.

**22. L&T Valves Limited**

*Corporate Information*

L&T Valves Limited (“L&T Valves”) was incorporated on November 23, 1961 under the Companies Act, 1956 at Mumbai. L&T Valves is involved in the business of manufacturing industrial valves, safety systems and equipment and pneumatic actuators and accessories.

*Interest of our Promoter*

Our Promoter holds 100% of the total issued and paid up equity share capital of L&T Valves.

**23. Larsen & Toubro (East Asia) SDN. BHD**

*Corporate Information*

Larsen & Toubro (East Asia) SDN. BHD (“L&T East Asia”) was incorporated on June 13, 1996 in Malaysia. L&T East Asia is involved in the business of engineering and construction activities.

*Interest of our Promoter*

Our Promoter, through its wholly owned step down subsidiary, Larsen & Toubro International FZE, holds 30% of the total issued and paid up equity share capital and 100% of the total voting power of L&T East Asia.

**24. Larsen & Toubro LLC**

*Corporate Information*

Larsen & Toubro LLC (“L&T LLC”) was incorporated on January 2, 2001 in the USA. L&T LLC is involved in the business of a trading company.

*Interest of our Promoter*

Our Promoter directly holds 95% of interest in L&T LLC and through its wholly owned subsidiary, L&T CTL, holds 5% of interest in L&T LLC.

**25. L&T-MHPS Turbine Generators Private Limited**

*Corporate Information*

L&T-MHPS Turbine Generators Private Limited (“L&T MTGPL”) was incorporated on December 27, 2006 under the Companies Act, 1956 at Mumbai. L&T MTGPL is involved in the business of designing, engineering, manufacturing and selling super critical steam turbines and generators.

*Interest of our Promoter*

Our Promoter holds 51% of the total issued and paid up equity share capital of L&T MTGPL.

**26. L&T-MHPS Boilers Private Limited**

*Corporate Information*

L&T-MHPS Boilers Private Limited (“L&T MBPL”) was incorporated on October 9, 2006 under the Companies Act, 1956 at Mumbai. L&T MBPL is involved in the business of design and engineering of subcritical/supercritical once through boilers and pulverizers in India.

*Interest of our Promoter*

Our Promoter holds 51% of the total issued and paid up equity share capital of L&T MBPL.

**27. L&T Sapura Shipping Private Limited**

*Corporate Information*

L&T Sapura Shipping Private Limited (“L&T SSPL”) was incorporated on September 2, 2010 under the Companies Act, 1956 at Chennai. L&T SSPL is involved in the business of owning, purchasing, holding, hiring, chartering, contracting for, acquiring, selling, taking in exchange, letting or otherwise operating, engaging, managing, trading in or with ships.

*Interest of our Promoter*

Our Promoter, through its wholly owned subsidiary company L&T HEL, holds 60% of the total issued and paid up equity share capital of L&T SSPL.

**28. Spectrum Infotech Private Limited**

*Corporate Information*

Spectrum Infotech Private Limited (“Spectrum Infotech”) was incorporated on June 23, 1995 under the Companies Act, 1956 at Bengaluru. Spectrum Infotech is involved in the business of *inter alia* researching, designing, developing, testing, manufacturing all kinds of electronic hardware and software particularly telecommunication products and systems.

*Interest of our Promoter*

Our Promoter holds 100% of the total issued and paid up equity share capital of Spectrum Infotech.

**29. Tamco Electrical Industries Australia PTY Limited**

Tamco Electrical Industries Australia PTY Limited (“Tamco Electrical”) was incorporated on April 15, 1983 in Australia. Tamco Electrical is involved in the business of designing, manufacturing and supplying of low and medium switchgears.

*Interest of our Promoter*

Our Promoter, through its wholly owned step down subsidiary Larsen & Toubro International FZE, holds 100% of the total issued and paid up equity share capital of Tamco Electrical.

## Nature and Extent of Interest of Group Companies

- **In the promotion of our Company**

None of our Group Companies have any interest in the promotion or any business interest or other interests in our Company.

- **In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI**

None of our Group Companies is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus.

- **In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery involving our Company.

## Interest of our Promoter in the Group Companies

Other than as disclosed in “Group Companies” beginning on page 164, our Promoter has certain transactions with the Group Companies in the ordinary course of business which are typically in the nature of *inter alia* purchase or sale of goods, sale of fixed assets, inter-corporate deposits, services rendered, software development, rent or commission or interest received or paid and issue of corporate and performance guarantees.

## Common Pursuits among the Group Companies with our Company

Other than as disclosed in “Promoter and Promoter Group- Interest of our Promoter” and “Risk Factors” on pages 158 and 33, respectively, there are no common pursuits between any of our Group Companies and our Company.

## Related Business Transactions within the Group Companies and significance on the financial performance of our Company

Other than as disclosed in “Related Party Transactions” on page 181, there are no related business transactions within the Group Companies.

## Significant Sale/Purchase between Group Companies and our Company

Other than as disclosed in “Financial Statements” beginning on page 183, none of our Group Companies are involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

## Business Interest of Group Companies

Other than as disclosed in “Our Business” and “Related Party Transactions” beginning on pages 105 and 181 respectively, none of our Group Companies have any business interest in our Company.

## Defunct Group Companies

There are no Group Companies whose name have been struck off by the registrar of companies, during the last five years preceding the date of filing of the Draft Red Herring Prospectus.

## Loss Making Group Companies

The following tables set forth the details of our Group Companies which have incurred loss in the last Financial Year and provides details of profit/(loss) made by them in the last three Financial Years, on the basis of latest audited financial statements available:

Sr. No.	Name of Group Company	Profit/( Loss ) after tax (₹ million)		
		March 31, 2016	March 31, 2015	March 31, 2014
1.	L&T Infrastructure Development Projects Limited	(5,589.38)	3,990.36	53.90
2.	L&T General Insurance Company Limited	(1,020.16)	(941.70)	(1,001.80)
3.	L&T-MHPS Turbine Generators Private Limited	(866.69)	(1,324.55)	(855.11)
4.	L&T Investment Management Limited	(518.96)	(648.75)	(699.20)
5.	L&T Electrical & Automation FZE	(508.42)	137.75	456.93 <sup>(1)</sup>
6.	L&T BPP Tollway Limited	(476.64)	(0.97)	(20.61)

Sr. No.	Name of Group Company	Profit/( Loss ) after tax (₹ million)		
		March 31, 2016	March 31, 2015	March 31, 2014
7.	L&T Capital Markets Limited	(237.34)	(41.17)	(113.43)
8.	L&T Electrical & Automation Saudi Arabia Company Limited LLC	(212.34)	49.89 <sup>(4)*</sup>	(28.47) <sup>(5)</sup>
9.	L&T Technology Services LLC <sup>(2)</sup>	(167.41)	(47.88)	-
10.	L&T Devihalli Hassan Tollway Limited	(146.56)	(148.02)	(29.86)
11.	Tamco Electrical Industries Australia PTY Limited	(112.53) <sup>(3)</sup>	(59.73) <sup>(4)</sup>	17.45 <sup>(5)</sup>
12.	L&T Metro Rail (Hyderabad) Limited	(71.36)	(141.07)	(2.23)
13.	PT. Tamco Indonesia <sup>(7)</sup>	(48.33)	(51.43)	37.07
14.	L&T Thales Technology Services Private Limited	(18.22)	4.65 <sup>(6)</sup>	61.63 <sup>(5)</sup>
15.	Larsen & Toubro (East Asia) SDN. BHD <sup>(6)</sup>	-	(3.87)	(2.54)
16.	Larsen & Toubro ATCO Saudia LLC <sup>(7)</sup>	(2,179.65)	(1,994.55)	(32.45)
17.	Larsen & Toubro Electromech LLC <sup>(7)</sup>	(164.72)	(1,788.42)	(683.33)
18.	L&T Modular Fabrication Yard LLC <sup>(7)</sup>	(369.68)	(1,248.44)	(534.99)
19.	Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability <sup>(7)</sup>	(66.60)	(370.17)	13.99
20.	L&T Special Steels and Heavy Forgings Private Limited	(2,842.75)	(2,798.42)	(3,344.83)

(1) The financial year ended March 31, 2014 was for a period of 15 months since December 31, 2012.

(2) The company was incorporated in the financial year 2015.

(3) The financial year ended March 31, 2016 was for a period of 12 months since April 1, 2015. For the period from January 1, 2015 to March 31, 2015, the profit after tax earned by Tamco Electrical Industries Australia PTY Limited was ₹10.29 million.

(4) The audited financials are for the year 2014.

(5) The audited financials are for the year 2013.

(6) For L&T Thales Technology Services Private Limited, the audited financial statements for the financial year ended March 31, 2015 is for a period of 15 months since December 31, 2013. For Larsen & Toubro (East Asia) SDN. BHD, the last audited financial statements are available for the financial year ended March 31, 2015 (which was for a period of 15 months since December 31, 2013).

(7) The three years are the years 2015, 2014 and 2013.

\*The financial statements for the period from January 1, 2015 to March 31, 2015 have not been audited.

None of our Group Companies have their equity shares listed on any stock exchanges and none of our Group Companies have made any public or rights issue of securities in the preceding three years. The following Group Companies have issued debt securities which are listed on the stock exchanges:

- L&T Infrastructure Finance Company Limited;
- L&T Finance Limited;
- L&T Infrastructure Development Projects Limited;
- L&T Metro Rail (Hyderabad) Limited;
- Nabha Power Limited;
- Family Credit Limited;
- L&T Seawoods Limited; and
- L&T Housing Finance Limited.

For further details, see “Other Regulatory and Statutory Disclosures” beginning on page 360.

None of the Group Companies have been debarred from accessing the capital market for any reasons by SEBI or any other authorities.

Except for L&T Special Steels, none of our Group Companies fall under the definition of sick companies under the provisions of SICA. For further details in relation to L&T Special Steels, see “Group Companies - Details of Group Companies with negative net worth - L&T Special Steels and Heavy Forgings Private Limited” on pages 167 to 168. None of our Group Companies are under winding up.

None of the Group Companies is a Wilful Defaulter.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions during the last five Financial Years, as per the requirements under Accounting Standard 18 “Related Party Disclosures”, see “Financial Statements - Annexure XXII - Restated Unconsolidated Statement of Related Parties” and “Financial Statements - Annexure XXII - Restated Consolidated Statement of Related Parties” from pages 221 to 225 and 274 to 277, respectively.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Our Company has no formal dividend policy. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. The details of dividend paid by our Company in the last five Financial Years are given below:

	2016 <sup>(1)(2)</sup>	2015 <sup>(1)</sup>	2014 <sup>(1)</sup>	2013 <sup>(1)</sup>	2012 <sup>(1)</sup>
No. of equity shares of face value of ₹ 5 each	-	32,250,000	32,250,000	32,250,000	32,250,000
No. of equity shares of face value of ₹ 1 each	499,981,924 <sup>(3)</sup>	-	-	-	-
Dividend per equity share of face value of ₹ 5 each (in ₹)	-	149.00	171.00	94.00	79.00
Dividend per equity share of face value of ₹ 1 each (in ₹)	32.65	-	-	-	-
Rate of dividend on equity share of face value of ₹ 5 each (%)	-	2,980	3,420	1,880	1,580
Rate of dividend on equity share of face value of ₹ 1 each (%)	3,265	-	-	-	-
Total dividend on equity share of face value of ₹ 5 each (in ₹million) <sup>(4)</sup>	-	5,711.57	6,451.98	3,527.67	2,961.07
Total dividend on equity share of face value of ₹ 1 each (in ₹million) <sup>(4)</sup>	6,516.01	-	-	-	-

(1) Dividend was paid by way of interim dividends during the Financial Year.

(2) Our Board and Shareholders, pursuant to resolutions dated April 26, 2016 and May 31, 2016 respectively have approved payment of final dividend of ₹2.60 per Equity Share on 169,816,188 Equity Shares for the Financial Year ended March 31, 2016. Accordingly, total dividend of ₹ 499.55 million, including dividend distribution tax, has been paid to our Shareholders as on the date specified in the notice of the AGM.

(3) The interim dividends were paid which had record dates as June 24, 2015, December 25, 2015 and January 22, 2016 involving 161,250,000, 168,915,736 and 169,816,188 Equity Shares respectively.

(4) This includes dividend distribution tax.



## SECTION V: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

The Board of Directors  
Larsen & Toubro Infotech Limited  
L&T House  
Ballard Estate  
Mumbai 400 001

Dear Sirs,

- 1 We have examined the restated unconsolidated summary statement of assets and liabilities of Larsen & Toubro Infotech Limited ('the Company') as at March 31, 2016, 2015, 2014, 2013 and 2012 and also the restated unconsolidated summary statement of profits and losses and restated unconsolidated summary statement of cash flows for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 together with the notes and annexures thereto (collectively 'the restated unconsolidated summary statements') annexed to this report for the purpose of inclusion in the offer document to be issued by the Company in connection with the proposed Initial Public Offering ('IPO') of its equity shares.
- 2 The restated unconsolidated summary statements are prepared by management of the Company from the audited financial statements of the respective years, in accordance with the requirements of section 26 of the Companies Act, 2013 ('the Act') read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 ('the Rules') and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ('the Regulations'), and have been approved by the Company's board of directors on 25 May 2016.
- 3 We have examined the restated unconsolidated summary statements in accordance with:
  - (a) the terms of reference vide our engagement letter dated 15 July 2015 to carry out work on such financial information included in the offer document of the Company in connection with its IPO; and
  - (b) the Guidance Notes on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India.
- 4 On the basis of our examination we are of the opinion that:
  - (a) the restated unconsolidated summary statement of assets and liabilities as at March 31, 2016, 2015, 2014, 2013 and 2012 (Annexure I), read together with notes on material adjustments (Annexure IV A) and with the related significant accounting policies (Annexure IV B) and other notes on accounts (Annexure IV C), are on the basis of the financial statements audited by us for the respective years after making such adjustments as are required by the Regulations;
  - (b) the restated unconsolidated summary statement of profits and losses for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (Annexure II), read together with the notes on material adjustments (Annexure IV A) and with the related significant accounting policies (Annexure IV B) and other notes on accounts (Annexure IV C), are on the basis of the financial statements audited by us for the respective years after making such adjustments as are required by the Regulations;
  - (c) the restated unconsolidated summary statement of cash flows for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (Annexure III), read together with the notes on material adjustments (Annexure IV A) and with the related significant accounting policies (Annexure IV B) and other notes on accounts (Annexure IV C), are on the basis of the financial statements audited by us for the respective years after making such adjustments as are required by the Regulations; and
  - (d) do not contain any extraordinary items that need to be disclosed separately other than those presented in the restated unconsolidated summary statements and also do not contain any audit qualifications requiring adjustment.

#### Other financial information

- 5 We have also examined the following financial information proposed to be included in the offer document:
  - (a) Restated unconsolidated statement of share capital (Annexure V)
  - (b) Restated unconsolidated statement of reserves and surplus (Annexure VI)

- (c) Restated unconsolidated statement of long-term borrowings (Annexure VII)
  - (d) Restated unconsolidated statement of deferred tax (Annexure VIII)
  - (e) Restated unconsolidated statement of other long-term liabilities and long-term provisions (Annexure IX)
  - (f) Restated unconsolidated statement of short-term borrowings and current maturities of long-term borrowings (Annexure X)
  - (g) Restated unconsolidated statement of trade payables, other current liabilities and short-term provisions (Annexure XI)
  - (h) Restated unconsolidated statement of investments (Annexure XII)
  - (i) Restated unconsolidated statement of long-term loans and advances (Annexure XIII)
  - (j) Restated unconsolidated statement of current investments (Annexure XIV)
  - (k) Restated unconsolidated statement of trade receivables (Annexure XV)
  - (l) Restated unconsolidated statement of unbilled revenue, cash and bank and short-term loans and advances (Annexure XVI)
  - (m) Restated unconsolidated statement of other income (Annexure XVII)
  - (n) Restated unconsolidated statement of other expenses (Annexure XVIII)
  - (o) Restated unconsolidated statement of finance cost (Annexure XIX)
  - (p) Restated unconsolidated statement of provision for taxes (Annexure XX)
  - (q) Restated unconsolidated statement of contingent liabilities (Annexure XXI)
  - (r) Restated unconsolidated statement of related parties (Annexure XXII)
  - (s) Statement of restated unconsolidated accounting ratios (Annexure XXIII)
  - (t) Restated unconsolidated capitalisation statement (Annexure XXIV)
  - (u) Restated unconsolidated statement of dividend paid (Annexure XXV)
  - (v) Restated unconsolidated tax shelter statement (Annexure XXVI)
- 6 In our opinion, the other financial information read with the notes on material adjustments (Annexure IV A) and with the significant accounting policies (Annexure IV B) are prepared in accordance with the requirements of the Act and of the Regulations.
- 7 This report should not in any way be construed as a reissuance or re-dating of any of the previous reports issued by us nor should it be construed as a new opinion on any of the financial statements referred to herein.
- 8 We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 9 This report is intended solely for your information and for inclusion in the offer document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our written consent.

Sharp & Tannan  
Chartered Accountants  
Firm's registration no. 109982W  
by the hand of

Firdosh D. Buchia  
Partner  
Membership no. 38332  
Mumbai  
25 May 2016

**LARSEN & TOUBRO INFOTECH LIMITED**
**ANNEXURE I: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES**

₹ Million

Particulars	Annexures	As at 31 March				
		2016	2015	2014	2013	2012
<b>EQUITY AND LIABILITIES</b>						
<i>Shareholders' funds</i>						
Share capital	V	169.82	161.25	161.25	161.25	161.25
Reserves and surplus	VI	18,462.89	19,093.28	14,522.83	12,168.69	10,116.06
<b>Total equity</b>		<b>18,632.71</b>	<b>19,254.53</b>	<b>14,684.08</b>	<b>12,329.94</b>	<b>10,277.31</b>
<i>Non-current liabilities</i>						
Long-term borrowings	VII	-	138.89	266.29	361.90	452.22
Deferred tax liabilities (net)	VIII	958.53	76.84	180.34	-	-
Other long-term liabilities	IX	1,250.52	538.35	729.11	1,256.88	2,022.19
Long-term provisions	IX	124.29	103.71	131.06	94.30	51.25
		<b>2,333.34</b>	<b>857.79</b>	<b>1,306.80</b>	<b>1,713.08</b>	<b>2,525.66</b>
<i>Current liabilities</i>						
Short-term borrowings	X	397.53	1,897.48	673.84	1,582.93	1,976.84
Current maturities of long- term borrowings	X	147.23	138.89	133.14	120.63	56.53
Trade payables	XI	3,141.47	2,528.52	2,255.70	1,891.40	1,720.74
Other current liabilities	XI	2,678.38	1,599.53	3,632.68	2,472.89	1,652.98
Short-term provisions	XI	5,049.64	2,791.97	2,371.85	1,782.82	1,604.69
		<b>11,414.25</b>	<b>8,956.39</b>	<b>9,067.21</b>	<b>7,850.67</b>	<b>7,011.78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,380.30</b>	<b>29,068.71</b>	<b>25,058.09</b>	<b>21,893.69</b>	<b>19,814.75</b>
<b>ASSETS</b>						
<i>Non-current assets</i>						
<i>Fixed assets</i>						
Tangible assets		2,649.90	2,617.02	2,610.36	2,225.54	2,170.15
Intangible assets		553.51	755.47	332.21	316.14	301.47
Capital work-in-progress		1.00	47.63	88.13	462.06	74.33
Intangible assets under development		187.56	195.37	418.27	321.15	210.07
		<b>3,391.97</b>	<b>3,615.49</b>	<b>3,448.97</b>	<b>3,324.89</b>	<b>2,756.02</b>
Non-current investments	XII	3,156.22	3,953.11	3,146.15	4,019.29	4,037.28
Deferred tax asset (net)	VIII	-	-	-	57.93	20.29
Long-term loans and advances	XIII	4,249.13	2,387.26	2,534.84	1,931.57	1,355.39
		<b>10,797.32</b>	<b>9,955.86</b>	<b>9,129.96</b>	<b>9,333.68</b>	<b>8,168.98</b>
<i>Current assets</i>						
Current investments	XIV	67.35	622.32	1,402.11	217.30	355.59
Trade receivable	XV	10,895.97	10,314.39	8,495.82	7,233.99	6,266.71
Unbilled revenue	XVI	3,699.69	1,434.59	1,064.61	1,014.02	821.66
Cash and bank	XVI	1,221.75	1,334.34	1,455.40	1,135.87	1,229.35
Short-term loans and advances	XVI	5,698.22	5,407.21	3,510.19	2,958.83	2,972.46
		<b>21,582.98</b>	<b>19,112.85</b>	<b>15,928.13</b>	<b>12,560.01</b>	<b>11,645.77</b>
<b>TOTAL ASSETS</b>		<b>32,380.30</b>	<b>29,068.71</b>	<b>25,058.09</b>	<b>21,893.69</b>	<b>19,814.75</b>

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

**Firdosh D. Buchia**

Partner

Membership No: 38332

Mumbai

25 May 2016

**Sanjay Jalona**

Chief Executive Officer &amp;

Managing Director

**Ashok Kumar Sonthalia**

Chief Financial Officer

**R. Shankar Raman**

Director

**Subramanya Bhatt**

Company Secretary

Mumbai

25 May 2016

**LARSEN & TOUBRO INFOTECH LIMITED**
**ANNEXURE II: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES**

₹ Million

Particulars	Annexures	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Income</b>						
Revenue from operations		55,695.20	47,444.03	46,439.40	36,134.21	29,595.55
Other income	XVII	3,386.06	887.80	(810.92)	167.35	89.99
<b>Total income</b>		<b>59,081.26</b>	<b>48,331.83</b>	<b>45,628.48</b>	<b>36,301.56</b>	<b>29,685.54</b>
<b>Expenses</b>						
Employee benefit expenses	XVIII	33,838.37	28,064.72	26,456.57	21,085.73	17,700.80
Operating expenses	XVIII	6,670.62	4,605.35	4,207.52	2,877.76	2,233.79
Sales, administration and other expenses	XVIII	5,902.48	5,224.97	5,123.26	4,125.00	3,466.23
		<b>46,411.47</b>	<b>37,895.04</b>	<b>35,787.35</b>	<b>28,088.49</b>	<b>23,400.82</b>
<b>Operating profit</b>		<b>12,669.79</b>	<b>10,436.79</b>	<b>9,841.13</b>	<b>8,213.07</b>	<b>6,284.72</b>
Finance cost	XIX	103.57	104.18	297.69	197.67	358.03
Depreciation on tangible assets		654.60	659.89	502.68	452.77	408.07
Amortisation of intangible assets		379.88	247.41	180.23	169.70	157.77
		<b>1,138.05</b>	<b>1,011.48</b>	<b>980.60</b>	<b>820.14</b>	<b>923.87</b>
<b>Profit before extraordinary items and tax</b>		<b>11,531.74</b>	<b>9,425.31</b>	<b>8,860.53</b>	<b>7,392.93</b>	<b>5,360.85</b>
<b>Profit from continuing operations before tax</b>		<b>11,531.74</b>	<b>9,425.31</b>	<b>8,282.58</b>	<b>6,625.04</b>	<b>5,360.85</b>
Tax expense for continuing operations						
Current tax	XX	1,627.13	1,602.82	1,650.04	1,621.05	1,276.01
Deferred tax		523.30	92.87	238.27	(37.65)	37.19
		<b>2,150.43</b>	<b>1,695.69</b>	<b>1,888.31</b>	<b>1,583.40</b>	<b>1,313.20</b>
<b>Profit from continuing operations after tax</b>		<b>9,381.31</b>	<b>7,729.62</b>	<b>6,394.27</b>	<b>5,041.64</b>	<b>4,047.65</b>
<b>Profit from discontinued operations before tax</b>	IV (C) (9)	-	-	<b>577.95</b>	<b>767.89</b>	-
Tax expense for discontinued operations						
Current tax	XX	-	-	127.05	193.83	-
<b>Profit from discontinued operations after tax</b>		-	-	<b>450.90</b>	<b>574.06</b>	-
<b>Net profit before extraordinary item</b>		<b>9,381.31</b>	<b>7,729.62</b>	<b>6,845.17</b>	<b>5,615.70</b>	<b>4,047.65</b>
Extraordinary item (net of tax)	IV (C) (9)	-	-	2,177.88	-	-
<b>Net profit after tax before restatement adjustments</b>		<b>9,381.31</b>	<b>7,729.62</b>	<b>9,023.05</b>	<b>5,615.70</b>	<b>4,047.65</b>
<b>Restatement adjustment:</b>						
<b>Change in accounting policy</b>						
Amortisation of cost of long-term projects	IV (A)	-	6.35	9.52	(15.87)	11.62
<b>Net profit before extraordinary item as restated</b>		<b>9,381.31</b>	<b>7,735.97</b>	<b>6,854.69</b>	<b>5,599.83</b>	<b>4,059.27</b>
Extraordinary item (net of tax) as restated		-	-	<b>2,177.88</b>	-	-
<b>Net profit after tax as restated</b>		<b>9,381.31</b>	<b>7,735.97</b>	<b>9,032.57</b>	<b>5,599.83</b>	<b>4,059.27</b>

As per our report attached  
**SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of

**Firdosh D. Buchia**  
Partner  
Membership No: 38332  
Mumbai  
25 May 2016

**Sanjay Jalona**  
*Chief Executive Officer &  
Managing Director*

**Ashok Kumar Sonthalia**  
*Chief Financial Officer*

**R. Shankar Raman**  
*Director*

**Subramanya Bhatt**  
*Company Secretary*

Mumbai  
25 May 2016

**LARSEN & TOUBRO INFOTECH LIMITED**
**ANNEXURE III: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS**
**₹ Million**

	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>A.</b>	<b>Cash flow from operating activities</b>					
	Net profit before tax as restated (excluding extraordinary items)	11,531.74	9,431.66	8,870.05	7,377.06	5,372.47
	Adjustments for:					
	Depreciation and amortisation	1,034.48	907.30	682.91	622.47	565.84
	Employees stock options amortised	(141.59)	-	2.28	7.38	19.21
	Interest (net)	48.98	38.23	10.34	45.54	29.67
	Unrealised foreign exchange loss/(gain)	(960.22)	(558.20)	(536.06)	(700.13)	(362.69)
	(Profit) on sale of current investments	(47.94)	(119.62)	(60.48)	(84.47)	(82.42)
	Dividend received from subsidiary	(472.38)	-	-	-	-
	(Profit)/loss on sale of fixed assets	26.82	3.16	(3.46)	(2.88)	(3.39)
	<b>Operating profit before working capital changes</b>	<b>11,019.89</b>	<b>9,702.53</b>	<b>8,965.58</b>	<b>7,264.97</b>	<b>5,538.69</b>
	<b>Changes in working capital</b>					
	(Increase)/decrease in trade receivables	(2,838.55)	(2,226.73)	(1,454.27)	(1,204.56)	(1,197.83)
	(Increase)/decrease in other receivables	21.95	(44.55)	(580.58)	419.65	(219.17)
	Increase/(decrease) in trade & other payables	2,124.08	1,016.45	1,333.56	390.03	160.16
	<b>(Increase)/decrease in working capital</b>	<b>(692.52)</b>	<b>(1,254.83)</b>	<b>(701.29)</b>	<b>(394.88)</b>	<b>(1,256.84)</b>
	<b>Cash generated from operations</b>	<b>10,327.37</b>	<b>8,447.70</b>	<b>8,264.29</b>	<b>6,870.09</b>	<b>4,281.85</b>
	Direct taxes paid	(2,633.61)	(2,643.01)	(2,133.42)	(2,040.89)	(1,032.32)
	<b>Net cash from operating activities (excluding extraordinary items)</b>	<b>7,693.76</b>	<b>5,804.69</b>	<b>6,130.87</b>	<b>4,829.20</b>	<b>3,249.53</b>
<b>B.</b>	<b>Cash flow from investing activities</b>					
	Purchase of fixed assets	(959.74)	(1,114.24)	(957.94)	(1,244.81)	(1,232.17)
	Sale of fixed assets	149.35	24.99	154.40	56.36	27.05
	(Purchase)/sale of current investments(net)	673.25	899.41	(1,124.33)	242.76	797.97
	Disinvestment in subsidiary	-	-	1,202.97	-	-
	Investment in subsidiaries	(10.07)	(806.96)	(329.83)	(2.01)	-
	Dividend received from subsidiary	472.38	-	-	-	-
	Interest received	17.25	17.99	84.18	41.69	47.18
	<b>Net cash (used in)/from investing activities before extra-ordinary items</b>	<b>342.42</b>	<b>(978.81)</b>	<b>(970.55)</b>	<b>(906.01)</b>	<b>(359.97)</b>
	<b>Extraordinary Items</b>					
	Proceeds from sale of PES business (net)	-	-	-	3,796.97	-
	Loss on winding up of subsidiary	-	-	-	(1,202.97)	-
	<b>Net cash (used in)/from investing activities after extra-ordinary items</b>	<b>342.42</b>	<b>(978.81)</b>	<b>1,623.45</b>	<b>(906.01)</b>	<b>(359.97)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>					
	Proceeds from issue of share capital (including share application money)	69.28	-	-	-	-
	Proceeds from/(repayment) of borrowings	(1,662.61)	1,040.09	(984.57)	(445.38)	64.28
	Interest paid	(57.89)	(56.22)	(94.52)	(87.23)	(76.85)
	Dividend paid	(5,467.30)	(4,805.25)	(5,514.75)	(3,031.50)	(2,547.75)
	Tax on dividend paid	(1,048.71)	(1,125.56)	(840.95)	(452.56)	(412.64)
	<b>Net cash (used in)/from financing activities</b>	<b>(8,167.23)</b>	<b>(4,946.94)</b>	<b>(7,434.79)</b>	<b>(4,016.67)</b>	<b>(2,972.96)</b>
	<b>Net increase in cash and cash equivalents</b>	<b>(131.05)</b>	<b>(121.06)</b>	<b>319.53</b>	<b>(93.48)</b>	<b>(83.40)</b>
	<b>Cash and cash equivalents at 31</b>	<b>1,334.34</b>	<b>1,455.40</b>	<b>1,135.87</b>	<b>1,229.35</b>	<b>1,312.75</b>

	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
	March of previous year					
	Increase in Cash and Cash Equivalents on amalgamation as on 1 <sup>st</sup> April 2015	18.46	-	-	-	-
	Cash and cash equivalents at 31 March	1,221.75	1,334.34	1,455.40	1,135.87	1,229.35

**Notes:**

- Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3: "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
- Purchase of fixed assets includes movements of capital work-in-progress during the year.
- Cash and cash equivalents represent cash and bank balances.
- Bank balances include revaluation loss/(gain) as follows:

	₹ Million				
Year	2015-16	2014-15	2013-14	2012-13	2011-12
Revaluation loss/ (gain)	(36.70)	(3.44)	(75.62)	(40.81)	(86.91)

- Amount of corporate social responsibility related expenses spent during the year 2015-16 in cash is ₹ 20.79 Mn & in the year 2014-15 is ₹ 5.90 Mn.

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

**Sanjay Jalona**  
Chief Executive Officer &  
Managing Director

**R. Shankar Raman**  
Director

**Firdosh D. Buchia**  
Partner  
Membership No: 38332  
Mumbai  
25 May 2016

**Ashok Kumar Sonthalia**  
Chief Financial Officer

**Subramanya Bhatt**  
Company Secretary

Mumbai  
25 May 2016

## **LARSEN & TOUBRO INFOTECH LIMITED**

### **Annexure IV: Notes to restated unconsolidated summary financial statements**

#### **Annexure IV A: Notes on material adjustments**

##### **(a) Change in accounting policy**

The cost incurred on long term projects mainly comprise of legal and employee related costs to secure long term projects. The Company was amortising the cost over the period of two years from the year in which it was incurred. The Company revised its accounting policy for amortisation of cost incurred for long term projects and the same is charged to the statement of profit and loss in the year in which it was incurred for more appropriate presentation of financial statements. Consequently in restated financial statement, the Company has debited ₹ 11.63 Mn to opening profit and loss as on 1 April 2011. Further, the Company has credited, ₹ 11.62 Mn for the year ended 31 March 2012, debited ₹ 15.87 Mn for the year ended 31 March 2013, credited ₹ 9.52 Mn for the year ended 31 March 2014, ₹ 6.35 Mn for the year ended 31 March 2015 and nil for the year ended 31 March 2016 to respective restated statement of profit and loss.



## **Annexure IV B: Significant accounting policies**

### **1. Preparation of financial statements**

The restated unconsolidated financial statements are prepared from the audited financials for the years ended on 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 in accordance with the requirements of section 26 of the Companies Act, 2013 ('the Act') read with Companies (Prospectus and Allotment of Securities) Rules, 2014 ('the Rules') and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended ('the Regulations'). Accordingly, these restated unconsolidated financial statements are prepared for the purpose of inclusion in the offer document in connection with the proposed IPO of the Company.

### **2. Revenue recognition**

- a) Revenue from contracts priced on time and material basis are recognised when services are rendered and related costs are incurred.

Revenue from services performed on "fixed-price" basis is recognised using the proportionate completion method.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

#### **b) Other income**

- i. Interest income is accrued at applicable interest rate.
- ii. Dividend income is accounted in the period in which the right to receive the same is established.
- iii. Other items of income are accounted as and when the right to receive arises.

### **3. Employee benefits**

#### **a) Short-term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences and performance incentives are recognised in the period in which the employee renders the related service.

#### **b) Post-employment benefits**

##### **i) Defined contribution plan:**

The Company's superannuation fund and state governed provident fund scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employee renders the related service.

##### **ii) Defined benefit plans:**

The provident fund scheme managed by trust, employees gratuity fund scheme managed by LIC and post-retirement medical benefit scheme are the Company's defined benefit plans. Wherever applicable, the present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government bonds as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the statement of profit and loss. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

**iii) Long-term employee benefits:**

The obligation for long-term employee benefits like long-term compensation absences is recognised in the similar manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

**4. Fixed assets**

**Tangible**

Fixed assets are stated at cost less accumulated depreciation.

**Intangible**

Computer software and internally developed software is capitalised at cost.

**5. Leases**

**Finance lease**

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

**Operating lease**

Assets acquired under lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on accrual basis.

**6. Depreciation**

**Tangible - owned assets**

The Company has provided depreciation on assets based on useful life prescribed in schedule II to the Companies Act, 2013 for the years ended on 31 March 2016 and 31 March 2015, except for the leasehold improvements which is depreciated over the lease period.

For the years ended 31 March 2014, 31 March 2013 and 31 March 2012 depreciation on all assets is calculated using straight line method at rates prescribed by schedule XIV to the Companies Act, 1956 from time to time except for the following:

• Plant and machinery	4.75%-20%
• Computers	25%-30%
• Servers	25%
• Furniture and fixtures	10%
• Office equipments	20%-33.33%
• Motor cars	14.14%

**Tangible - leased assets**

Assets acquired under finance leases are depreciated at the rates applicable to similar assets owned by the Company as there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term.

• Leasehold land	Over the residual period of the lease
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**Intangible assets**

The basis of amortisation of intangible assets is as follows:

• Computer software	33.33%
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- Intellectual property rights (IPR) 33.33%
- Business rights Over a period of five years

Depreciation / amortisation on additions / disposals are calculated pro-rata from / to the month of additions / disposals.

## 7. Investment

Trade investments comprise investments in subsidiary companies.

Long-term investments including trade investments are stated at cost, less provision for other than temporary diminution in value, if any. Current investments are stated at the lower of cost or market value, determined on the basis of specific identification.

Investments, which are readily realisable and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long-term investments.

## 8. Employee stock ownership schemes

In respect of stock options granted pursuant to the Company's stock option schemes, the excess of fair value of the share over the exercise price of the option is treated as discount and accounted as employee compensation cost over the vesting period.

## 9. Foreign currency transactions

- Foreign currency transactions are initially recorded at the rates prevailing on the date of the transaction. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Translation of foreign currency transaction of overseas branches is as under:

- Revenue items at the average rate for the period;
- Fixed assets and investments at the rates prevailing on the date of the transaction; and
- Other assets and liabilities at year end rates

Exchange difference on settlement / year end conversion is adjusted to statement of profit and loss.

- Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly. Exchange differences arising on such contracts are recognised in the period in which they arise and the premium paid / received is accounted as expense / income over the period of the contract. Profit or loss on such forward contracts is accounted as income or expense for the period.
- All the other derivative contracts, including forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions are recognised in the financial statements at fair value as on the balance sheet date. In pursuance of the announcement of the Institute of Chartered Accountants of India (ICAI) dated March 29, 2008 on accounting of derivatives, the Company has adopted Accounting Standard 30 for applying the test of hedge effectiveness of the outstanding derivative contracts. Accordingly, the resultant gains or losses on fair valuation of such contracts are recognised in the statement of profit and loss or balance sheet as the case may be.

## 10. Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred tax is recognised on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### **11. Borrowing costs**

Borrowing costs include interest, commitment charges, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

#### **12. Provisions, contingent liabilities and contingent assets**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of a past event;
- b) a probable outflow of resources is expected to settle the obligation; and
- c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- a) a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- b) a possible obligation unless the probability of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

#### **13. Segment accounting**

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- i. Segment revenue includes sales and other income directly identifiable with/allocable to the segment.
- ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenditure which relate to the Company as a whole and not allocable to segments are included under “unallocable corporate expenditure”.
- iii. Income which relates to the Company as a whole and not allocable to segments is included in “unallocable corporate income”.
- iv. Fixed assets used and liabilities contracted for performing the Company’s business have not been identified to any of the above reported segments as the fixed assets and services are used interchangeably among segments.

#### **14. Cash flow statement**

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- i. transactions of a non-cash nature;
- ii. any deferrals or accruals of past or future operating cash receipts or payments; and
- iii. items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the cash flow statement.

**Annexure IV C: Other notes on accounts:**

1. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for are as follows:

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Estimated amount	131.87	310.76	269.43	167.44	234.59

2. In line with the Company's financial risk management policy, financial risks relating to changes in the exchange rates, are hedged by using a combination of forward and options contracts, besides the natural hedges. The loss on fair valuation of the derivative contracts which are designated and are effective as hedges, has been accounted in retained earnings in balance sheet as follows:

	₹ Million				
	2015-16	2014-15	2013-14	2012-13	2011-12
Loss on fair valuation	2,695.02	366.96	2,923.11	2,694.38	2,663.11

The loss/ (gain) on settlement of the options/forwards is recognised in statement of profit and loss is as follows:

	₹ Million				
	2015-16	2014-15	2013-14	2012-13	2011-12
Loss/(gain) on settlement	(1,297.52)	(243.04)	1,839.30	747.27	1,074.47

The particulars of derivative contracts entered into for hedging foreign currency risks outstanding are as under:

Sr. No.	Category of derivative instruments	₹ Million				
		Notional amount				
		As at 31-03- 2016	As at 31-03- 2015	As at 31-03-2014	As at 31-03- 2013	As at 31-03 2012
1	Forward contracts for receivables	43,470.51	58,583.85	29,493.37	34,906.68	24,887.27
2	Option contracts	-	-	480.00	1,954.26	3,663.00

Un-hedged foreign currency exposures are as under:

Sr. No.	Un-hedged foreign currency exposures	₹ Million				
		As at 31-03- 2016	As at 31-03- 2015	As at 31-03-2014	As at 31-03- 2013	As at 31-03 2012
1	Receivables including firm commitments and highly probable forecast transactions	41,271.25	30,001.71	49,989.21	36,877.48	41,528.92
2	Payables including firm commitments and highly probable forecast transactions	28,796.36	24,474.66	33,388.42	30,283.47	28,868.62

3. The Company has made provision, as required under the applicable law or accounting standard for material foreseeable losses on long-term derivative contracts.

4. **Expenditure in foreign currency:**

	₹ Million				
	2015-16	2014-15	2013-14	2012-13	2011-12
Overseas staff costs	19,650.52	16,661.19	15,464.68	11,471.24	9,473.58
Foreign travel	330.66	305.56	330.67	224.57	109.91
Agency commission	6.96	0.62	1.45	1.78	6.13
Subcontracting expenses	3,776.21	2,923.75	3,010.64	2,103.93	1,472.05
Overseas office expenses (including others)	2,706.86	1,928.01	1,638.26	1,147.66	890.33
<b>Total</b>	<b>26,471.21</b>	<b>21,819.13</b>	<b>20,445.70</b>	<b>14,949.18</b>	<b>11,952.00</b>

5. **Earnings in foreign currency:**

	₹ Million				
	2015-16	2014-15	2013-14	2012-13	2011-12
Software exports	52,295.01	45,368.13	44,148.43	34,015.81	27,838.75
Other income	490.77	27.32	8.71	21.69	53.71
<b>Total</b>	<b>52,785.78</b>	<b>45,395.45</b>	<b>44,157.14</b>	<b>34,037.50</b>	<b>27,892.46</b>

6. **Leases**

**Finance leases**

In accordance with Accounting Standard 19 “Leases” issued by the Institute of Chartered Accountants of India, the assets acquired under finance leases on or after April 1, 2001 are capitalised and a loan liability is recognised for an equivalent amount. Consequently depreciation is provided on such leases. Lease rentals paid are allocated to the liability and the interest is charged to statement of profit and loss.

**Operating leases**

The Company has taken employee used cars under non-cancellable operating leases. The rental expense in respect of operating leases and the future rentals payable are as follows:

	₹ Million				
	2015-16	2014-15	2013-14	2012-13	2011-12
Rental expense of operating lease	0.06	1.21	19.49	26.89	23.92
Minimum lease payments					
Payable not later than 1 year	-	0.16	0.99	10.62	21.41
Payable after 1 year but not later than 5 years	-	-	0.08	1.56	11.98
<b>Total</b>	<b>-</b>	<b>0.16</b>	<b>1.07</b>	<b>12.18</b>	<b>33.39</b>

7. **Segmental reporting**

The Company had 3 business segments. **Services cluster** includes Banking & Financial services, Insurance, Media & Entertainment, Travel & Logistics and Healthcare. **Industrials cluster** includes Hi Tech and Consumer Electronics, Consumer, Retail & Pharma, Energy & Process, Automobile & Aerospace, Plant Equipment & Industrial Machinery, Utilities and Engineering & Construction. **Telecom** segment refers to Product Engineering Services (PES) which is a part of discontinued business (refer annexure IV C (9)). The Company has presented its segment results accordingly.

- (i) Revenues represented along industry classes comprise the primary basis of segmental information set out in these financial statements. The revenue and operating profit by segment is as under:

	₹ Million				
	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Revenue</b>					
Services cluster	29,190.68	24,468.34	20,191.11	15,564.56	12,635.40
Industrials cluster	26,504.52	22,975.69	22,577.48	16,380.09	13,421.46
Telecom	-	-	3,670.81	4,189.56	3,538.69
<b>Revenue from operations</b>	<b>55,695.20</b>	<b>47,444.03</b>	<b>46,439.40</b>	<b>36,134.21</b>	<b>29,595.55</b>
<b>Segmental profit</b>					
Services cluster	6,513.66	5,521.28	4,855.23	3,768.53	3,559.47
Industrials cluster	6,701.72	5,966.68	6,984.82	5,277.55	4,162.88
Telecom	-	-	870.02	1,256.94	1,053.59
<b>Segmental operating profit</b>	<b>13,215.38</b>	<b>11,487.96</b>	<b>12,710.07</b>	<b>10,303.02</b>	<b>8,775.94</b>
Unallocable expenses (net)	3,931.65	1,938.97	2,058.02	2,257.30	2,581.21
Other income	3,386.06	887.80	(810.92)	167.35	89.99
<b>Operating profit</b>	<b>12,669.79</b>	<b>10,436.79</b>	<b>9,841.13</b>	<b>8,213.07</b>	<b>6,284.72</b>
Finance cost	103.57	104.18	297.69	197.67	358.03
Depreciation	654.60	659.89	502.68	452.77	408.07
Amortisation of intangible assets	379.88	247.41	180.23	169.70	157.77

	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Profit before extraordinary items and tax</b>	<b>11,531.74</b>	<b>9,425.31</b>	<b>8,860.53</b>	<b>7,392.93</b>	<b>5,360.85</b>
Restatement adjustments	-	6.35	9.52	(15.87)	11.62
<b>Restated profit before extraordinary items and tax</b>	<b>11,531.74</b>	<b>9,431.66</b>	<b>8,870.05</b>	<b>7,377.06</b>	<b>5,372.47</b>

(ii) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

	2015-16	2014-15	2013-14			2012-13			₹ Million
			Continuing business	Discontinued business	Total	Continuing business	Discontinued business	Total	2011-12
North America	38,191.34	32,024.48	28,188.42	1,741.53	29,929.95	21,805.83	1,782.00	23,587.83	20,006.20
Europe	9,702.52	8,839.21	8,931.63	183.73	9,115.36	6,096.46	128.92	6,225.38	4,648.99
Asia Pacific	1,188.61	1,198.13	1,155.89	982.37	2,138.26	825.45	1,398.26	2,223.71	1,832.37
India	3,400.19	2,075.90	1,530.53	760.45	2,290.98	1,248.95	869.45	2,118.40	1,756.79
Rest of the world	3,212.54	3,306.31	2,962.12	2.73	2,964.85	1,967.96	10.93	1,978.89	1,351.20
<b>Revenue from operations</b>	<b>55,695.20</b>	<b>47,444.03</b>	<b>42,768.59</b>	<b>3,670.81</b>	<b>46,439.40</b>	<b>31,944.65</b>	<b>4,189.56</b>	<b>36,134.21</b>	<b>29,595.55</b>

Fixed assets used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the fixed assets and services are used interchangeably among segments.

8. Based on the information and records available with the Company, there are no amounts payable to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.
9. As part of business restructuring undertaken within Larsen & Toubro Group, it was decided to consolidate the engineering services businesses under a separate subsidiary of Larsen & Toubro Limited, called L&T Technology Services Limited (LTTSL). Pursuant to this, the Company initiated and completed the transfer of its Product Engineering Services (PES) Business Unit to LTTSL effective 1 January, 2014. The PES business was transferred by way of slump sale for total purchase consideration of ₹ 4,895.27 Mn based on fair valuation carried out by external chartered accountants. The purchase consideration was determined based on the Discounted Cash Flow (DCF) method of valuation of business. GDA Technologies Inc., USA (GDA Inc.), a wholly owned subsidiary of Larsen & Toubro Infotech Limited was a part of PES business with synergy in terms of the end customers they serve, primarily the semiconductor companies. Over last few years, the performance of GDA Inc. was affected due to the recession which impacted the end customers resulting in falling revenues and operational losses. Subsequent to the transfer of PES business, it was therefore decided to wind up this subsidiary. Accordingly, certain IP (Intellectual properties) owned by GDA Inc. were transferred to LTTSL at a fair valuation carried out by external chartered accountants.

The Indian subsidiary of GDA Inc. called GDA Technologies Limited, India was taken over by Larsen & Toubro Infotech Limited based on fair valuation carried out by external chartered accountants.

Consequently GDA Inc. was wound up in USA with effect from 28 March 2014.

The following assets and liabilities have been transferred to L&T Technology Services Limited.:

	₹ Million
Tangible assets	76.61
Intangible assets	26.47
Long-term loans and advances	90.45
Current assets	1,126.04
Current liabilities and provisions	(479.64)
Net current assets	646.40
Total assets transferred	839.93
Less:	
Other long-term liabilities	130.34
Hedging reserve	(389.15)
Net assets transferred	1,098.74

The results of discontinued business are as under:

	₹ Million	
	For the period April 2013-Dec 2013	FY 2012-13
Total revenues	3,670.81	4,189.56
Total expenses	(3,092.86)	(3,421.67)
Profit before taxes	577.95	767.89
Income taxes	(127.05)	(193.83)
Profit after tax	450.90	574.06

#### Extra-ordinary item

The above has given rise to extraordinary items being recognised in the financial statements for the year ended 31 March 2014.

	₹ Million	
i.	Profit on sale of PES business unit to L&T Technology Services Limited	3,796.97
ii.	Capital loss arising from disinvestment and winding up of the wholly owned subsidiary GDA Technologies Inc, USA	(1,202.97)
iii.	Extra-ordinary gain	2,594.00
iv.	Capital gains tax on extraordinary items	(416.12)
v.	Extra-ordinary gain (net of tax)	2,177.88

- 10(i)** The Company has acquired equity share capital of Larsen And Toubro Infotech South Africa (Proprietary) Limited on 25 July 2012.
- 10(ii)** The Company has formed a new entity “L&T Information Technology Services (Shanghai) Co. Limited” in People’s Republic of China on 28 June 2013. Investment in this entity is not denominated in number of shares as per laws of the People’s Republic of China.
- 10(iii)** On October 16, 2014, the Company acquired entire share capital of Information Systems Resource Centre Private Limited (‘ISRC’), thereby making it a wholly owned subsidiary. Larsen & Toubro Infotech Limited is engaged in software development & related services. ISRC is engaged in software services with respect to application development, information technology support and maintenance services to OTIS Elevator Company Inc. (OTIS) and certain other group companies of OTIS, which are part of United Technologies Corporation (UTC) group. The Company believes that acquisition will strengthen its relationship with UTC group. The acquisition was executed through a share purchase agreement for a consideration of ₹ 806.96 Mn.

The Board of Directors of the Company and ISRC have approved the scheme of amalgamation of ISRC with the Company on October 17, 2014 and December 04, 2014, respectively, with October 17, 2014 as the appointed date. Accordingly, a petition for sanctioning the scheme of amalgamation had been filed with the Hon’ble High Court of Judicature at Bombay.

The Scheme has been sanctioned by the Hon’ble High Court of Judicature at Bombay vide its order dated 04 September 2015. The Scheme was filed with the Registrar of the Companies on 21 September 2015 and came into effect on that day with appointed date being October 17, 2014. Pursuant thereto, the entire business and all the assets and liabilities, duties and obligations of ISRC have been transferred to and vested in the Company with effect from October 17, 2014. In accordance with the Scheme, the investment held in the subsidiary has been cancelled and ISRC being a wholly owned subsidiary of the Company, no equity shares were exchanged to effect the amalgamation in respect thereof.

The amalgamation is accounted in accordance with ‘pooling of interest method’ as per Accounting Standard 14 ‘Accounting for Amalgamations’ and in accordance with scheme approved by the Hon’ble High Court of Bombay.

- 1) All assets and liabilities (including contingent liabilities), reserves , benefits under income-tax, benefits under special economic zone registrations, duties and obligations of ISRC have been recorded in the books of account of the Company at their carrying amounts.
- 2) The amount of share capital of IRSC has been adjusted against the corresponding investment balance held by the Company in the amalgamating company and the excess of share capital over the investment has been adjusted against general reserve.
- 3) Accordingly, the amalgamation has resulted in transfer of assets and liabilities as on 17 October 2014 in accordance with the terms of the Scheme at the following summarised values:



		₹ Million
Particulars	Amount	Amount
<b>Non-current Assets</b>		
Fixed assets (net)		37.58
Deferred tax asset (set-off against deferred tax liabilities)		6.07
Long-term loans and advances		23.09
<b>Current assets</b>		
Trade receivables	120.39	
Cash and cash equivalents	35.89	
Short-term loans and advances	22.43	178.71
<b>Total assets</b>		<b>245.45</b>
<b>Non-current liabilities</b>		
Long-term provisions		6.29
<b>Current Liabilities</b>		
Trade payables	26.54	
Other current liabilities	2.21	
Short-term provisions	18.00	46.75
<b>Total liabilities</b>		<b>53.04</b>
<b>Net assets</b>		<b>192.41</b>

The following balances as on 17 October 2014 have been added to the respective opening balances of the Company:

	₹ Million
Capital reserve	0.42
General reserve	56.40
Profit & loss balance	100.58

The amount charged against general reserve of the Company pursuant to amalgamation is as follows:

	₹ Million
Investment in the amalgamating company	806.96
Share capital taken over from the amalgamating company	35.00
<b>Amount charged against general reserve</b>	<b>771.96</b>

Pursuant to scheme of amalgamation, the appointed date of amalgamation being 17 October, 2014, net profit after tax of ISRC for the period 17 October 2014 to 31 March 2015 has been transferred to Statement of profit & loss account in the books of the company upon amalgamation.

Profit and loss account for the period 17 October 2014 to 31 March 2015 is as below:

		₹ Million
Particulars	Amount	
Revenue from services	191.00	
Other income	2.77	
<b>Total revenue</b>	<b>193.77</b>	
Expenses:		
(a) Employee benefits expense	81.32	
(b) Operating and other expenses	66.99	
(c) Depreciation and amortisation expense	6.06	
<b>Total expenses</b>	<b>154.37</b>	
<b>Profit before tax</b>	<b>39.40</b>	
Tax expense:		
(a) Current tax	14.12	
(b) Deferred tax	(2.07)	
<b>Net profit after tax</b>	<b>27.35</b>	

As the scheme has become effective from 21 September 2015, the figures for the year ended 31 March 2016 are after giving effect to the merger, hence are not comparable with corresponding period of earlier year ended 31 March 2015.

- 10 (iv) The Company has formed a new entity “Larsen & Toubro Infotech Austria GmbH” in Austria on 18 June 2015. The investment in this entity is not denominated in number of shares as per the local law of Austria.

- 10 (v)** The Company has formed a new entity “L&T Information Technology Spain, Sociedad Limitada” in Spain on 1 February 2016.
- 10 (vi)** The Board of Directors of the Company and GDA Technologies Limited have approved the scheme of amalgamation of GDA Technologies Limited with the Company on October 17, 2014, respectively, with April 1, 2016 as the appointed date. Accordingly, a petition for sanctioning the scheme of amalgamation has been filed with the Hon’ble High Court of Judicature at Bombay and the Hon’ble High Court of Judicature at Madras.

The Scheme has been sanctioned by the Hon’ble High Court of Judicature at Bombay vide its order dated April 1, 2016. The approval of the Scheme by the Hon’ble High Court of Judicature at Madras is awaited.

**Annexure V: Restated unconsolidated statement of share capital**

₹ Million

		As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
(a)	<b>Authorised :</b>					
	240,000,000 equity shares of ₹ 1 each	240.00	-	-	-	-
	(32,750,000 equity shares of ₹ 5 each)	-	163.75	163.75	163.75	163.75
	<b>Issued, paid up and subscribed</b>					
	169,816,188 equity shares for ₹ 1 each	169.82	-	-	-	-
	(32,250,000 equity shares of ₹ 5 each)	-	161.25	161.25	161.25	161.25
	<b>EQUITY SHARE CAPITAL</b>	<b>169.82</b>	<b>161.25</b>	<b>161.25</b>	<b>161.25</b>	<b>161.25</b>

**Notes :**

- The Board of Directors at their meeting held on June 16, 2015 approved sub-division of the equity shares of face value of ₹ 5 each to face value of ₹ 1 each. The shareholders approved the sub-division on June 22, 2015 at the extraordinary general meeting.
- The authorised share capital of the Company was increased by ₹ 36.25 Mn comprising 36,250,000 equity shares of ₹ 1 each at the board meeting held on June 16, 2015 and approved by the shareholders at the extraordinary general meeting held on June 22, 2015.
- In accordance with the order of the Hon'ble High Court of Judicature at Bombay for amalgamating Information Systems Research Centre Private Limited (ISRC) (refer Annexure IV C (10) (iii)), the authorised share capital of the Company was increased by ₹ 40.00 Mn comprising 40,000,000 equity shares of ₹ 1 each on amalgamation.

**(b) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

**(c) Shareholders holding more than 5% of equity shares as at the end of the year:**

94.96% of the equity shares are held by Larsen & Toubro Limited, the holding company

**(d) Reconciliation of the number of equity shares & share capital:**

Due to allotment of shares on exercise of stock options by employees, there was a movement in share capital for the year ended 31 March 2016. But there was no movement in the number of equity shares during the five years ended 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012.

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Issued, subscribed and fully paid up equity shares outstanding at the beginning	161,250,000	161,250,000	161,250,000	161,250,000	161,250,000
Add: Shares issued on exercise of employee stock options	8,566,188	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end	<b>169,816,188</b>	<b>161,250,000</b>	<b>161,250,000</b>	<b>161,250,000</b>	<b>161,250,000</b>

**(e) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital :**

Particulars	Exercise Price	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Number of equity shares of face value of ₹ 5 to be issued as fully paid</b>						
#Employee stock options granted and outstanding under Employee Stock	₹ 25	-	393,003	393,003	393,003	393,003
	₹ 10	-	1,873,467	1,880,484	2,155,197	2,179,953

Particulars	Exercise Price	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
		Number of equity shares of face value of ₹ 5 to be issued as fully paid				
Ownership Scheme “ESOS Plan”						
Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan (‘Sub-Plan’)	\$12	-	90,100	90,100	90,100	90,100

The Company has split its equity shares from face value of ₹ 5 to face value of ₹ 1 per equity share on 22 June 2015. Consequently, exercise price has been adjusted for the year ended March 2015 & earlier years to reflect this change.

Particulars	Exercise Price	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
		Number of equity shares of face value of ₹ 1 to be issued as fully paid				
#Employee stock options granted and outstanding under	₹ 5	82,660	1,965,015	1,965,015	1,965,015	1,965,015
Employee Stock Ownership Scheme “ESOS Plan”	₹ 2	2,350,106	9,367,335	9,402,420	10,775,985	10,899,765
Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan (‘Sub-Plan’)	\$2.4	143,650	450,500	450,500	450,500	450,500

# Refer annexure no. V (i) (1)

- (f) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2016 are Nil.
- (g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended March 31, 2016– Nil.
- (h) The amount of interim dividend distributed to equity shareholder was as follows:

	2015-16	2014-15	2013-14	2012-13	2011-12
Dividend per share	32.65**	149*	171*	94*	79*

\* Face value of shares is ₹ 5

\*\* Face value of shares is ₹ 1

The Directors recommended payment of final dividend of ₹ 2.60 per equity share of ₹ 1 each on the number of shares outstanding on the record date.

Provision for final dividend has been made in the books of account for 169,816,188 equity shares outstanding as at March 31, 2016 amounting to ₹ 441.52 Mn.

(i) **Stock option plans**

1. **Employee Stock Ownership Scheme (‘ESOS Plan’)**

Under the Employee Stock Ownership Scheme (ESOS), options outstanding at face value of ₹ 1 per equity share is as follows:

Year	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Number of options	2,432,766	11,332,350	11,367,435	12,741,000	12,864,780

The grant of options to the employees under ESOS is on the basis of their performance and other eligibility criteria. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 1 each.

All vested options can be exercised on the first exercise date. The Nomination & Remuneration Committee has decided 28 September 2015 as first exercise date.

The details of the grants under the aforesaid scheme are summarised below:-

	ESOP Series	I,II & III				
		2015-16	2014-15	2013-14	2012-13	2011-12
1	Grant price (₹)	5	5	5	5	5
2	Options granted and outstanding at the beginning of the year	1,965,015	1,965,015	1,965,015	1,965,015	1,965,015
3	Options reinstated during the year *	3,500	-	-	-	-
4	Options granted during the year	-	-	-	-	-
5	Options cancelled/ lapsed during the year	34,000	-	-	-	-
6	Options exercised and shares allotted during the year	1,851,855	-	-	-	-
7	Options granted and outstanding at the end of the year	82,660	1,965,015	1,965,015	1,965,015	1,965,015
	of which -					
	Options vested	82,660	1,965,015	1,965,015	1,965,015	1,965,015
	Options yet to vest	-	-	-	-	-

	ESOP Series	IV-XXI				
		2015-16	2014-15	2013-14	2012-13	2011-12
1	Grant price (₹)	2	2	2	2	2
2	Options granted and outstanding at the beginning of the year	9,367,335	9,402,420	10,775,985	10,899,765	11,015,460
3	Options reinstated during the year *	454,580	-	-	-	-
4	Options granted during the year	-	-	-	-	-
5	Options cancelled/ lapsed during the year	1,064,326	35,085	1,373,565	123,780	115,695
6	Options exercised and shares allotted during the year	6,407,483	-	-	-	-
7	Options granted and outstanding at the end of the year	2,350,106	9,367,335	9,402,420	10,775,985	10,899,765
	of which -					
	Options vested	340,666	4,854,585	4,854,585	4,854,585	4,854,585
	Options yet to vest	2,009,440	4,512,750	4,547,835	5,921,400	6,045,180

\* The Company had lapsed unvested options with the employees who had resigned from the Company. Based on the legal advice, the Company has exercised its discretion in determining that the former employees in the United States will be allowed to exercise their deferred options and accordingly, 258,080 options at face value of ₹ 1 (51,616 options at face value of ₹ 5) exercisable by such former employees have been re-instated and vested.

\* The Company had erroneously lapsed 200,000 options at face value of ₹ 1 (40,000 options at face value of ₹ 5). Subsequently, the Company has decided that these options be restored and vested.

## 2. Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan (‘Sub-Plan’)

The Company had instituted the Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan (‘Sub-Plan’) for the employees and Directors of its erstwhile subsidiary, GDA Technologies Inc., USA. The term of option was 5 years from the date of grant. As per vesting schedule, the options had to vest over a period of five years, subject to fulfilment of certain conditions specified in the respective non-statutory stock option agreement. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 1 each at an exercise price of USD 2.4 per share. Under the said plan, options granted, outstanding and vested as at the end of the year are as follows:

Year	2015-16	2014-15	2013-14	2012-13	2011-12
Number of options	143,650	450,500	450,500	450,500	450,500

3. Employees stock options granted and outstanding as at the end of the year on unissued share capital represent options as follows:

Year	2015-16	2014-15	2013-14	2012-13	2011-12
Number of options (Face value of share ₹ 1)	2,576,416	11,782,850	11,817,935	13,191,500	13,315,280

**Annexure VI: Restated unconsolidated statement of reserves and surplus**
**₹ Million**

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>1. General reserve</b>					
As per last balance sheet	4,486.78	4,486.78	3,576.78	2,976.78	2,476.78
Add: general reserve of ISRC on amalgamation (refer annexure IV C (10)(iii))	56.40	-	-	-	-
Add : transferred from statement of profit and loss	-	-	910.00	600.00	500.00
Less: amalgamation adjustment (refer annexure IV C (10)(iii))	771.96	-	-	-	-
Add: transferred from employee stock options outstanding	0.05	-	-	-	-
	<b>3,771.27</b>	<b>4,486.78</b>	<b>4,486.78</b>	<b>3,576.78</b>	<b>2,976.78</b>
<b>2. Capital Reserve</b>					
As per last balance sheet	-	-	-	-	-
Add: capital reserve of ISRC on amalgamation (refer annexure IV C (10)(iii))	0.42	-	-	-	-
	<b>0.42</b>	-	-	-	-
<b>3. Hedging reserve (net of tax)</b>					
Opening balance	(366.96)	(2,923.11)	(2,694.39)	(2,663.11)	(658.42)
Deduction/(addition) during the year	(2,328.06)	2,556.15	(228.72)	(31.28)	(2,004.69)
	<b>(2,695.02)</b>	<b>(366.96)</b>	<b>(2,923.11)</b>	<b>(2,694.39)</b>	<b>(2,663.11)</b>
<b>4. Securities premium account</b>					
Opening balance	1,181.24	1,181.24	1,181.24	1,181.24	1,181.24
Addition during the year	204.16	-	-	-	-
	<b>1,385.40</b>	<b>1,181.24</b>	<b>1,181.24</b>	<b>1,181.24</b>	<b>1,181.24</b>
<b>5. Profit and loss account</b>					
Opening balance	13,453.81	11,439.51	9,768.92	8,292.39	7,694.19
Add: profit for the year	9,381.31	7,735.97	9,032.57	5,599.83	4,059.27
Add: profit and loss account of ISRC on amalgamation (refer annexure IV C (10)(iii))	100.58	-	-	-	-
Add: transfer due to amalgamation (pertaining to period 17 October 2014 to 31 March 2015 (refer annexure IV C (10)(iii))	27.35	-	-	-	-
Less: depreciation charged against retained earnings	-	12.27	-	-	-
Add: deferred tax charged against retained earnings	-	2.17	-	-	-
	<b>22,963.05</b>	<b>19,165.38</b>	<b>18,801.49</b>	<b>13,892.22</b>	<b>11,753.46</b>
Less: appropriation					
(a) General reserve	-	-	910.00	600.00	500.00
(b) Interim dividend	5,467.30	4,805.25	5,514.75	3,031.50	2,547.75
(c) Proposed dividend	441.52	-	-	-	-
(d) Tax on dividend	1,048.71	906.32	937.23	491.80	413.32
(e) Additional tax on dividend	58.02	-	-	-	-
Balance to be carried forward	<b>15,947.50</b>	<b>13,453.81</b>	<b>11,439.51</b>	<b>9,768.92</b>	<b>8,292.39</b>
<b>6. Employee stock options outstanding</b>					
As per last balance sheet	338.41	338.41	338.41	338.74	339.07
Less : deductions during the year	285.04	-	-	0.33	0.33
Less : transferred to general reserve	0.05	-	-	-	-
	<b>53.32</b>	<b>338.41</b>	<b>338.41</b>	<b>338.41</b>	<b>338.74</b>
<b>7. Deferred employee compensation expense</b>					
As per last balance sheet	-	-	(2.27)	(9.98)	(29.52)
Less : deductions during the year	-	-	(2.27)	(7.71)	(19.54)
	-	-	-	<b>(2.27)</b>	<b>(9.98)</b>
<b>RESERVES AND SURPLUS</b>	<b>18,462.89</b>	<b>19,093.28</b>	<b>14,522.83</b>	<b>12,168.69</b>	<b>10,116.06</b>

**Annexure VII: Restated unconsolidated statement of long-term borrowings**

₹ Million

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Long-term borrowings</b>					
<b>Secured loans*</b>					
Term loans from bank	-	138.89	266.29	361.90	452.22
	-	<b>138.89</b>	<b>266.29</b>	<b>361.90</b>	<b>452.22</b>

**\*Details of secured loans – long-term**

Nature of term loan	Rate of interest	Repayment terms	Prepayment charges	Security offered
External commercial borrowings (ECB)	USD LIBOR (3 months) + 2.5%	Repayable in equal half-yearly instalments of USD 1.11 million each commencing from 19 October 2012 and ending on 14 October 2016.	No charges applicable on prepayment	Secured against hypothecation of the Company's movable fixed assets

There are no long-term borrowings from related parties.



**Annexure VIII: Restated unconsolidated statement of deferred tax**

**Deferred tax asset/(liability)**

**₹ Million**

	<b>As at 31-03 2016</b>	<b>As at 31-03 2015</b>	<b>As at 31-03-2014</b>	<b>As at 31-03 2013</b>	<b>As at 31-03 2012</b>
<b>Deferred tax liabilities</b>					
Depreciation / amortisation	32.24	(15.34)	1.66	(0.29)	(29.26)
Gain on derivative transactions	(182.93)	(304.09)	-	-	-
Branch profit tax	(426.93)	(323.40)	(234.68)	-	-
Premia on derivative transactions	(570.42)	-	-	-	-
Others	(1.41)	-	-	(1.85)	(2.48)
<b>Total</b>	<b>(1,149.45)</b>	<b>(642.83)</b>	<b>(233.02)</b>	<b>(2.14)</b>	<b>(31.74)</b>
<b>Deferred tax asset</b>					
Provision for doubtful debts and advances	31.26	7.19	3.04	15.75	9.04
Provision for employee benefits	97.73	60.50	49.64	44.32	42.99
Loss on derivative transactions	10.60	498.30	-	-	-
Realised gain on derivative transactions	41.36	-	-	-	-
Others	9.97	-	-	-	-
<b>Total</b>	<b>190.92</b>	<b>565.99</b>	<b>52.68</b>	<b>60.07</b>	<b>52.03</b>
<b>Net deferred tax asset/(liability)</b>	<b>(958.53)</b>	<b>(76.84)</b>	<b>(180.34)</b>	<b>57.93</b>	<b>20.29</b>
<b>(Add)/less : Amount charged to statement of profit and loss</b>	<b>(523.30)</b>	<b>(92.87)</b>	<b>(238.27)</b>	<b>37.65</b>	<b>(37.19)</b>
<b>(Add)/less : Amount charged to hedge reserve</b>	<b>(366.54)</b>	<b>194.21</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(Add)/less : Deferred tax asset taken over pursuant to amalgamation of ISRC</b>	<b>8.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(Add)/less : Charge against retained earnings</b>	<b>-</b>	<b>2.17</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure IX: Restated unconsolidated statement of other long-term liabilities and long-term provisions**

**(A) Other long-term liabilities**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Forward contract payable	1,148.52	447.46	673.91	1,170.19	1,955.48
Other payables	102.00	90.89	55.20	86.69	66.71
	<b>1,250.52</b>	<b>538.35</b>	<b>729.11</b>	<b>1,256.88</b>	<b>2,022.19</b>

**(B) Long-term provisions**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Provisions for employee benefits</b>					
Post retirement medical benefits	124.29	103.71	88.63	90.69	42.10
Provision for interest rate guarantee (PF)	-	-	42.43	3.61	9.15
	<b>124.29</b>	<b>103.71</b>	<b>131.06</b>	<b>94.30</b>	<b>51.25</b>

**Annexure X: Restated unconsolidated statement of short-term borrowings and current maturities of long-term borrowings**

**(A) Short-term borrowings**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Secured loans*</b>					
Other loans from banks	132.51	600.00	-	828.65	1,232.71
<b>Unsecured loans</b>					
Other loans from banks	265.02	1,297.48	673.84	754.28	744.13
	<b>397.53</b>	<b>1,897.48</b>	<b>673.84</b>	<b>1,582.93</b>	<b>1,976.84</b>

**\*Details of secured loans – short-term**

₹ Million					
Nature of term loan	Amount outstanding as on 31 March 2016	Rate of interest	Repayment terms	Prepayment charges	Security offered
Packing credit	132.51	USD LIBOR (3 months) + 0.50%	Full amount payable on maturity alongwith interest for the period.	None	Secured against hypothecation of the Company's accounts receivable

There are no borrowings from related parties.

**(B) Current maturities of long-term borrowings**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Long-term borrowings</b>					
<b>Secured loans*</b>					
Term loans from bank	147.23	138.89	133.14	120.63	56.53
	<b>147.23</b>	<b>138.89</b>	<b>133.14</b>	<b>120.63</b>	<b>56.53</b>

Refer annexure VII for security and other terms and conditions of the loan.

There are no long-term borrowings from related parties.

**Annexure XI: Restated unconsolidated statement of trade payables, other current liabilities and short-term provisions**

**(A) Trade payables**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Trade payables</b>					
Due to holding company	-	174.23	190.79	583.19	358.64
Due to fellow subsidiaries	-	-	117.68	-	-
Due to others	3,141.47	2,354.29	1,947.23	1,308.21	1,362.10
	<b>3,141.47</b>	<b>2,528.52</b>	<b>2,255.70</b>	<b>1,891.40</b>	<b>1,720.74</b>

**(B) Other current liabilities**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Forward contract payable	1,574.11	89.22	2,289.49	1,642.22	985.59
Interest accrued but not due on borrowings	1.08	2.41	2.29	2.95	4.10
Unclaimed dividend	0.62	-	-	-	-
Other payables	1,102.57	1,507.90	1,340.90	827.72	663.29
	<b>2,678.38</b>	<b>1,599.53</b>	<b>3,632.68</b>	<b>2,472.89</b>	<b>1,652.98</b>

**(C) Short-term provisions**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Provisions for employee benefits</b>					
Gratuity	86.76	92.42	29.39	88.01	140.68
Compensated absences	507.16	453.57	393.89	330.37	267.13
Post retirement medical benefits	0.24	0.24	0.16	0.12	0.08
Others	3,945.24	2,235.04	1,765.02	1,353.62	1,186.10
	<b>4,539.40</b>	<b>2,781.27</b>	<b>2,188.46</b>	<b>1,772.12</b>	<b>1,593.99</b>
<b>Other provisions</b>					
Proposed equity dividend	441.52	-	-	-	-
Additional tax on dividend	58.02	-	-	-	-
Income-tax	-	-	172.69	-	-
Others*	10.70	10.70	10.70	10.70	10.70
	<b>510.24</b>	<b>10.70</b>	<b>183.39</b>	<b>10.70</b>	<b>10.70</b>
<b>Total</b>	<b>5,049.64</b>	<b>2,791.97</b>	<b>2,371.85</b>	<b>1,782.82</b>	<b>1,604.69</b>

\* Disclosure pursuant to Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets"

		₹ Million				
		As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
1	Provision for sales tax	4.00	4.00	4.00	4.00	4.00
2	Provision for others	6.70	6.70	6.70	6.70	6.70
	<b>Total provision</b>	<b>10.70</b>	<b>10.70</b>	<b>10.70</b>	<b>10.70</b>	<b>10.70</b>

Nature of provisions:

- Provision for sales tax pertains to claim made by the authorities on certain transaction of capital nature for the year 2002-03.
- Provision for others represents liabilities relating to matters in dispute.

**Annexure XII: Restated unconsolidated statement of investments**

₹ Million

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Non-current investments</b>					
<b>Trade investments</b>					
Long-term investment in subsidiaries					
1 fully paid equity share of Euro 25,000 in Larsen & Toubro Infotech GmbH	1.14	1.14	1.14	1.14	1.14
100 fully paid equity shares of CAD 1 each in Larsen & Toubro Infotech Canada Limited	6.61	6.61	6.61	6.61	6.61
10 Common Stock at no par value in GDA Technologies Inc., USA*	-	-	-	1,202.97	1,202.97
168,197 equity shares of ₹ 10 each in GDA Technologies Limited*	323.00	323.00	323.00	0.24	0.24
1,000,000 equity shares at no par value in L&T Infotech Financial Services Technologies Inc.	2,806.32	2,806.32	2,806.32	2,806.32	2,806.32
332,350 equity shares at no par value Investment in Larsen And Toubro Infotech South Africa (Proprietary) Limited**	2.01	2.01	2.01	2.01	-
Investment in L&T Information Technology Services (Shanghai) Co. Limited**	10.89	7.07	7.07	-	-
3,500,000 equity shares of ₹ 10 each in Information Systems Resource Centre Private Limited**	-	806.96	-	-	-
Investment in Larsen & Toubro Infotech Austria GmbH**	2.60	-	-	-	-
50,000 equity shares of Euro 1 in L&T Information Technology Spain, Sociedad Limitada**	3.65	-	-	-	-
<b>Non trade investments</b>					
Investments in mutual funds	-	-	-	-	20.00
<b>Total non-current investments</b>	<b>3,156.22</b>	<b>3,953.11</b>	<b>3,146.15</b>	<b>4,019.29</b>	<b>4,037.28</b>

\* Refer annexure IV C (9)

\*\* Refer annexure IV C (10)

**Annexure XIII: Restated unconsolidated statement of long-term loans and advances**

₹ Million

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Considered good</b>					
Premia on forward contracts	1,280.43	874.90	768.15	823.03	479.04
Deposits	393.14	359.38	378.28	207.52	290.29
Capital advances	1.25	6.64	42.10	82.19	12.15
Advances recoverable in cash or in kind	2,574.31	1,146.34	1,346.31	818.83	573.91
	<b>4,249.13</b>	<b>2,387.26</b>	<b>2,534.84</b>	<b>1,931.57</b>	<b>1,355.39</b>

There are no long-term loans and advances given to related parties including directors and holding company.

**Annexure: XIV: Restated unconsolidated statement of current investments**

₹ Million

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Investment in mutual funds</b>	67.35	622.32	1,402.11	217.30	355.59

**Details of quoted investments**

₹ Million

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Aggregate amount of quoted current investments and market value thereof;					
Book value	67.35	622.32	1,402.11	217.30	355.59
Market value	67.51	623.96	1,420.45	218.65	362.10

**Annexure: XV: Restated unconsolidated statement of trade receivables**

₹ Million

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Trade receivables</b>					
Unsecured					
Debts outstanding for a period exceeding six months					
Considered good	325.46	64.46	23.77	63.52	51.49
Considered doubtful	156.56	69.27	34.33	89.98	47.36
	<b>482.02</b>	<b>133.73</b>	<b>58.10</b>	<b>153.50</b>	<b>98.85</b>
Other debts					
Considered good					
- Due from holding company	450.38	-	-	-	-
- Due from subsidiaries	160.22	195.22	86.53	453.43	82.12
- Due from fellow subsidiaries	55.34	84.67	-	28.09	17.19
- Others	9,904.57	9,970.04	8,385.52	6,688.95	6,115.91
	<b>11,052.53</b>	<b>10,383.66</b>	<b>8,530.15</b>	<b>7,323.97</b>	<b>6,314.07</b>
Less : Allowance for bad and doubtful debts	(156.56)	(69.27)	(34.33)	(89.98)	(47.36)
	<b>10,895.97</b>	<b>10,314.39</b>	<b>8,495.82</b>	<b>7,233.99</b>	<b>6,266.71</b>

There are no receivables from holding company (except as on 31 March 2016) and directors.



**Annexure XVI: Restated unconsolidated statement of unbilled revenue, cash and bank and short-term loans and advances**

**(A) Unbilled revenue**

Unbilled revenues comprise revenue recognised in relation to services performed in accordance with contract terms but not billed.

**(B) Cash and bank balances**

₹ Million

Cash and Bank	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Cash on hand	0.62	0.65	0.55	0.76	0.72
Balances with banks					
- in current accounts					
Overseas	872.93	650.14	751.22	591.42	607.63
Domestic	223.45	217.48	231.52	18.65	184.19
Remittances in transit	94.82	221.58	140.02	423.24	124.26
Fixed deposits (maturity less than 3 months)	4.28	125.12	212.72	-	100.00
	1,196.10	1,214.97	1,336.03	1,034.07	1,016.80
<b>Other bank balance</b>					
Fixed deposit with bank with more than 3 months but less than 12 months maturity	-	-	-	-	150.00
Earmarked balances with banks-unclaimed dividend	0.62	-	-	-	-
Cash and bank balance not available for immediate use*	25.03	119.37	119.37	101.80	62.55
	<b>1,221.75</b>	<b>1,334.34</b>	<b>1,455.40</b>	<b>1,135.87</b>	<b>1,229.35</b>

\* Other bank balance not available for immediate use being in nature of security for guarantees issued by bank on behalf of the Company, collaterals etc.

**(C) Short-term loans and advances**

₹ Million

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Considered good</b>					
Loans against mortgage of house property	-	0.10	0.20	0.54	0.23
Premia on forward contracts	2,385.73	1,723.63	1,146.85	594.63	1,025.41
Interest receivable	0.80	6.67	8.47	5.14	12.77
Loans to subsidiary	-	-	-	271.43	262.01
Deposits	150.55	123.96	56.39	142.85	35.10
Advance tax current year (net of provision)	82.13	159.95	-	15.66	14.42
Advances recoverable in cash or in kind					
-Considered good	3,079.01	3,392.90	2,298.28	1,928.58	1,622.52
-Considered doubtful	-	6.06	4.85	4.85	10.27
Less : Allowance for doubtful advances	-	(6.06)	(4.85)	(4.85)	(10.27)
	<b>5,698.22</b>	<b>5,407.21</b>	<b>3,510.19</b>	<b>2,958.83</b>	<b>2,972.46</b>

There are no short-term loans and advances given to directors and holding company.

**Annexure XVII: Restated unconsolidated statement of other income****₹ Million**

	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Income from current investment in mutual funds	47.94	119.62	60.48	84.47	82.42
Profit on sale of fixed assets	-	-	3.46	2.88	3.39
Interest received	17.25	17.99	84.18	41.69	47.18
Foreign exchange gain/(loss)	2,776.13	685.56	(1,003.40)	(40.99)	(119.33)
Provision for doubtful debts no longer required	1.08	-	-	-	3.44
Dividend from subsidiary	472.38	-	-	-	-
Miscellaneous income	71.28	64.63	44.36	79.30	72.89
	<b>3,386.06</b>	<b>887.80</b>	<b>(810.92)</b>	<b>167.35</b>	<b>89.99</b>

**Annexure XVIII: Restated unconsolidated statement of other expenses**
**₹ Million**

		2015-16	2014-15	2013-14	2012-13	2011-12
<b>A.</b>	<b>Employee benefit expenses</b>					
	Salaries including overseas staff expenses	32,491.86	26,889.46	25,127.39	19,926.15	16,537.25
	Staff welfare	863.72	790.11	933.34	756.78	693.16
	Contribution to provident and other funds	344.99	247.01	320.42	252.37	233.69
	Contribution to superannuation fund	52.05	44.71	38.67	56.35	89.94
	Contribution to gratuity fund	85.75	93.43	36.75	94.08	146.76
		<b>33,838.37</b>	<b>28,064.72</b>	<b>26,456.57</b>	<b>21,085.73</b>	<b>17,700.80</b>
<b>B.</b>	<b>Operating expenses</b>					
	Communication expenses	177.38	151.27	142.62	104.61	104.59
	Consultancy charges	4,133.23	3,366.86	3,167.46	2,199.27	1,665.57
	Cost of software packages for own use	386.62	344.47	349.17	302.79	235.41
	Cost of bought-out items for resale	1,973.39	742.75	548.27	271.09	228.22
		<b>6,670.62</b>	<b>4,605.35</b>	<b>4,207.52</b>	<b>2,877.76</b>	<b>2,233.79</b>
<b>C.</b>	<b>Sales, administration and other expenses</b>					
	Travelling and conveyance	1,387.88	1,155.63	1,165.74	976.15	847.13
	Rent and establishment expenses	1,525.22	1,381.30	1,390.90	1,330.43	1,087.13
	Telephone charges and postage	362.22	330.87	342.58	303.96	270.84
	Legal and professional charges	536.15	517.62	609.00	255.91	216.68
	Printing and stationery	24.94	28.06	24.51	24.93	28.11
	Advertisement	112.19	89.94	66.30	36.36	48.46
	Entertainment	70.26	54.43	48.36	31.92	24.82
	Recruitment expenses	143.09	129.61	96.12	71.42	81.44
	Repairs to building	199.36	134.90	104.47	105.14	93.85
	Repairs to computers	60.26	85.02	70.67	76.11	73.69
	General repairs and maintenance	317.69	250.51	234.78	152.59	111.71
	Power and fuel	347.83	287.19	309.20	282.84	237.20
	Equipment hire charges	12.90	10.15	7.62	7.80	11.00
	Insurance charges	159.51	161.64	111.90	111.55	73.99
	Rates and taxes	194.91	330.67	206.30	104.06	103.17
	Allowance for doubtful debts and advances	86.13	74.07	8.33	78.76	20.05
	Bad debts	4.90	39.13	200.24	29.55	178.50
	Less : Provision written back	(4.90)	(39.13)	(66.65)	(29.55)	(178.50)
	Commission paid	6.99	0.62	18.15	13.69	6.13
	Books, periodicals and subscriptions	17.80	27.43	10.34	26.18	12.53
	Directors fees	1.43	0.93	0.40	0.52	3.18
	Commission to director	5.81	3.60	3.73	4.46	-
	Loss on sale of fixed assets	26.82	3.16	-	-	-
	Miscellaneous expenses	303.09	161.27	150.75	127.05	103.50
	Amortisation of cost of long term projects *	-	6.35	9.52	3.17	11.62
		<b>5,902.48</b>	<b>5,224.97</b>	<b>5,123.26</b>	<b>4,125.00</b>	<b>3,466.23</b>

\* Cost incurred for long-term projects mainly comprise of legal and employee related costs to secure long term projects.

**Annexure XIX: Restated unconsolidated statement of finance cost****₹ Million**

	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Interest paid on</b>					
Fixed loans	31.91	46.94	91.56	86.50	37.90
On others	25.98	9.28	2.93	0.73	38.55
Lease finance charges	-	-	0.03	-	0.40
	57.89	56.22	94.52	87.23	76.85
Exchange (gain)/loss on borrowings (net)	45.68	47.96	203.17	110.44	281.18
	<b>103.57</b>	<b>104.18</b>	<b>297.69</b>	<b>197.67</b>	<b>358.03</b>

**Annexure XX: Restated unconsolidated statement of provision for taxation**
**₹ Million**

	2015-16	2014-15	2013-14	2012-13	2011-12
Current tax on continuing operations (refer note (a) below)	2,676.97	2,117.82	1,946.96	1,675.50	1,544.54
MAT credit entitlement for current year	(1,086.70)	(505.04)	(188.42)	-	-
MAT credit entitlement for earlier years	-	-	-	-	(277.91)
Provision for earlier year/(excess provision) for earlier year written back	36.86	(9.96)	(108.50)	(54.45)	9.38
<b>Total current taxes (a)</b>	<b>1,627.13</b>	<b>1,602.82</b>	<b>1,650.04</b>	<b>1,621.05</b>	<b>1,276.01</b>
<b>Current tax on discontinued operations (b)</b>	<b>-</b>	<b>-</b>	<b>127.05</b>	<b>193.83</b>	<b>-</b>
Capital gains tax on sale of PES business unit	-	-	592.68	-	-
MAT credit entitlement on capital gains tax for current year	-	-	(176.56)	-	-
<b>Capital gain tax on sale of PES business (c)</b>	<b>-</b>	<b>-</b>	<b>416.12</b>	<b>-</b>	<b>-</b>
<b>Current tax (a) + (b) + (c)</b>	<b>1,627.13</b>	<b>1,602.82</b>	<b>2,193.21</b>	<b>1,814.88</b>	<b>1,276.01</b>

(A) The current tax charge includes taxes payable outside India as follows:

**₹ Million**

	2015-16	2014-15	2013-14	2012-13	2011-12
Taxes payable outside India	616.76	405.29	654.37	407.56	295.62

(B) The Central Board of Direct Taxes (CBDT) has notified the Income Computation and Disclosure Standards (ICDS) with effect from April 1, 2015 and shall accordingly apply for assessment year 2016-17 onwards. Accordingly, the Company has accounted for the impact of ICDS in its tax computation.

**Annexure XXI: Restated unconsolidated statement of contingent liabilities**

₹ Million

		2015-16	2014-15	2013-14	2012-13	2011-12
1.	Income- tax liability that may arise in respect of which the Company is in appeal*	1,338.80	1,164.82	910.03	48.22	44.31
2.	Corporate guarantee given on behalf of subsidiaries**	5,998.76	5,395.70	5,681.29	5,445.98	3,572.98
3.	Service tax refund disallowed, in respect of which the company is in appeal #	12.48	4.52	-	-	-
4.	Sales tax liability in respect of which the company is in appeal	1.28	-	-	-	-
5.	Bill discounted with banks	-	-	-	59.71	157.62
6.	Legal notice served by a vendor for unpaid dues, disputed by the Company	0.02	-	-	-	-
		<b>7,351.34</b>	<b>6,565.04</b>	<b>6,591.32</b>	<b>5,553.91</b>	<b>3,774.91</b>

\* Out of contingent tax liability for FY 2015-16 ₹ 1,280.69 Mn (including interest of ₹ 202.48 Mn), for FY 2014-15, ₹ 1,099.79 Mn (including interest of ₹ 263.71 Mn), for FY 2013-14, ₹ 866.26 Mn (including interest of ₹ 240.57 Mn), for FY 2012-13, ₹ 29.63 Mn (including interest of ₹ 18.59 Mn) and for FY 2011-12, ₹ 25.72 Mn (including interest of ₹ 18.59 Mn), pertains to the tax demand arising on account of disallowance of exemption under section 10A on profits earned by STPI Units on onsite export revenue. The Company is pursuing appeal against these demands before the relevant Appellate Authorities.

The Company believes that its position is likely to be upheld by Appellate Authorities and considering the facts, the ultimate outcome of these proceedings is not likely to have material adverse effect on the results of operations or the financial position of the Company.

- \*\* (a) The Company has given a corporate guarantee on behalf of its wholly owned subsidiary, L&T Infotech Financial Services Technologies Inc., Canada. The guarantee is for performance of all obligations by L&T Infotech Financial Services Technologies Inc., Canada in connection with the long-term annuity services contracts obtained by them. The obligation under this guarantee is limited in aggregate to the amount of CAD 70,000,000.
- (b) The Company has given a corporate guarantee on behalf of its subsidiary, Larsen And Toubro Infotech South Africa (Proprietary) Limited. The guarantee is for performance of all obligations by Larsen And Toubro Infotech South Africa (Proprietary) Limited in connection with the Application Testing Service contract. The obligation under this guarantee is limited in aggregate to the amount of USD 31,414,785.
- (c) The Company has given a corporate guarantee on behalf of its subsidiary, Larsen And Toubro Infotech South Africa (Proprietary) Limited. The guarantee is for performance of all obligations by Larsen And Toubro Infotech South Africa (Proprietary) Limited in connection with software development services and related services. The obligation under this guarantee is limited in aggregate to the amount of USD 5,000,000.
- # The Company had filed refund of accumulated service tax credit in accordance with relevant CENVAT Credit Rules. However, the department has disallowed certain portion of such refunds considering the same as ineligible, as not related with export and output services. The Company is in appeal against these disallowances before the relevant Authorities and hopeful of getting a favourable order.

**For FY 2011-12**

Two terminated employees in USA had initiated litigation against the Company in FY 2011-12. The processes of the litigations were at the initial stages. While the Company's management believed that it had a valid defense against the allegations made, management was neither able to predict the final outcome of the proceedings nor was it possible to estimate the monetary impact of an adverse decision. Management, however, did not reasonably expect that these litigations, when concluded and determined, will have any material and adverse effect on the operations or the financial position of the Company. The matter has since been concluded.

## Annexure XXII: Restated unconsolidated statement of related parties

### (A) List of related parties over which control exists/exercised:

Name	Relationship
Larsen & Toubro Infotech GmbH	Wholly owned subsidiary
Larsen & Toubro Infotech Canada Limited	Wholly owned subsidiary
GDA Technologies Limited (Refer annexure IV C (9))	Wholly owned subsidiary
GDA Technologies Inc. (Refer annexure IV C (9))	Wholly owned subsidiary
Larsen & Toubro Infotech LLC	Wholly owned subsidiary
L&T Infotech Financial Services Technologies Inc.	Wholly owned subsidiary
Larsen And Toubro Infotech South Africa (Proprietary) Limited (Refer annexure IV C (10)(i))	Subsidiary
L&T Information Technology Services (Shanghai) Co. Limited ((Refer annexure IV C (10)(ii))	Wholly owned subsidiary
Information Systems Resource Centre Private Limited (Refer annexure IV C (10)(iii))	Wholly owned subsidiary
Larsen & Toubro Infotech Austria GmbH (Refer annexure IV C (10) (iv))	Wholly owned subsidiary
L&T Information Technology Spain, Sociedad Limitada (Refer annexure IV C (10) (v))	Wholly owned subsidiary

### (B) Key management personnel:

Name	Status
Mr. V. K. Magapu	Managing Director *
Mr. Sanjay Jalona	Chief Executive Officer & Managing Director **
Mr. Chandrashekara Kakal	Chief Operating Officer & Executive Director ***
Mr. K. R. L. Narasimham	Executive Director #
Mr. Vivek Chopra	Chief Executive (Industrials Cluster) & Executive Director \$
Dr. Mukesh Aghi	Chief Executive (Services Cluster) & Executive Director ^
Mr. Sunil Pande	Executive Director ^^

\* Ceased to be Director w.e.f. the close of working hours of September 25, 2015

\*\* Appointed as Chief Executive Officer & Managing Director w.e.f. August 10, 2015

\*\*\* Ceased to be Director w.e.f. the close of working hours of August 26, 2015

# Ceased to be Director w.e.f. the close of working hours of April 7, 2015

\$ Ceased to be Director w.e.f. the close of working hours of December 31, 2014

^ Ceased to be Director w.e.f. the close of working hours of February 28, 2015

^^ Ceased to be Director w.e.f. the close of working hours of August 25, 2015

### (C) List of related parties with whom there were transactions during any of the five years FY 2015-16, FY 2014-15, FY 2013-14, FY 2012-13 and FY 2011-12

Name	Relationship
Larsen & Toubro Limited	Holding Company
Larsen & Toubro Infotech GmbH	Wholly owned subsidiary
Larsen & Toubro Infotech Canada Limited	Wholly owned subsidiary
GDA Technologies Limited [Refer annexure IV C (9)]	Wholly owned subsidiary
GDA Technologies Inc. [Refer annexure IV C (9)]	Wholly owned subsidiary
Larsen & Toubro Infotech LLC	Wholly owned subsidiary
L&T Infotech Financial Services Technologies Inc.	Wholly owned subsidiary
Larsen And Toubro Infotech South Africa (Proprietary) Limited [Refer annexure IV C	Subsidiary

Name	Relationship
(10)(i)]	
L&T Information Technology Services (Shanghai) Co. Limited [Refer annexure IV C (10)(ii)]	Wholly owned subsidiary
Information Systems Resource Centre Private Limited [Refer annexure IV C (10)(iii)]	Wholly owned subsidiary
Larsen & Toubro Infotech Austria GmbH [Refer annexure IV C (10)(iv)]	Wholly owned subsidiary
L&T Information Technology Spain, Sociedad Limitada [Refer annexure IV C (10)(v)]	Wholly owned subsidiary
L&T-MHPS Turbine Generators Private Limited	Fellow Subsidiary
L&T Seawoods Limited	Fellow Subsidiary
L&T - MHPS Boilers Private Limited	Fellow Subsidiary
Larsen & Toubro (East Asia) SDN.BHD	Fellow Subsidiary
L&T Modular Fabrication Yard LLC	Fellow Subsidiary
L&T Howden Private Limited	Fellow Subsidiary
L&T-Valdel Engineering Limited	Fellow Subsidiary
Larsen & Toubro ATCO Saudia LLC	Fellow Subsidiary
L&T Hydrocarbon Engineering Limited*	Fellow Subsidiary
L&T Electrical and Automation Saudi Arabia Company Limited LLC	Fellow Subsidiary
L&T Finance Limited	Fellow Subsidiary
L&T General Insurance Company Limited	Fellow Subsidiary
L&T Infrastructure Development Projects Limited	Fellow Subsidiary
L&T Power Development Limited	Fellow Subsidiary
L&T Sapura Shipping Private Limited	Fellow Subsidiary
L&T Power Limited	Fellow Subsidiary
L&T-Sargent & Lundy Limited	Fellow Subsidiary
L&T Realty Limited	Fellow Subsidiary
L&T BPP Tollway Limited	Fellow Subsidiary
Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability	Fellow Subsidiary
Larsen & Toubro Electromech LLC	Fellow Subsidiary
L&T Infrastructure Finance Company Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Limited	Fellow Subsidiary
L&T Kobelco Machinery Private Limited	Fellow Subsidiary
L&T Cutting Tools Limited	Fellow Subsidiary
L&T Technology Services Limited**	Fellow Subsidiary
Larsen & Toubro Hydrocarbon International Limited LLC	Fellow Subsidiary
L&T Valves Limited	Fellow Subsidiary
L&T Investment Management Limited	Fellow Subsidiary
L&T Construction Equipment Limited	Fellow Subsidiary
Larsen & Toubro LLC	Fellow Subsidiary
L&T Devihalli Hassan Tollway Limited	Fellow Subsidiary
Larsen and Toubro Saudi Arabia LLC	Fellow Subsidiary
Nabha Power Limited	Fellow Subsidiary
L&T Electrical & Automation FZE	Fellow Subsidiary
L&T Thales Technology Services Private Limited	Fellow Subsidiary
Family Credit Limited	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
Spectrum Infotech Private Limited	Fellow Subsidiary
PT. Tamco Indonesia	Fellow Subsidiary
L&T Capital Markets Limited	Fellow Subsidiary
L&T Housing Finance Limited	Fellow Subsidiary
Tamco Electrical Industries Australia PTY Limited	Fellow Subsidiary
L&T Special Steels and Heavy Forgings Private Limited	Fellow Subsidiary

\* This company was demerged from Larsen & Toubro Limited into new entity named L&T Hydrocarbon Engineering Limited effective April 2013. Transactions from 1 April 2011 to 31 March 2013 are including under holding company whereas transactions from 1 April 2013 to 31 March 2016 are shown separately as fellow subsidiary.



\*\* Integrated Engineering Services (IES) unit from Larsen & Toubro Limited was transferred to L&T Technology Services Limited effective April 2014. Transactions from 1 April 2011 to 31 March 2014 are including under holding company whereas transactions from 1 April 2014 to 31 March 2016 are shown separately as fellow subsidiary.

**(D) Restated unconsolidated statement of related party transactions:**

	₹ Million				
<b>Transaction</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
<b>Sale of services / products</b>					
<b><u>Holding company</u></b>	<b>1,101.09</b>	<b>352.00</b>	<b>635.68</b>	<b>422.83</b>	<b>345.81</b>
- Larsen & Toubro Limited	1,101.09	352.00	635.68	422.83	345.81
<b><u>Subsidiaries</u></b>	<b>1,499.50</b>	<b>1,500.90</b>	<b>1,406.82</b>	<b>1,149.90</b>	<b>773.40</b>
- Larsen & Toubro Infotech GmbH	493.31	421.96	422.01	387.62	356.64
- L&T Infotech Financial Services Technologies Inc.	330.55	292.25	330.93	377.17	294.45
- Larsen And Toubro Infotech South Africa (Proprietary) Limited	391.73	627.42	499.48	242.06	-
- Larsen & Toubro Infotech Canada Limited	278.03	159.27	152.02	130.59	115.40
<b><u>Fellow subsidiaries</u></b>	<b>423.59</b>	<b>324.91</b>	<b>221.91</b>	<b>150.80</b>	<b>168.41</b>
- L&T Metro Rail (Hyderabad) Limited	63.60	60.14	-	-	-
- L&T Technology Services Limited	50.50	53.12	7.01	-	-
- L&T Hydrocarbon Engineering Limited	78.80	59.13	49.94	-	-
- L&T General Insurance Company Limited	6.95	24.79	29.48	51.42	47.61
- L&T Power Limited	-	-	30.41	33.93	49.56
- Larsen & Toubro LLC	32.22	30.14	29.49	-	-
- L&T Finance Limited	14.27	11.79	9.21	22.68	16.86
- L&T Construction Equipment Limited	16.14	18.18	16.82	15.89	-
- Larsen and Toubro Saudi Arabia LLC	-	2.75	-	-	3.72
- L&T Modular Fabrication Yard LLC	-	-	-	0.44	22.87
- L&T Thales Technology Services Private Limited	95.70	-	-	-	-
<b>Sale of assets</b>					
<b><u>Holding company</u></b>	<b>108.62</b>	-	<b>17.13</b>	<b>30.52</b>	<b>23.66</b>
- Larsen & Toubro Limited	108.62	-	17.13	30.52	23.66
<b><u>Fellow subsidiaries</u></b>	<b>7.70</b>	-	<b>11.73</b>	-	-
- L&T Technology Services Limited	7.70	-	11.73	-	-
<b>Purchase of services</b>					
<b><u>Holding company</u></b>	<b>275.43</b>	<b>1,034.96</b>	<b>1,727.68</b>	<b>1,428.88</b>	<b>1,078.96</b>
- Larsen & Toubro Limited	275.43	1,034.96	1,727.68	1,428.88	1,078.96
<b><u>Subsidiaries</u></b>	<b>347.68</b>	<b>454.97</b>	<b>618.00</b>	<b>488.02</b>	<b>350.39</b>
- Information Systems Resource Centre Private Limited	-	143.59	-	-	-
- Larsen & Toubro Infotech LLC	133.45	158.09	265.06	270.14	345.04
- Larsen & Toubro Infotech Canada Limited	193.64	128.16	148.03	-	-
- Larsen And Toubro Infotech South Africa (Proprietary) Limited	-	-	64.14	14.46	-
- Larsen & Toubro Infotech GmbH	-	-	121.21	186.16	-
<b><u>Fellow subsidiaries</u></b>	<b>694.17</b>	<b>686.46</b>	<b>234.22</b>	-	-
- L&T Technology Services Limited	694.17	686.46	234.22	-	-
<b>Overheads charged by</b>					
<b><u>Holding company</u></b>	<b>635.01</b>	<b>125.82</b>	<b>205.06</b>	<b>219.22</b>	<b>245.80</b>
- Larsen & Toubro Limited	635.01	125.82	205.06	219.22	245.80
<b><u>Subsidiaries</u></b>	<b>21.78</b>	<b>163.58</b>	<b>147.89</b>	<b>50.45</b>	<b>29.13</b>
- Larsen & Toubro Infotech GmbH	19.55	46.11	64.72	5.49	0.01
- Larsen And Toubro Infotech South Africa (Proprietary) Limited	-	116.04	-	-	-
- Larsen & Toubro Infotech Canada Limited	2.06	-	0.08	-	-
- L&T Infotech Financial Services Technologies Inc.	-	0.07	50.31	-	-
- Larsen & Toubro Infotech LLC	0.17	-	-	-	0.38

<b>Transaction</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
- GDA Technologies Inc.	-	-	32.78	44.96	28.73
<b><u>Fellow subsidiaries</u></b>	<b>38.11</b>	<b>44.45</b>	<b>11.68</b>	<b>8.31</b>	<b>8.59</b>
- Larsen & Toubro (East Asia) SDN.BDH	24.03	24.43	-	0.21	1.75
- L&T Electrical & Automation FZE	7.19	5.81	-	-	-
- Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability	6.23	10.76	10.19	5.41	3.44
- Larsen & Toubro Electromech LLC	0.01	-	0.05	0.28	1.89
- L&T Power Limited	-	-	-	1.27	-
- L & T Electrical and Automation Saudi Arabia Company Limited LLC	-	-	0.62	0.92	-
- L & T Finance Limited	-	-	0.32	0.18	-
<b>Overheads charged to</b>					
<b><u>Holding company</u></b>	<b>82.49</b>	<b>60.77</b>	<b>350.20</b>	<b>321.58</b>	<b>484.56</b>
- Larsen & Toubro Limited	82.49	60.77	350.20	321.58	484.56
<b><u>Subsidiaries</u></b>	<b>145.54</b>	<b>99.64</b>	<b>174.03</b>	<b>155.49</b>	<b>154.46</b>
- Larsen & Toubro Infotech Canada Limited	51.64	33.08	18.36	22.17	17.86
- Larsen & Toubro Infotech GmbH	64.49	50.98	63.29	25.01	26.60
- GDA Technologies Inc.	-	-	72.15	73.00	94.42
- L&T Infotech Financial Services Technologies Inc.	0.09	0.11	8.43	19.21	5.09
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	20.91	-	-	-	-
-Larsen & Toubro Infotech LLC	6.89	8.17	10.01	11.67	10.49
-L&T information Technology Services (Shanghai) Co. Limited	1.52	0.47	-	-	-
<b><u>Fellow subsidiaries</u></b>	<b>422.61</b>	<b>613.95</b>	<b>191.85</b>	<b>0.13</b>	<b>8.47</b>
- L&T Technology Services Limited	421.30	606.71	144.33	-	-
- L&T Hydrocarbon Engineering Limited	-	1.67	47.17	-	-
- L&T Power Limited	-	-	0.90	0.13	0.06
- L&T Valdel Engineering Limited	-	-	-	-	8.13
<b>Commission received from</b>					
<b><u>Holding company</u></b>	<b>-</b>	<b>-</b>	<b>14.70</b>	<b>5.93</b>	<b>0.98</b>
- Larsen & Toubro Limited	-	-	14.70	5.93	0.98
<b><u>Subsidiaries</u></b>	<b>3.62</b>	<b>-</b>	<b>7.84</b>	<b>4.71</b>	<b>3.81</b>
- Larsen And Toubro Infotech South Africa (Proprietary) Limited	3.62	-	-	-	-
- Larsen & Toubro Infotech Canada Limited	-	-	7.84	4.71	3.81
<b><u>Fellow subsidiaries</u></b>	<b>5.26</b>	<b>11.81</b>	<b>4.66</b>	<b>-</b>	<b>-</b>
- L&T Technology Services Limited	5.26	11.81	4.66	-	-
<b>Lease rent paid</b>					
<b><u>Fellow subsidiaries</u></b>	<b>0.07</b>	<b>0.52</b>	<b>1.41</b>	<b>2.70</b>	<b>8.56</b>
- L&T Finance Limited	0.07	0.52	1.41	2.70	8.56
<b>Commission paid to</b>					
<b><u>Holding company</u></b>	<b>-</b>	<b>-</b>	<b>16.70</b>	<b>11.70</b>	<b>-</b>
- Larsen & Toubro Limited	-	-	16.70	11.70	-
<b><u>Fellow subsidiaries</u></b>	<b>-</b>	<b>0.62</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability	-	0.62	-	-	-
<b>Interest paid</b>					
<b><u>Holding company</u></b>	<b>-</b>	<b>-</b>	<b>1.90</b>	<b>0.01</b>	<b>32.72</b>
- Larsen & Toubro Limited	-	-	1.90	0.01	32.72
<b><u>Subsidiaries</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.87</b>
- GDA Technologies Limited	-	-	-	-	14.87
<b>Trademark Fees paid</b>					
<b><u>Holding Company</u></b>	<b>104.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Larsen & Toubro Limited	104.89	-	-	-	-
<b>Interest received</b>					
<b><u>Holding company</u></b>	<b>-</b>	<b>-</b>	<b>53.43</b>	<b>-</b>	<b>-</b>

Transaction	2015-16	2014-15	2013-14	2012-13	2011-12
- Larsen & Toubro Limited	-	-	53.43	-	-
<b>Subsidiaries</b>	-	-	<b>11.51</b>	<b>12.17</b>	<b>12.84</b>
- GDA technologies Inc	-	-	11.51	12.17	12.84
<b>Unsecured loan given to</b>					
<b>Holding company</b>	-	-	<b>4,500.00</b>	-	-
- Larsen & Toubro Limited	-	-	4,500.00	-	-
<b>Subsidiaries</b>	-	-	-	<b>271.43</b>	<b>262.01</b>
GDA technologies Inc	-	-	-	271.43	262.01
<b>Unsecured loan taken from</b>					
<b>Holding company</b>	-	-	<b>400.00</b>	-	-
- Larsen & Toubro Limited	-	-	400.00	-	-
<b>Investments</b>					
<b>Subsidiaries</b>	<b>10.07</b>	<b>806.96</b>	<b>329.83</b>	<b>2.01</b>	-
- Information Systems Resource Centre Private Limited	-	806.96	-	-	-
- L&T Information Technology Services (Shanghai) Co. Limited	3.82	-	7.07	-	-
- Larsen And Toubro Infotech South Africa (Proprietary) Limited	-	-	-	2.01	-
- GDA Technologies Limited	-	-	322.76	-	-
- Larsen & Toubro Infotech Austria GmbH	2.60	-	-	-	-
- Larsen & Toubro Information Technology Spain, Sociedad Limitada	3.65	-	-	-	-
<b>Trade receivables</b>					
Holding company	450.38	-	-	-	-
Subsidiaries	160.22	195.22	86.53	453.43	82.12
Fellow subsidiaries	55.34	84.67	-	28.09	17.19
<b>Trade payables</b>					
Holding company	-	174.23	190.79	583.19	358.64
Fellow subsidiaries	-	-	117.68	-	-
<b>Interim dividend paid</b>					
Holding Company	<b>5,264.81</b>	<b>4,805.25</b>	<b>5,514.75</b>	<b>3,031.50</b>	<b>2,547.75</b>
- Larsen & Toubro Limited	5,264.81	4,805.25	5,514.75	3,031.50	2,547.75
<b>Bad-debts written-off</b>					
<b>Subsidiaries</b>	-	-	<b>133.66</b>	-	-
- GDA Technologies Inc	-	-	133.66	-	-
<b>Dividend received</b>					
<b>Subsidiaries</b>	<b>472.38</b>	-	-	<b>0.15</b>	-
- L&T Infotech Financial Services Technologies Inc.	472.38	-	-	-	-
- GDA Technologies Limited	-	-	-	0.15	-

(E) **Managerial remuneration**

₹ Million					
Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Total managerial remuneration</b>	<b>57.31</b>	<b>183.69</b>	<b>77.10</b>	<b>42.42</b>	<b>0.02</b>
Salaries and perquisites					
Mr. V. K. Magapu	7.35	15.12	-	-	-
Mr. Sanjay Jalona	33.61	-	-	-	-
Mr. Vivek Chopra	-	68.52	38.51	21.73	-
Dr. Mukesh Aghi	-	68.56	38.59	20.69	-
Mr. Chandrashekara Kakal	10.85	10.48	-	-	-
Mr. Sunil Pande	5.33	3.14	-	-	-
Mr. K.R.L. Narasimham	0.17	17.87	-	-	0.02

**Annexure XXIII: Restated unconsolidated statement of accounting ratios**

**(A) Basic and diluted earnings per share (EPS) at face value of ₹ 5**

**Before extraordinary items**

Basic earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Restated Profit after tax (₹Million)	-	7,735.97	6,854.69	5,599.83	4,059.27
Weighted average number of shares outstanding	-	32,250,000	32,250,000	32,250,000	32,250,000
<b>Basic EPS (₹)</b>	-	<b>239.88</b>	<b>212.55</b>	<b>173.64</b>	<b>125.87</b>

Diluted earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Weighted average number of shares outstanding	-	32,250,000	32,250,000	32,250,000	32,250,000
Add : weighted average number of potential equity shares on account of employee options	-	1,454,020	1,454,020	1,454,020	1,454,020
Weighted average number of shares outstanding	-	33,704,020	33,704,020	33,704,020	33,704,020
<b>Diluted EPS (₹)</b>	-	<b>229.53</b>	<b>203.38</b>	<b>166.15</b>	<b>120.44</b>

**After extraordinary items**

Basic earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Restated Profit after tax (₹ Million)	-	7,735.97	9,032.57	5,599.83	4,059.27
Weighted average number of shares outstanding	-	32,250,000	32,250,000	32,250,000	32,250,000
<b>Basic EPS (₹)</b>	-	<b>239.88</b>	<b>280.08</b>	<b>173.64</b>	<b>125.87</b>

Diluted earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Weighted average number of shares outstanding	-	32,250,000	32,250,000	32,250,000	32,250,000
Add : weighted average number of potential equity shares on account of employee options	-	1,454,020	1,454,020	1,454,020	1,454,020
Weighted average number of shares outstanding	-	33,704,020	33,704,020	33,704,020	33,704,020
<b>Diluted EPS (₹)</b>	-	<b>229.53</b>	<b>268.00</b>	<b>166.15</b>	<b>120.44</b>

**(B) Basic and diluted earnings per share (EPS) at face value of ₹ 1**

**Before extraordinary items**

Basic earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Restated Profit after tax (₹Million)	9,381.31	7,735.97	6,854.69	5,599.83	4,059.27
Weighted average number of shares outstanding	163,914,663	161,250,000	161,250,000	161,250,000	161,250,000
<b>Basic EPS (₹)</b>	<b>57.23</b>	<b>47.98</b>	<b>42.51</b>	<b>34.73</b>	<b>25.17</b>

Diluted earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Weighted average number of shares outstanding	163,914,663	161,250,000	161,250,000	161,250,000	161,250,000
Add : weighted average number of potential equity shares on account of employee options	392,052	7,270,100	7,270,100	7,270,100	7,270,100
Weighted average number of shares outstanding	164,306,715	168,520,100	168,520,100	168,520,100	168,520,100
<b>Diluted EPS (₹)</b>	<b>57.10</b>	<b>45.91</b>	<b>40.68</b>	<b>33.23</b>	<b>24.09</b>

**After extraordinary items**

<b>Basic earnings per share</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Restated Profit after tax (₹Million)	9,381.31	7,735.97	9,032.57	5,599.83	4,059.27
Weighted average number of shares outstanding	163,914,663	161,250,000	161,250,000	161,250,000	161,250,000
<b>Basic EPS (₹)</b>	<b>57.23</b>	<b>47.98</b>	<b>56.02</b>	<b>34.73</b>	<b>25.17</b>

<b>Diluted earnings per share</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Weighted average number of shares outstanding	163,914,663	161,250,000	161,250,000	161,250,000	161,250,000
Add : weighted average number of potential equity shares on account of employee options	392,052	7,270,100	7,270,100	7,270,100	7,270,100
Weighted average number of shares outstanding	164,306,715	168,520,100	168,520,100	168,520,100	168,520,100
<b>Diluted EPS (₹)</b>	<b>57.10</b>	<b>45.91</b>	<b>53.60</b>	<b>33.23</b>	<b>24.09</b>

The Company has split its equity shares from face value of ₹ 5 to face value of ₹ 1 per equity share on 22 June 2015. Consequently disclosure of EPS is given both before and after the split for convenience of readers.

**(C) Net asset value per share at face value of ₹ 5**

	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
<b>Net asset value per share</b>	-	597.04	455.32	382.32	318.68

**(D) Net asset value per share at face value of ₹ 1**

	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
<b>Net asset value per share</b>	109.72	119.41	91.06	76.46	63.74

The Company has split its equity shares from face value of ₹ 5 to face value of ₹ 1 per equity share on 22 June 2015. Consequently disclosure of net asset value per share is given both before and after the split for convenience of readers.

**(E) Return on net worth**

	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Restated Profit after tax (₹Million)	9,381.31	7,735.97	6,854.69	5,599.83	4,059.27
Average net worth	18,943.62	16,969.30	13,507.01	11,303.62	10,720.95
<b>Return of net worth %</b>	<b>49.52%</b>	<b>45.59%</b>	<b>50.75%</b>	<b>49.54%</b>	<b>37.86%</b>

- 1) Earnings per share (Basic) =  $\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$
- 2) Earnings per share (Diluted) =  $\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$
- 3) Net asset value per share =  $\frac{\text{Net worth at the end of the year}}{\text{Equity shares outstanding at the end of the year}}$
- 4) Return on net worth =  $\frac{\text{Net profit after tax}}{\text{Average net worth (average of two years)}}$

**Annexure XXIV: Restated unconsolidated capitalisation statement**

₹ Million

Particulars	Pre issue as at 31 March 2016	As adjusted for IPO (Refer note below)
Secured loans	279.74	279.74
Unsecured loans	265.02	265.02
<b>Total debt</b>	<b>544.76</b>	<b>544.76</b>
<b>Shareholders' funds</b>		
<b>Share capital (A)</b>	<b>169.82</b>	<b>169.82</b>
<b>Reserves and surplus (B)</b>	<b>18,462.89</b>	<b>18,462.89</b>
General reserve	3,771.27	3,771.27
Hedging reserve	(2,695.02)	(2,695.02)
Securities premium reserve	1,385.40	1,385.40
Profit and loss account	15,947.50	15,947.50
Employee stock options outstanding	53.32	53.32
Capital Reserve	0.42	0.42
<b>Total shareholders' funds (A) + (B)</b>	<b>18,632.71</b>	<b>18,632.71</b>
<b>Debt equity ratio (Number of times)</b>	<b>0.03</b>	<b>0.03</b>

**Note:** Larsen and Toubro Limited (the holding company) is proposing to offer the equity shares of the Company to the public by way of an initial public offering. Hence there will be no change in the shareholders' funds post issue.

**Annexure XXV: Restated unconsolidated statement of dividend paid**

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Dividend paid on equity shares					
Rate of dividend (%) (Face value of ₹ 1 per share)	3,265%	-	-	-	-
Rate of dividend (%) (Face value of ₹ 5 per share)	-	2,980%	3,420%	1,880%	1,580%
Dividend paid per share (Face value of ₹ 1 per share)	32.65	-	-	-	-
Dividend paid per share (Face value of ₹ 5 per share)	-	149.00	171.00	94.00	79.00
Dividend paid on equity shares (₹ Million)	5,467.30	4,805.25	5,514.75	3,031.50	2,547.75
Tax on dividend paid (₹ Million)	1,048.71	906.32	937.23	491.80	413.32

**Annexure XXVI: Restated unconsolidated tax shelter statement**
**₹ Million**

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Profit before tax, as restated</b>	<b>11,531.74</b>	<b>9,425.31</b>	<b>8,860.53</b>	<b>7,392.93</b>	<b>5,360.85</b>
Tax Rate	34.608%	33.99%	33.99%	32.445%	32.445%
Tax at notional rate	3,990.91	3,203.66	3,011.69	2,398.64	1,739.33
<b>Adjustments on account of:</b>					
<b>Permanent differences:</b>					
Dividend income	(46.00)	(63.32)	(56.78)	(74.58)	(33.42)
Deduction u/s 10A / 10AA	(4,624.58)	(5,045.28)	(3,957.86)	(2,232.47)	(750.70)
Other permanent differences	(189.03)	(13.11)	4.62	1.73	8.22
	<b>(4,859.61)</b>	<b>(5,121.71)</b>	<b>(4,010.02)</b>	<b>(2,305.32)</b>	<b>(775.90)</b>
<b>Temporary differences:</b>					
Premia income on forward contracts (Refer note 3 below)	(2,830.97)	-	-	-	-
Difference between book depreciation and tax depreciation	20.21	(184.10)	(16.56)	20.63	41.33
Provision for doubtful debts	80.58	34.72	(57.59)	44.20	(161.89)
Provision for retirement benefits	53.58	156.17	63.52	63.24	33.52
	<b>(2,676.60)</b>	<b>6.79</b>	<b>(10.63)</b>	<b>128.07</b>	<b>(87.04)</b>
Net adjustments	(7,536.21)	(5,114.92)	(4,020.65)	(2,177.25)	(862.94)
Tax saving thereon	(2,608.13)	(1,738.56)	(1,366.62)	(706.40)	(279.98)
<b>Total taxation before DIT relief</b>	<b>1,382.78</b>	<b>1,465.10</b>	<b>1,645.07</b>	<b>1,692.24</b>	<b>1,459.35</b>
Less: DIT relief	(409.27)	(257.61)	(237.96)	(230.46)	(210.43)
<b>Total taxation (domestic)</b>	<b>973.51</b>	<b>1,207.49</b>	<b>1,407.11</b>	<b>1,461.78</b>	<b>1,248.92</b>
Add: taxes paid in overseas countries	616.76	405.29	478.48	407.56	295.62
<b>Total tax charge (domestic and overseas)</b>	<b>1,590.27</b>	<b>1,612.78</b>	<b>1,885.59</b>	<b>1,869.34</b>	<b>1,544.54</b>
Add/Less: Provision for earlier year/excess provision for earlier year written back	36.86	(9.96)	(108.50)	(54.46)	(268.53)
<b>Total tax charge as per books of accounts, as restated</b>	<b>1,627.13</b>	<b>1,602.82</b>	<b>1,777.09</b>	<b>1,814.88</b>	<b>1,276.01</b>

**Notes:**

1. The Company has determined Minimum Alternate Tax to be payable under Section 115JB of the Income Tax Act, 1961 for the financial years ended March 31, 2014, March 31, 2015 and March 31, 2016.
2. The current tax charge as per statement of profit and loss for FY 2013-14 includes tax charge for continuing and discontinued operations.
3. The Central Board of Direct Taxes (CBDT) has notified the Income Computation and Disclosure Standards (ICDS) with effect from April 1, 2015 and shall accordingly apply for assessment year 2016-17 onwards. Under ICDS VI relating to the effects of changes in foreign exchange rates, premia income on contracts outstanding as of 31st March 16 will be taxable only on settlement basis. This has resulted in temporary difference.

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

**Sanjay Jalona**  
Chief Executive Officer &  
Managing Director

**R. Shankar Raman**  
Director

**Firdosh D. Buchia**  
Partner  
Membership No: 38332  
Mumbai  
25 May 2016

**Ashok Kumar Sonthalia**  
Chief Financial Officer

**Subramanya Bhatt**  
Company Secretary

Mumbai  
25 May 2016



The Board of Directors  
Larsen & Toubro Infotech Limited  
L&T House  
Ballard Estate  
Mumbai 400 001

Dear Sirs,

- 1 We have examined the restated consolidated summary statement of assets and liabilities of Larsen & Toubro Infotech Limited ('the Company') and its subsidiaries (together 'the Group') as at March 31, 2016, 2015, 2014, 2013 and 2012 and also the restated consolidated summary statement of profits and losses and restated consolidated summary statement of cash flows for the years ended March 31, 2016, 2015, 2014, 2013 and 2012, together with the notes and annexures thereto (collectively 'the restated consolidated summary statements') annexed to this report for the purpose of inclusion in the offer document to be issued by the Company in connection with the proposed Initial Public Offering ('IPO') of its equity shares.
- 2 The restated consolidated summary statements are prepared by management of the Company from the audited financial statements of the respective years, in accordance with the requirements of section 26 of the Companies Act, 2013 ('the Act') read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 ('the Rules') and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ('the Regulations'), and have been approved by the Company's board of directors on 25 May 2016.
- 3 We have examined the restated consolidated summary statements in accordance with:
  - (a) the terms of reference vide our engagement letter dated 15 July 2015 to carry out work on such financial information included in the offer document of the Company in connection with its IPO; and
  - (b) the Guidance Notes on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India.
- 4 We did not audit the financial statements of any of the Company's subsidiaries for any of the following years. The audit reports of the other auditors for these subsidiaries have been furnished to us by management and on which we have relied, and our opinion, in so far as it relates to the amounts included in the financial statements of the subsidiaries, is solely based on the reports of these auditors. The total assets and total revenues of the subsidiaries were as follows:

	₹ Million	
	<b>Total assets</b>	<b>Total revenues</b>
March 31, 2016	4,920.18	4,338.76
March 31, 2015	5,233.60	4,456.60
March 31, 2014	5,537.14	4,765.91
March 31, 2013	5,756.51	4,325.49
March 31, 2012	5,023.56	3,534.44

- 5 On the basis of our examination and on the basis of the reports of the auditors of the subsidiaries as mentioned in paragraph 4 above, we are of the opinion that:
  - (a) the restated consolidated summary statement of assets and liabilities as at March 31, 2016, 2015, 2014, 2013 and 2012 (Annexure I), read together with the notes on material adjustments (Annexure IV A) and with the related significant accounting policies (Annexure IV B) and other notes on accounts (Annexure IV C), are on the basis of the financial statements audited by us for the respective years after making such adjustments as are required by the Regulations;
  - (b) the restated consolidated summary statement of profits and losses for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (Annexure II), read together with the notes on material adjustments (Annexure IV A) and with the related significant accounting policies (Annexure IV B) and other notes on accounts (Annexure IV C), are on the basis of the financial statements audited by us for the respective years after making such adjustments as are required by the Regulations;
  - (c) the restated consolidated summary statement of cash flows for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (Annexure III), read together with the notes on material changes (Annexure IV A) and with the related significant accounting policies (Annexure IV B) and other notes on accounts (Annexure IV C), are on the basis of the financial statements audited by us for the respective years after making such adjustments as are required by the Regulations; and

- (d) do not contain any extraordinary items that need to be disclosed separately other than those presented in the restated consolidated summary statements and also do not contain any audit qualifications requiring adjustment.

#### Other financial information

- 6 We have also examined the following financial information proposed to be included in the offer document:
  - (a) Restated consolidated statement of share capital (Annexure V)
  - (b) Restated consolidated statement of reserves and surplus (Annexure VI)
  - (c) Restated consolidated statement of long-term borrowings (Annexure VII)
  - (d) Restated consolidated statement of deferred tax (Annexure VIII)
  - (e) Restated consolidated statement of other long-term liabilities and long-term provisions (Annexure IX)
  - (f) Restated consolidated statement of short-term borrowings and current maturities of long-term borrowings (Annexure X)
  - (g) Restated consolidated statement of trade payables, other current liabilities and short-term provisions (Annexure XI)
  - (h) Restated consolidated statement of investments (Annexure XII)
  - (i) Restated consolidated statement of long-term loans and advances (Annexure XIII)
  - (j) Restated consolidated statement of current investments (Annexure XIV)
  - (k) Restated consolidated statement of trade receivables (Annexure XV)
  - (l) Restated consolidated statement of unbilled revenue, cash and bank and short-term loans and advances (Annexure XVI)
  - (m) Restated consolidated statement of other income (Annexure XVII)
  - (n) Restated consolidated statement of other expenses (Annexure XVIII)
  - (o) Restated consolidated statement of finance cost (Annexure XIX)
  - (p) Restated consolidated statement of provision for taxes (Annexure XX)
  - (q) Restated consolidated statement of contingent liabilities (Annexure XXI)
  - (r) Restated consolidated statement of related parties (Annexure XXII)
  - (s) Statement of restated consolidated accounting ratios (Annexure XXIII)
  - (t) Restated consolidated capitalisation statement (Annexure XXIV)
  - (u) Restated consolidated statement of dividend paid (Annexure XXV)
- 7 In our opinion, the other financial information read with the notes on material adjustments (Annexure IV A) and with the significant accounting policies in Annexure IV B are prepared in accordance with the requirements of the Act and of the Regulations.
- 8 This report should not in any way be construed as a reissuance or re-dating of any of the previous reports issued by us nor should it be construed as a new opinion on any of the financial statements referred to herein.
- 9 We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 10 This report is intended solely for your information and for inclusion in the offer document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our written consent.

Sharp & Tannan  
Chartered Accountants  
Firm's registration no. 109982W  
by the hand of

Firdosh D. Buchia  
Partner  
Membership no. 38332  
Mumbai  
25 May 2016

**ANNEXURE I: RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES**
**₹ Million**

Particulars	Annexures	As at 31 March				
		2016	2015	2014	2013	2012
<b>EQUITY AND LIABILITIES</b>						
<i>Shareholders' funds</i>						
Share capital	V	169.82	161.25	161.25	161.25	161.25
Reserves and surplus	VI	20,057.02	20,102.23	15,941.68	13,226.74	10,892.35
<b>Total equity</b>		<b>20,226.84</b>	<b>20,263.48</b>	<b>16,102.93</b>	<b>13,387.99</b>	<b>11,053.60</b>
Minority interest		5.18	3.88	1.98	1.21	-
<i>Non-current liabilities</i>						
Long-term borrowings	VII	-	138.89	266.29	361.90	452.22
Deferred tax liabilities	VIII	1,206.25	238.03	413.85	207.20	118.28
Other long-term liabilities	IX	1,250.52	538.35	729.11	1,256.88	2,022.19
Long-term provisions	IX	124.29	103.71	131.06	94.30	51.25
		<b>2,581.06</b>	<b>1,018.98</b>	<b>1,540.31</b>	<b>1,920.28</b>	<b>2,643.94</b>
<i>Current liabilities</i>						
Short-term borrowings	X	397.53	1,897.48	700.70	1,853.88	2,179.62
Current maturities of long-term borrowings	X	147.23	138.89	133.14	120.63	56.53
Trade payables	XI	3,276.40	2,719.47	2,414.80	2,065.18	2,015.02
Other current liabilities	XI	2,764.95	1,723.48	3,735.89	2,520.34	1,712.33
Short-term provisions	XI	5,170.88	2,815.44	2,376.64	1,786.04	1,618.44
		<b>11,756.99</b>	<b>9,294.76</b>	<b>9,361.17</b>	<b>8,346.07</b>	<b>7,581.94</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,570.07</b>	<b>30,581.10</b>	<b>27,006.39</b>	<b>23,655.55</b>	<b>21,279.48</b>
<b>ASSETS</b>						
<i>Non-current assets</i>						
<i>Fixed assets</i>						
Tangible assets		2,791.89	2,749.82	2,794.65	2,449.87	2,263.44
Intangible assets		3,583.23	4,084.52	3,693.11	4,540.84	4,058.70
Capital work-in-progress		6.95	53.33	94.43	483.22	100.55
Intangible assets under development		188.41	198.45	472.74	940.34	975.15
		<b>6,570.48</b>	<b>7,086.12</b>	<b>7,054.93</b>	<b>8,414.27</b>	<b>7,397.84</b>
Non-current investments	XII	-	-	-	-	20.00
Deferred tax asset	VIII	2.37	10.29	1.89	59.07	21.30
Long-term loans and advances	XIII	4,249.13	2,439.79	2,534.84	1,931.57	1,366.79
		<b>10,821.98</b>	<b>9,536.20</b>	<b>9,591.66</b>	<b>10,404.91</b>	<b>8,805.93</b>
<i>Current assets</i>						
Current investments	XIV	429.20	1,035.51	1,687.77	486.63	570.51
Trade receivable	XV	11,659.87	10,901.16	9,309.86	7,410.52	6,845.50
Unbilled revenue	XVI	3,787.89	1,544.50	1,194.16	1,333.45	895.05
Cash and bank	XVI	2,033.66	2,009.21	1,589.11	1,193.72	1,321.09
Short-term loans and advances	XVI	5,837.47	5,554.52	3,633.83	2,826.32	2,841.40
		<b>23,748.09</b>	<b>21,044.90</b>	<b>17,414.73</b>	<b>13,250.64</b>	<b>12,473.55</b>
<b>TOTAL ASSETS</b>		<b>34,570.07</b>	<b>30,581.10</b>	<b>27,006.39</b>	<b>23,655.55</b>	<b>21,279.48</b>

As per our report attached  
**SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of

**Firdosh D. Buchia**  
Partner  
Membership No: 38332  
Mumbai  
25 May 2016

**Sanjay Jalona**  
*Chief Executive Officer &  
Managing Director*

**Ashok Kumar Sonthalia**  
*Chief Financial Officer*

**R. Shankar Raman**  
*Director*

**Subramanya Bhatt**  
*Company Secretary*

Mumbai  
25 May 2016

**LARSEN & TOUBRO INFOTECH LIMITED**
**ANNEXURE II : RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES**
**₹ Million**

Particulars	Annexures	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Income</b>						
Revenue from operations		58,470.60	49,780.36	49,204.98	38,514.39	31,820.15
Other income	XVII	2,959.61	915.00	(833.18)	221.04	95.84
<b>Total income</b>		<b>61,430.21</b>	<b>50,695.36</b>	<b>48,371.80</b>	<b>38,735.43</b>	<b>31,915.99</b>
<b>Expenses</b>						
Employee benefit expenses	XVIII	35,346.58	29,242.73	27,581.57	22,485.93	18,635.30
Operating expenses	XVIII	6,710.80	4,885.63	4,891.51	2,920.00	2,575.28
Sales, administration and other expenses	XVIII	6,057.07	5,607.43	5,259.07	4,403.55	3,711.94
		<b>48,114.45</b>	<b>39,735.79</b>	<b>37,732.15</b>	<b>29,809.48</b>	<b>24,922.52</b>
<b>Operating profit</b>		<b>13,315.76</b>	<b>10,959.57</b>	<b>10,639.65</b>	<b>8,925.95</b>	<b>6,993.47</b>
Finance cost	XIX	103.57	104.19	305.34	208.12	342.42
Depreciation on tangible assets		736.67	741.55	589.03	508.88	449.80
Amortisation of intangible assets		1,002.85	837.85	710.72	722.80	598.83
		<b>1,843.09</b>	<b>1,683.59</b>	<b>1,605.09</b>	<b>1,439.80</b>	<b>1,391.05</b>
<b>Profit before extraordinary items and tax</b>		<b>11,472.67</b>	<b>9,275.98</b>	<b>9,034.56</b>	<b>7,486.15</b>	<b>5,602.42</b>
<b>Profit from continuing operations before tax</b>		<b>11,472.67</b>	<b>9,266.26</b>	<b>8,541.36</b>	<b>6,778.37</b>	<b>5,602.42</b>
Tax expense for continuing operations						
Current tax	XX	1,649.17	1,630.45	1,681.03	1,631.00	1,289.27
Deferred tax		600.44	35.76	261.85	46.99	119.79
		<b>2,249.61</b>	<b>1,666.21</b>	<b>1,942.88</b>	<b>1,677.99</b>	<b>1,409.06</b>
<b>Profit from continuing operations after tax</b>		<b>9,223.06</b>	<b>7,600.05</b>	<b>6,598.48</b>	<b>5,100.38</b>	<b>4,193.36</b>
<b>Profit from discontinued operations before tax</b>	IV (C) (6)	-	<b>9.72</b>	<b>493.20</b>	<b>707.78</b>	-
Tax expense for discontinued operations						
- Current tax	XX	-	1.69	129.25	191.54	-
<b>Profit from discontinued operations after tax</b>		-	<b>8.03</b>	<b>363.95</b>	<b>516.24</b>	-
<b>Profit for the year before minority interest</b>		<b>9,223.06</b>	<b>7,608.08</b>	<b>6,962.43</b>	<b>5,616.62</b>	<b>4,193.36</b>
Minority interest		1.29	1.90	0.77	0.55	-
<b>Net profit before extraordinary item</b>		<b>9,221.77</b>	<b>7,606.18</b>	<b>6,961.66</b>	<b>5,616.07</b>	<b>4,193.36</b>
Extraordinary item (net of tax)	IV (C) (6)	-	79.08	3,002.42	-	-
<b>Net profit after tax before restatement adjustments</b>		<b>9,221.77</b>	<b>7,685.26</b>	<b>9,964.08</b>	<b>5,616.07</b>	<b>4,193.36</b>
<b>Restatement adjustments:</b>						
<b>Changes in accounting policies</b>						
Amortisation of goodwill	IV (A) (i)	-	-	(85.08)	137.06	132.89
Provision for tax	IV (A) (ii)	-	-	-	-	(6.39)
Amortisation of cost of long-term projects	IV (A) (iii)	-	6.35	9.52	(15.87)	11.62
		-	<b>6.35</b>	<b>(75.56)</b>	<b>121.19</b>	<b>138.12</b>
<b>Extraordinary item</b>						
Goodwill written off	IV (A) (i)	-	-	(605.10)	-	-
<b>Net profit before extraordinary item as restated</b>		<b>9,221.77</b>	<b>7,612.53</b>	<b>6,886.10</b>	<b>5,737.26</b>	<b>4,331.48</b>
<b>Extraordinary item (net of tax) as restated</b>		-	<b>79.08</b>	<b>2,397.32</b>	-	-

Particulars	Annexures	2015-16	2014-15	2013-14	2012-13	2011-12
Net profit after tax as restated		9,221.77	7,691.61	9,283.42	5,737.26	4,331.48

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

**Sanjay Jalona**

*Chief Executive Officer &*

*Managing Director*

**R. Shankar Raman**

*Director*

**Firdosh D. Buchia**

Partner

Membership No: 38332

Mumbai

25 May 2016

**Ashok Kumar Sonthalia**

*Chief Financial Officer*

**Subramanya Bhatt**

*Company Secretary*

Mumbai

25 May 2016

**LARSEN & TOUBRO INFOTECH LIMITED**
**ANNEXURE III: RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS**

₹ Million

	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>A.</b>	<b>Cash flow from operating activities</b>					
	Net profit before tax as restated (excluding extraordinary items)	11,472.67	9,282.33	8,959.00	7,607.34	5,740.54
	Adjustments for:					
	Depreciation and amortisation	1,739.52	1,579.41	1,384.83	1,094.62	915.74
	Employees stock options amortised	(141.59)	-	2.28	7.38	19.21
	Interest (net)	41.17	33.42	27.26	67.70	26.66
	Unrealised foreign exchange loss (gain)	(901.57)	(568.72)	(516.63)	(202.23)	(375.36)
	(Profit) on sale of current investments	(68.44)	(141.26)	(79.58)	(103.75)	(87.03)
	(Profit)/loss on sale of fixed assets	27.28	7.18	(1.81)	(2.98)	(3.32)
	Foreign currency translation reserve	56.65	(80.26)	51.72	524.13	(403.14)
	<b>Operating profit before working capital changes</b>	<b>12,225.69</b>	<b>10,112.10</b>	<b>9,827.07</b>	<b>8,992.21</b>	<b>5,833.30</b>
	<b>Changes in working capital</b>					
	(Increase)/decrease in trade receivables	(3,069.79)	(1,979.71)	(1,906.36)	(1,048.97)	(1,217.42)
	(Increase)/decrease in inventory	-	-	-	-	3.08
	(Increase)/decrease in other receivables	11.08	(107.57)	(833.78)	470.82	(266.73)
	Increase/(decrease) in trade & other payables	2,123.04	1,164.84	1,332.60	(241.25)	79.21
	<b>(Increase)/decrease in working capital</b>	<b>(935.67)</b>	<b>(922.44)</b>	<b>(1,407.54)</b>	<b>(819.40)</b>	<b>(1,401.86)</b>
	<b>Cash generated from operations</b>	<b>11,290.02</b>	<b>9,189.66</b>	<b>8,419.53</b>	<b>8,172.81</b>	<b>4,431.44</b>
	Direct taxes paid	(2,656.99)	(2,767.12)	(2,140.92)	(2,096.32)	(1,068.26)
	<b>Net cash from operating activities before extra-ordinary item</b>	<b>8,633.03</b>	<b>6,422.54</b>	<b>6,278.61</b>	<b>6,076.49</b>	<b>3,363.18</b>
<b>B.</b>	<b>Cash flow from investing activities</b>					
	Purchase of fixed assets	(1,290.54)	(1,964.04)	(1,183.28)	(2,535.83)	(1,638.52)
	Sale of fixed assets	149.38	25.13	233.62	56.47	44.47
	(Purchase)/sale of current investments (net)	674.75	793.52	(1,121.56)	207.63	588.29
	Interest received	25.06	22.81	74.91	29.98	34.59
	<b>Net cash (used in)/from investing activities before extraordinary items</b>	<b>(441.35)</b>	<b>(1,122.58)</b>	<b>(1,996.31)</b>	<b>(2,241.75)</b>	<b>(971.17)</b>
	<b>Extraordinary item</b>					
	Proceeds from sale of PES Business(net)	-	93.95	3,799.62	-	-
	<b>Net cash (used in)/from investing activities after extraordinary items</b>	<b>(441.35)</b>	<b>(1,028.63)</b>	<b>1,803.31</b>	<b>(2,241.75)</b>	<b>(971.17)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>					
	Issue of Share Capital(including share application)	69.28	-	-	-	-
	Proceeds from issue of shares to minority shareholders	-	-	-	1.21	-
	Proceeds from/(repayment) of borrowings	(1,662.61)	1,013.23	(1,228.66)	(377.21)	488.31
	Interest paid	(57.89)	(56.23)	(102.17)	(97.68)	(61.25)
	Dividend paid	(5,467.30)	(4,805.25)	(5,514.75)	(3,031.50)	(2,547.75)
	Tax on dividend paid	(1,048.71)	(1,125.56)	(840.95)	(456.93)	(412.64)
	<b>Net cash (used in)/from financing activities</b>	<b>(8,167.23)</b>	<b>(4,973.81)</b>	<b>(7,686.53)</b>	<b>(3,962.11)</b>	<b>(2,533.33)</b>
	<b>Net increase in cash and cash equivalents</b>	<b>24.45</b>	<b>420.10</b>	<b>395.39</b>	<b>(127.37)</b>	<b>(141.32)</b>
	<b>Cash and cash equivalents at 31 March of previous year</b>	<b>2,009.21</b>	<b>1,589.11</b>	<b>1,193.72</b>	<b>1,321.09</b>	<b>1,462.41</b>
	<b>Cash and cash equivalents at 31 March</b>	<b>2,033.66</b>	<b>2,009.21</b>	<b>1,589.11</b>	<b>1,193.72</b>	<b>1,321.09</b>

**Notes:**

- Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3: "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
- Purchase of fixed assets includes movements of capital work-in-progress during the year.
- Cash and cash equivalents represent cash and bank balances.



4. Bank balances include revaluation loss/(gain) as follows:

					₹ Million
Year	2015-16	2014-15	2013-14	2012-13	2011-12
Revaluation loss/(gain)	(45.13)	2.73	(65.45)	(37.01)	(87.37)

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

**Sanjay Jalona**  
Chief Executive Officer &  
Managing Director

**R. Shankar Raman**  
Director

**Firdosh D. Buchia**  
Partner  
Membership No: 38332  
Mumbai  
25 May 2016

**Ashok Kumar Sonthalia**  
Chief Financial Officer

**Subramanya Bhatt**  
Company Secretary

Mumbai  
25 May 2016

## **LARSEN & TOUBRO INFOTECH LIMITED**

### **Annexure IV: Notes to Restated Consolidated Summary Financial Statements**

#### **Annexure IV A: Notes on material adjustments Change in accounting policy**

- (i) Goodwill arising on acquisition and consolidation as per Accounting Standard (AS) 21 “Consolidated Financial Statements” is tested for impairment at every balance sheet date. The Company was amortising goodwill over a period of ten years upto March 31, 2013. During the year ended March 31, 2014, the Company revised its accounting policy of amortisation of goodwill for more appropriate presentation of financial statements. Accordingly, the goodwill is tested for impairment at every balance sheet date. Consequently, in restated financial statements, the Company has credited ₹ 420.22 Mn to the opening profit & loss account as on April 01, 2011, being the amount of goodwill amortised till March 31, 2011. Further the Company has credited ₹ 132.89 Mn for the year ended March 31, 2012, ₹137.06 Mn for the year ended March 31, 2013, and debited ₹ 85.08 Mn for the year ended March 31, 2014, to respective restated statement of profit and loss.

In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully. During the year ended March 31, 2014, the Company had written off unimpaired goodwill on consolidation of GDA Technologies Inc. to the statement of profit and loss. As a result of restatement of amortisation as above, the amount of unimpaired goodwill of ₹ 986.18 Mn has been written off to the restated statement of profit and loss and disclosed as an extraordinary item for FY 2014. (Refer annexure IV (C) (6)).

- (ii) During the year ended March 31, 2012, our subsidiary, L&T Infotech Financial Services Technologies Inc. revised its policy of accounting of income taxes for more appropriate presentation of financial statements. Accordingly, the income taxes are recognised using future income taxes method. Consequently, in restated financial statements, the Company has credited ₹ 6.39 Mn to the opening profit & loss account as on April 01, 2011 and debited the statement of profit and loss by ₹ 6.39 Mn for FY 2011-12.
- (iii) The cost incurred on long term projects mainly comprise of legal and employee related costs to secure long term projects. The Company was amortising the cost over the period of two years from the year in which it was incurred. The Company revised its accounting policy for amortisation of cost incurred for long term projects and the same is charged to the statement of profit and loss in the year in which it was incurred for more appropriate presentation of financial statements. Consequently in restated financial statement, the Company has debited ₹ 11.63 Mn to opening profit and loss as on 1 April 2011. Further, the Company has credited, ₹ 11.62 Mn for the year ended 31 March 2012, debited ₹ 15.87 Mn for the year ended 31 March 2013, credited ₹ 9.52 Mn for the year ended 31 March 2014, ₹ 6.35 Mn for the year ended 31 March 2015 and nil for the year ended 31 March 2016 to respective restated statement of profit and loss.

#### **Annexure IV B: Significant accounting policies**

##### **1. Preparation of financial statements**

The restated consolidated financial statements are prepared from the audited financials for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012, in accordance with the requirements of section 26 of the Companies Act, 2013 (‘the Act’) read with Companies (Prospectus and Allotment of Securities) Rules, 2014 (‘the Rules’) and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended (‘the Regulations’). Accordingly, these restated unconsolidated financial statements are prepared for the purpose of inclusion in the offer document in connection with the proposed IPO of the Company.

##### **2. Principles of consolidation**

- a) The financial statements of the Parent Company and its subsidiaries have been consolidated on line-by-line basis by adding together the book values of the like items of the assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Parent Company’s independent financial statements.
- b) Minority interest in the net assets of subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investment is made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the date of investment.
- c) Goodwill on consolidation represents the difference between the Group’s share in the net worth of a subsidiary and the cost of acquisition at each point of time of making the investment in the subsidiary as per Accounting Standard (AS) 21 “Consolidated Financial Statements”. For this purpose, the Group’s share of

net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill arising on consolidation as per Accounting Standard (AS) 21 “Consolidated Financial Statements” is tested for impairment at every balance sheet date. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

### **3. Extraordinary items**

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

### **4. Revenue recognition**

- a) Revenue from contracts priced on time and material basis are recognised when services are rendered and related costs are incurred.

Revenue from services performed on “fixed-price” basis is recognised using the proportionate completion method.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

#### **b) Other income**

- i. Interest income is accrued at applicable interest rate.
- ii. Dividend income is accounted in the period in which the right to receive the same is established.
- iii. Other items of income are accounted as and when the right to receive arises.

### **5. Employee benefits**

#### **a) Short-term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short-term compensated absences and performance incentives are recognised in the period in which the employee renders the related service.

#### **b) Post-employment benefits**

##### *i) Defined contribution plan:*

The Company’s superannuation fund and state governed provident fund scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employee renders the related service.

##### *ii) Defined benefit plans:*

The provident fund scheme managed by trust, employees gratuity fund scheme managed by LIC and post-retirement medical benefit scheme are the Company’s defined benefit plans. Wherever applicable, the present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government bonds as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the statement of profit and loss. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

(iii) *Long-term employee benefits:*

The obligation for long-term employee benefits like long-term compensation absences is recognised in the similar manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

**6. Fixed assets**

**Tangible**

Fixed assets are stated at cost less accumulated depreciation.

**Intangible**

Assets like customer relationship, computer software and internally developed software are stated at cost, less accumulated depreciation and amortisation.

Goodwill on acquisition represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired. Goodwill is tested for impairment if events or changes in circumstances indicate that an impairment loss may have occurred.

**7. Investments**

Long-term investments are stated at cost, less provision for other than temporary diminution in value, if any. Current investments are stated at the lower of cost or market value, determined on the basis of specific identification.

**8. Inventory**

Inventory consists of boards and related parts held for sale to customer. Inventory is stated at the lower of cost, determined using the first-in, first-out method, or market. The Company has provided a provision for obsolete inventory, which it believes will not be sold.

**9. Leases**

**Finance lease**

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

**Operating lease**

Assets acquired under lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on accrual basis.

**10. Depreciation**

**A. Indian Companies :**

**I. Tangible - owned assets**

The company has provided depreciation on assets based on useful life prescribed in schedule II to the Companies Act, 2013 for the year ended 31 March 2016 and 31 March 2015, except for the leasehold improvements which are depreciated over the lease period.

Depreciation / amortisation on additions / disposals are calculated pro-rata from / to the month of additions / disposals.

For the years ended 31 March 2014, 31 March 2013 and 31 March 2012, depreciation on all assets is calculated using straight line method at rates prescribed by schedule XIV to the Companies Act, 1956, except for the following:

- Plant and machinery 4.75%-20%
- Computers 20%-30%
- Servers 25%
- Furniture and fixtures 10%-20%
- Office equipment 20%-33.33%
- Motor cars 14.14%

## **II. Tangible - leased assets**

Assets acquired under finance leases are depreciated at the rates applicable to similar assets owned by the Company as there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term.

Leasehold land Over the residual period of the lease

## **B. Foreign Subsidiaries**

Depreciation has been provided on methods and at the rates required/permissible by the local laws so as to write off the assets over their useful life.

## **11. Intangible Assets and amortisation**

The basis of amortisation of intangible assets is as follows:

- Computer software Over a period of 3 years
- Intellectual property rights (IPR) Over a period of 3 years
- Acquired software Over a period of 10 years
- Internally developed software Over a period 1 to 5 years
- Business rights Over a period of 5 years
- Customer contracts Over a period of 10 years

## **12. Employee stock ownership schemes**

In respect of stock options granted pursuant to the Company's stock option schemes, the excess of fair value of the share over the exercise price of the option is treated as discount and accounted as employee compensation cost over the vesting period.

## **13. Foreign currency transactions**

- a) Foreign currency transactions are initially recorded at the rates prevailing on the date of the transaction. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Translation of foreign currency transaction of overseas branches & subsidiaries is as under:

- Revenue items at the average rate for the period;
- Fixed assets and investments at the rates prevailing on the date of the transaction; and
- Other assets and liabilities at year end rates

Exchange difference on settlement / year end conversion is adjusted to statement of profit and loss.

- b) Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions, are treated as foreign currency transactions and

accounted accordingly. Exchange differences arising on such contracts are recognised in the period in which they arise and the premium paid / received is accounted as expense / income over the period of the contract.

Profit or loss on such forward contracts is accounted as income or expense for the period.

- c) All the other derivative contracts, including forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions are recognised in the financial statements at fair value as on the balance sheet date. In pursuance of the announcement of the Institute of Chartered Accountants of India (ICAI) dated March 29, 2008 on accounting of derivatives, the Company has adopted Accounting Standard 30 for applying the test of hedge effectiveness of the outstanding derivative contracts. Accordingly, the resultant gains or losses on fair valuation of such contracts are recognised in the statement of profit and loss or balance sheet as the case may be.

#### **14. Taxes on Income**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred tax is recognised on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### **Foreign Subsidiaries**

Foreign Subsidiaries recognise current tax/ deferred tax liabilities and assets in accordance with the applicable local laws.

#### **15. Borrowing costs**

Borrowing costs include interest, commitment charges, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

#### **16. Provisions, contingent liabilities and contingent assets**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of a past event;
- b) a probable outflow of resources is expected to settle the obligation; and
- c) the amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

- a) a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- b) a possible obligation unless the probability of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

#### **17. Segment accounting**

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment.
- b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenditure which relate to the Company as a whole and not allocable to segments are included under “unallocable corporate expenditure”.
- c) Income which relates to the Company as a whole and not allocable to segments is included in “unallocable corporate income”.
- d) Fixed assets used and liabilities contracted for performing the Company’s business have not been identified to any of the reported segments as the fixed assets and services are used interchangeably among segments.

## 18. Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- i. transactions of a non-cash nature
- ii. any deferrals or accruals of past or future operating cash receipts or payments; and
- iii. items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the cash flow statement.

## 19. Basis of preparation

The Consolidated financial statements (CFS), comprising the Company and its subsidiaries, are prepared in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements” as specified by the Companies (Accounting Standards) Rules, 2014. Reference in these notes to “the Company” shall mean Larsen & Toubro Infotech Limited and “the Group” shall mean the Company and its subsidiaries.

## 20. The list of subsidiaries included in the consolidated financial statements is as under:-

	Name of the subsidiary company	Country of incorporation	Proportion of ownership as at March 31 (%)				
			2016	2015	2014	2013	2012
1	Larsen & Toubro Infotech Canada Limited	Canada	100	100	100	100	100
2	Larsen & Toubro Infotech GmbH	Germany	100	100	100	100	100
3	GDA Technologies Inc.*	USA	-	-	-	100	100
4	Larsen & Toubro Infotech LLC	USA	100	100	100	100	100
5	L&T Infotech Financial Services Technologies Inc.	Canada	100	100	100	100	100
6	Larsen And Toubro Infotech South Africa (Proprietary) Limited**	South Africa	74.9	74.9	74.9	74.9	-
7	L&T Information Technology Services (Shanghai) Co. Limited^	China	100	100	100	-	-
8	GDA Technologies Limited^^	India	100	100	100	100	100
9	Information Systems Resource Centre Private Limited#	India	-	100	-	-	-
10	Larsen & Toubro Infotech Austria GmbH##	Austria	100	-	-	-	-
11	L&T Information Technology Spain, Sociedad Limitada###	Spain	100	-	-	-	-

\* The company has been dissolved with effect from 28 March 2014.

\*\* On 25 July 2012, the Company has acquired equity share capital of Larsen And Toubro Infotech South Africa (Proprietary) Limited.

^ On 28 June 2013, the company was formed in People's Republic of China.

^^ The Company has purchased shares of GDA Technologies Limited from GDA Technologies Inc. in during FY 2013-14, subsequently, GDA Technologies Limited has become direct subsidiary with effect from 3 February 2014.

# Information Systems Resource Centre Private Limited ('ISRC') was acquired on October 16, 2014, consequent to which, it became wholly owned subsidiary of the Company. The Board of Directors of the Company and ISRC have approved the scheme of amalgamation of ISRC with the Company on October 17, 2014 and December 4, 2014, respectively, with October 17, 2014 as the appointed date. Accordingly, a petition for sanctioning the scheme of amalgamation has been filed with the Hon'ble High Court of Judicature at Bombay.

The Scheme has been sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated 04 September 2015. The Scheme was filed with the Registrar of the Companies on 21 September 2015 and came into effect on that day with appointed date being October 17, 2014. Pursuant thereto, the entire business and all the assets and liabilities, duties and obligations of ISRC have been transferred to and vested in the Company with effect from October 17, 2014. In accordance with the Scheme, the investment held in the subsidiary has been cancelled and ISRC being a wholly owned subsidiary of the Company, no equity shares were exchanged to effect the amalgamation in respect thereof.

## On 18 June 2015, the company was formed in Austria.

### On 1 February 2016, the company was formed in Spain.

## 21. Additional disclosure as per schedule III of the Companies Act, 2013.

₹ Million

Name of the entity	2015-16				2014-15			
	Net assets, i.e total assets minus total liabilities		Share in profit		Net assets, i.e total assets minus total liabilities		Share in profit	
	As % of amount consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of amount consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>A - Parent</b>								
Larsen & Toubro Infotech Limited	92.12%	18,632.71	101.73%	9,381.31	95.02%	19,254.53	100.58%	7,735.97
<b>Subsidiaries</b>								
<b>B - Indian</b>								
1. GDA Technologies Limited	1.83%	370.75	0.20%	18.37	1.74%	352.38	0.24%	18.75
2. Information Systems Resource Centre Private Limited (Refer annexure IV C 7 (iii))	-	-	-	-	1.08%	219.34	0.36%	27.36
<b>Sub total</b>	<b>1.83%</b>	<b>370.75</b>	<b>0.20%</b>	<b>18.37</b>	<b>2.82%</b>	<b>571.72</b>	<b>0.60%</b>	<b>46.11</b>
<b>C-Foreign</b>								
1. Larsen & Toubro Infotech GmbH	1.39%	281.77	0.62%	56.76	1.11%	225.00	0.41%	31.47
2. Larsen & Toubro Infotech Canada Limited	0.50%	100.34	0.33%	30.78	0.34%	69.56	0.12%	9.37
3. Larsen & Toubro Infotech LLC	0.56%	112.62	0.14%	12.47	0.49%	100.15	0.15%	11.51
4. L&T Infotech Financial Services Technologies	16.16%	3,271.03	2.10%	193.48	16.81%	3,406.72	(2.30) %	(176.86)



Name of the entity	2015-16				2014-15			
	Net assets, i.e total assets minus total liabilities		Share in profit		Net assets, i.e total assets minus total liabilities		Share in profit	
	As % of amount consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of amount consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Inc.								
5. Larsen And Toubro South Africa (Proprietary) Limited	0.10%	20.65	0.06%	5.16	0.08%	15.50	0.10%	7.58
6. L&T Information Technology Services (Shanghai) Co. Limited	0.03%	5.24	0.03%	2.91	(0.01)%	(1.49)	(0.06) %	(4.91)
7. Larsen & Toubro Infotech Austria GmbH	0.01%	2.08	(0.01)%	(0.51)	-	-	-	-
8. L&T Information Technology Spain, Sociedad Limitada	0.02%	3.05	(0.01)%	(0.61)	-	-	-	-
<b>Sub total</b>	<b>18.77%</b>	<b>3,796.78</b>	<b>3.26%</b>	<b>300.44</b>	<b>18.82%</b>	<b>3,815.44</b>	<b>(1.58)%</b>	<b>(121.84)</b>
<b>Total A+B+C</b>	<b>112.72%</b>	<b>22,800.24</b>	<b>105.19%</b>	<b>9,700.12</b>	<b>116.66%</b>	<b>23,641.69</b>	<b>99.60%</b>	<b>7,660.24</b>
<b>Less: CFS adjustments and eliminations</b>	(12.72)%	(2,573.40)	(5.19)%	(478.35)	(16.66)%	(3,378.21)	0.40%	31.37
<b>Total</b>	<b>100%</b>	<b>20,226.84</b>	<b>100%</b>	<b>9,221.77</b>	<b>100%</b>	<b>20,263.48</b>	<b>100%</b>	<b>7,691.61</b>

**Annexure IV C: Other notes on accounts:**

1. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is as follows:

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Estimated amount	131.87	312.83	269.43	167.44	234.59

2. In line with the Company's financial risk management policy, financial risks relating to changes in the exchange rates are hedged by using a combination of forward and options contracts, besides the natural hedges. The loss on fair valuation of the derivative contracts which are designated and are effective as hedges, has been accounted in retained earnings in balance sheet as follows:

	₹ Million				
	2015-16	2014-15	2013-14	2012-13	2011-12
Loss on fair valuation	2,695.02	366.96	2,923.11	2,694.38	2,663.11

The loss/ (gain) on settlement of the options/forwards is recognised in statement of profit and loss as follows:

	₹ Million				
	2015-16	2014-15	2013-14	2012-13	2011-12
Loss/(gain) on settlement	(1,297.52)	(243.04)	1,839.30	747.27	1,074.47

The particulars of derivative contracts entered into for hedging foreign currency risks outstanding are as under:

Sr.	Category of derivative instruments	₹ Million				
		Notional amount				
		As at 31-03- 2016	As at 31-03- 2015	As at 31-03-2014	As at 31-03- 2013	As at 31-03 2012
a)	Forward contracts for receivables	43,470.51	58,583.85	29,493.37	34,906.68	24,887.27
b)	Option contracts	-	-	480.00	1,954.26	3,663.00

Un-hedged foreign currency exposures are as under:

Sr.	Un-hedged foreign currency exposures	₹ Million				
		As at 31-03- 2016	As at 31-03- 2015	As at 31-03-2014	As at 31-03- 2013	As at 31-03 2012
1	Receivables including firm commitments and highly probable forecast transactions	41,271.25	30,013.24	49,989.21	36,877.48	41,528.92
2	Payables including firm commitments and highly probable forecast transactions	28,796.36	24,474.93	33,388.42	30,283.47	28,868.62

3. The Company has made provision, as required under the applicable law or accounting standard for material foreseeable losses on long term derivative contracts

4. **Leases**

**Finance leases**

In accordance with Accounting Standard 19 "Leases" issued by the Institute of Chartered Accountants of India, the assets acquired under finance leases on or after April 1, 2001 are capitalised and a loan liability is recognised for an equivalent amount. Consequently depreciation is provided on such leases. Lease rentals paid are allocated to the liability and the interest is charged to statement of profit and loss.

## Operating leases

The Company has taken employee used cars under non-cancellable operating leases. The rental expense in respect of operating leases and the future rentals payable are as follows:

	₹ Million				
	2015-16	2014-15	2013-14	2012-13	2011-12
Rental expense of operating lease	54.02	134.79	179.63	108.18	23.92
Minimum lease payments					
Payable not later than 1 year	62.12	73.43	167.38	147.27	158.75
Payable after 1 year but not later than 5 years	389.52	474.16	865.59	442.80	202.92
<b>Total</b>	<b>451.64</b>	<b>547.59</b>	<b>1,032.97</b>	<b>590.07</b>	<b>361.67</b>

## 5. Segmental reporting

The Company had 3 business segments. **Services cluster** includes Banking & Financial services, Insurance, Media & Entertainment, Travel & Logistics and Healthcare. **Industrials cluster** includes Hi Tech and Consumer Electronics, Consumer, Retail & Pharma, Energy & Process, Automobile & Aerospace, Plant Equipment & Industrial Machinery, Utilities and Engineering & Construction. Telecom segment refers to Product Engineering Services (PES) which is a part of discontinued business (refer annexure IV C (6)). The Company has presented its segment results accordingly.

- (i) Revenues represented along industry classes comprise the primary basis of segmental information set out in these financial statements. The revenue and operating profit by segment is as under:

	₹ Million				
	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Revenue</b>					
Services cluster	31,533.04	26,289.89	22,448.97	17,669.51	14,323.82
Industrials cluster	26,937.56	23,391.05	22,902.67	16,609.06	13,706.94
Telecom	-	99.42	3,853.34	4,235.82	3,789.39
<b>Revenue from operations</b>	<b>58,470.60</b>	<b>49,780.36</b>	<b>49,204.98</b>	<b>38,514.39</b>	<b>31,820.15</b>
<b>Segmental profit</b>					
Services cluster	7,439.75	5,456.21	4,907.64	4,095.59	4,168.49
Industrials cluster	6,896.37	6,123.58	7,477.77	5,378.29	4,230.44
Telecom	-	9.72	856.31	1,254.71	1,126.75
<b>Segmental operating profit</b>	<b>14,336.12</b>	<b>11,589.51</b>	<b>13,241.72</b>	<b>10,728.59</b>	<b>9,525.68</b>
Unallocable expenses (net)	3,979.97	1,544.94	1,768.89	2,023.68	2,628.05
Other income	2,959.61	915.00	(833.18)	221.04	95.84
<b>Operating profit</b>	<b>13,315.76</b>	<b>10,959.57</b>	<b>10,639.65</b>	<b>8,925.95</b>	<b>6,993.47</b>
Finance cost	103.57	104.19	305.34	208.12	342.42
Depreciation	736.67	741.55	589.03	508.88	449.80
Amortisation of intangible assets	1,002.85	837.85	710.72	722.80	598.83
<b>Profit before extraordinary items and tax</b>	<b>11,472.67</b>	<b>9,275.98</b>	<b>9,034.56</b>	<b>7,486.15</b>	<b>5,602.42</b>
Restatement adjustments	-	6.35	(75.56)	121.19	138.12
<b>Restated profit before extraordinary items and tax</b>	<b>11,472.67</b>	<b>9,282.33</b>	<b>8,959.00</b>	<b>7,607.34</b>	<b>5,740.54</b>

- (ii) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

₹ Million											
	2015-16	2014-15			2013-14			2012-13			2011-12
		Continu ing business	Discontinue d business	Total	Continuin g business	Discontinue d business	Total	Continuin g business	Discontinue d business	Total	
North America	40,370.47	34,097.77	-	34,097.77	30,533.28	1,771.37	32,304.65	23,958.31	1,834.22	25,792.53	21,796.72
Europe	10,124.59	8,862.74	99.42	8,962.16	9,151.48	336.41	9,487.89	6,266.61	107.58	6,374.19	5,137.05
Asia Pacific	1,190.47	1,199.12	-	1,199.12	1,161.06	982.37	2,143.43	788.03	1,358.72	2,146.75	1,801.30
India	3,400.19	2,075.90	-	2,075.90	1,530.53	760.45	2,290.98	1,252.25	924.27	2,176.52	2,112.21
Rest of the world	3,384.88	3,445.41	-	3,445.41	2,975.29	2.74	2,978.03	2,013.37	11.03	2,024.40	972.87
Revenue from	58,470.60	49,680.94	99.42	49,780.36	45,351.64	3,853.34	49,204.98	34,278.57	4,235.82	38,514.39	31,820.15

	2015-16	2014-15			2013-14			2012-13			2011-12
		Continuing business	Discontinued business	Total	Continuing business	Discontinued business	Total	Continuing business	Discontinued business	Total	
operations											

Fixed assets used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the fixed assets and services are used interchangeably among segments.

6. As part of business restructuring undertaken within Larsen & Toubro Group, it was decided to consolidate the engineering services businesses under a separate subsidiary of Larsen & Toubro Limited, called L&T Technology Services Limited (LTTSL). Pursuant to this, the Company initiated and completed the transfer of its Product Engineering Services (PES) Business Unit to LTTSL effective 1 January, 2014. The PES business was transferred by way of slump sale for total purchase consideration of ₹ 4,895.27 Mn based on fair valuation carried out by external chartered accountants. The purchase consideration was determined based on the Discounted Cash Flow (DCF) method of valuation of business. GDA Technologies Inc., USA (GDA Inc.), a wholly owned subsidiary of Larsen & Toubro Infotech Limited was a part of PES business with synergy in terms of the end customers they serve, primarily the semiconductor companies. Over last few years, the performance of GDA Inc. was affected due to the recession which impacted the end customers resulting in falling revenues and operational losses. Subsequent to the transfer of PES business, it was therefore decided to wind up this subsidiary. Accordingly, certain IP (Intellectual properties) owned by GDA Inc. were transferred to LTTSL at a fair valuation carried out by external chartered accountants.

The Indian subsidiary of GDA Inc. called GDA Technologies Limited, India was taken over by Larsen & Toubro Infotech Limited based on fair valuation carried out by external chartered accountants.

Consequently GDA Inc. was wound up in USA with effect from 28 March 2014.

The Company's subsidiary, Larsen & Toubro Infotech GmbH, also had PES business. PES business transfer in Germany was dependent upon LTTSL registering its branch in Germany. The German branch of LTTSL became operational in the month of May, 2014. Since valuation of PES business in Germany is required to be carried out as per German laws, Business Transfer Agreement was signed between Larsen & Toubro Infotech GmbH and LTTSL, for transfer of PES business in Germany effective September 1, 2014.

The PES business in Germany was transferred by way of slump sale for total purchase consideration of ₹ 129.20 Mn based on fair valuation carried out by external valuer based in Germany. The purchase consideration was determined based on the Discounted Cash Flow (DCF) method of valuation of business.

The following assets and liabilities have been transferred to L&T Technology Services Limited.:

	₹ Million			
	2014-15		2013-14	
Tangible assets				76.61
Intangible assets				26.47
Long term loans and advances				90.45
Current assets	45.96		1,126.04	
Current liabilities and provisions	(10.71)		(479.64)	
Net current assets		35.25		646.40
Total assets transferred		35.25		839.93
Less:				
Other long term liabilities		-		130.34
Hedging reserve		-		(389.15)
Net Assets transferred		35.25		1,098.74

The results of discontinued business are as under:

	₹ Million		
	For the period April 2014-August 2014	2013-14	2012-13
Total revenues	99.42	3,853.34	4,235.82
Total expenses	(89.70)	(3,360.14)	(3,528.04)

	For the period April 2014-August 2014	2013-14	2012-13
Profit before taxes	9.72	493.20	707.78
Income taxes	(1.69)	(129.25)	(191.54)
Profit after tax	8.03	363.95	516.24

#### Extra -ordinary item

The above has given rise to extraordinary items being recognised in the financial statements

	₹ Million	
	2014-15	2013-14
a) Profit on sale of PES business unit to L&T Technology Services Limited	93.95	3,796.97
b) Goodwill arising out of consolidation of GDA Technologies has been written off due to winding up of GDA technologies Inc.	-	(381.08)
c) Residual amount on winding up of GDA Technologies Inc.	-	2.65
d) Capital gains tax on extra ordinary items	(14.87)	(416.12)
<b>e) Extra ordinary gain (net of tax)</b>	<b>79.08</b>	<b>3,002.42</b>
f) Goodwill written off due to winding up of GDA Technologies Inc.	-	(605.10)
<b>g) Net extra ordinary gain</b>	<b>79.08</b>	<b>2,397.32</b>

- 7(i) The Company has acquired equity share capital of Larsen And Toubro Infotech South Africa (Proprietary) Limited on 25 July 2012.
- 7(ii) The Company has formed a new entity “L&T Information Technology Services (Shanghai) Co. Limited” in People’s Republic of China on 28 June 2013. Investment in this entity is not denominated in number of shares as per laws of the People’s Republic of China.
- 7(iii) On October 16, 2014, the Company acquired entire share capital of Information Systems Resource Centre Private Limited (‘ISRC’), thereby making it a wholly owned subsidiary. ISRC is engaged in software services with respect to application development, information technology support and maintenance services to OTIS Elevator Company Inc. (OTIS) and certain other group companies of OTIS, which are part of United Technologies Corporation (UTC) group. The Company believes that acquisition will strengthen *its* relationship with UTC group. The acquisition was executed through a share purchase agreement for a consideration of ₹ 806.96 Mn.

The Board of Directors of the Company and ISRC have approved the scheme of amalgamation of ISRC with the Company on October 17, 2014 and December 04, 2014, respectively, with October 17, 2014 as the appointed date. Accordingly, a petition for sanctioning the scheme of amalgamation has been filed with the Hon’ble High Court of Judicature at Bombay.

The Scheme has been sanctioned by the Hon’ble High Court of Judicature at Bombay vide its order dated 04 September 2015. The Scheme was filed with the Registrar of the Companies on 21 September 2015 and came into effect on that day with appointed date being October 17, 2014. Pursuant thereto, the entire business and all the assets and liabilities, duties and obligations of ISRC have been transferred to and vested in the Company with effect from October 17, 2014. In accordance with the Scheme, the investment held in the subsidiary has been cancelled and ISRC being a wholly owned subsidiary of the Company, no equity shares were exchanged to effect the amalgamation in respect thereof.

The excess of purchase consideration over net assets at the time of acquisition is accounted as goodwill amounting to ₹ 614.56 Mn.

- 7 (iv) The Company has formed a new entity “Larsen & Toubro Infotech Austria GmbH” in Austria on 18 June 2015. Investment in this entity is not denominated in number of shares as per the local laws of Austria.
- 7(v) The Company has formed a new entity “L&T Information Technology Spain, Sociedad Limitada” in Spain on 1 February 2016.
- 7(vi) The Board of Directors of the Company and GDA Technologies Limited have approved the scheme of amalgamation of GDA Technologies Limited with the Company on October 17, 2014, respectively, with April 1, 2016 as the appointed date. Accordingly, a petition for sanctioning the scheme of amalgamation has been filed with the Hon’ble High Court of Judicature at Bombay and the Hon’ble High Court of Judicature at Madras.

The Scheme has been sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated April 01, 2016. The approval of the Scheme by the Hon'ble High Court of Judicature at Madras is awaited.

**Annexure V: Restated consolidated statement of share capital**
**₹ Million**

		As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
(a)	<b>Authorised :</b>					
	240,000,000 equity shares of ₹ 1 each	240.00	-	-	-	-
	(32,750,000 equity shares of ₹ 5 each)	-	163.75	163.75	163.75	163.75
	<b>Issued, paid up and subscribed</b>					
	equity shares for ₹ 1 each					
	169,816,188 equity shares for ₹ 1 each	169.82	-	-	-	-
	(32,250,000 equity shares for ₹ 5 each)	-	161.25	161.25	161.25	161.25
	<b>EQUITY SHARE CAPITAL</b>	<b>169.82</b>	<b>161.25</b>	<b>161.25</b>	<b>161.25</b>	<b>161.25</b>

**Notes :**

- a) The Board of Directors at their meeting held on June 16, 2015 approved sub-division of the equity shares of face value of ₹ 5 each to face value of ₹ 1 each. The shareholders approved the sub-division on June 22, 2015 at the extraordinary general meeting.
- b) The authorised share capital of the Company was increased by ₹ 36.25 Mn comprising 36,250,000 equity shares of ₹ 1 each at the board meeting held on June 16, 2015 and approved by the shareholders at the extraordinary general meeting held on June 22, 2015.
- c) In accordance with the order of the Hon'ble High Court of Judicature at Bombay for amalgamating Information Systems Research Centre Private Limited (ISRC) (refer Annexure IVC (7)(iii)), the authorised share capital of the Company was increased by ₹ 40 Mn comprising 40,000,000 equity shares of ₹ 1 each on amalgamation.

**(b) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

**(c) Shareholders holding more than 5% of equity shares as at the end of the year:**

94.96% of equity shares are held by Larsen & Toubro Limited, the holding company

**(d) Reconciliation of the number of equity shares & share capital**

Due to allotment of shares on exercise of stock options by employees, there was a movement in share capital for the year ended 31 March 2016. But there was no movement in the number of equity shares during the years ended 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012.

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Issued, subscribed and fully paid up equity shares outstanding at the beginning	161,250,000	161,250,000	161,250,000	161,250,000	161,250,000
Add: Shares issued on exercise of employee stock options	8,566,188	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end	<b>169,816,188</b>	<b>161,250,000</b>	<b>161,250,000</b>	<b>161,250,000</b>	<b>161,250,000</b>

(e) **Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:**

Particulars	Exercise Price	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
		Number of equity shares of face value of ₹ 5 to be issued as fully paid				
#Employee stock options granted and outstanding under Employee Stock Ownership Scheme “ESOS Plan”	₹ 25	-	393,003	393,003	393,003	393,003
	₹ 10	-	1,873,467	1,880,484	2,155,197	2,179,953
Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan (‘Sub-Plan’)	\$ 12	-	90,100	90,100	90,100	90,100

The Company has split its equity shares from face value of ₹ 5 to face value of ₹ 1 per equity share on 22 June 2015. Consequently, exercise price has been adjusted for the year ended March 2015 & earlier years to reflect this change.

Particulars	Exercise Price	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
		Number of equity shares of face value of ₹ 1 to be issued as fully paid				
#Employee stock options granted and outstanding under Employee Stock Ownership Scheme “ESOS Plan”	₹ 5	82,660	1,965,015	1,965,015	1,965,015	1,965,015
	₹ 2	2,350,106	9,367,335	9,402,420	10,775,985	10,899,765
Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan (‘Sub-Plan’)	\$ 2.4	143,650	450,500	450,500	450,500	450,500

# Refer annexure no. V (i) (1)

- (f) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2016 are Nil.
- (g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended March 31, 2016 – Nil.
- (h) (i) The amount of interim dividend distributed to equity shareholder was as follows:

	2015-16	2014-15	2013-14	2012-13	2011-12
Dividend per share	32.65**	149*	171*	94*	79*

\* Face value of shares is ₹ 5

\*\* Face value of shares is ₹ 1

- (ii) The Directors recommended payment of final dividend of ₹ 2.60 per equity share of ₹ 1 each on the number of equity shares outstanding on the record date.

Provision for final dividend has been made in the books of account for 169,816,188 equity shares outstanding as at March 31, 2016 amounting to ₹ 441.52 Mn.

(i) **Stock option plans**

1. **Employee Stock Ownership Scheme (‘ESOS Plan’)**

Under the Employee Stock Ownership Scheme (ESOS), options outstanding at face value of ₹ 1 per equity share are as follows:

Year	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Number of options	2,432,766	11,332,350	11,367,435	12,741,000	12,864,780



The grant of options to the employees under ESOS is on the basis of their performance and other eligibility criteria. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 1 each.

All vested options can be exercised on the first exercise date. The Nomination & Remuneration Committee has decided 28 September 2015 as first exercise date. The details of the grants under the aforesaid scheme are summarised below:-

	ESOP Series	I,II & III				
		2015-16	2014-15	2013-14	2012-13	2011-12
1	Grant price (₹)	5	5	5	5	5
2	Options granted and outstanding at the beginning of the year	1,965,015	1,965,015	1,965,015	1,965,015	1,965,015
3	Options reinstated during the year *	3,500	-	-	-	-
4	Options granted during the year	-	-	-	-	-
5	Options cancelled/ lapsed during the year	34,000	-	-	-	-
6	Options exercised and shares allotted during the year	1,851,855	-	-	-	-
7	Options granted and outstanding at the end of the year	82,660	1,965,015	1,965,015	1,965,015	1,965,015
	of which -					
	Options vested	82,660	1,965,015	1,965,015	1,965,015	1,965,015
	Options yet to vest	-	-	-	-	-

	ESOP Series	IV-XXI				
		2015-16	2014-15	2013-14	2012-13	2011-12
1	Grant price (₹)	2	2	2	2	2
2	Options granted and outstanding at the beginning of the year	9,367,335	9,402,420	10,775,985	10,899,765	11,015,460
3	Options reinstated during the year *	454,580	-	-	-	-
4	Options granted during the year	-	-	-	-	-
5	Options cancelled/ lapsed during the year	1,064,326	35,085	1,373,565	123,780	115,695
6	Options exercised and shares allotted during the year	6,407,483	-	-	-	-
7	Options granted and outstanding at the end of the year	2,350,106	9,367,335	9,402,420	10,775,985	10,899,765
	of which -					
	Options vested	340,666	4,854,585	4,854,585	4,854,585	4,854,585
	Options yet to vest	2,009,440	4,512,750	4,547,835	5,921,400	6,045,180

\* The Company had lapsed unvested options with the employees who had resigned from the Company. Based on the legal advice, the Company has exercised its discretion in determining that the former employees in the United States will be allowed to exercise their deferred options and accordingly, 258,080 options at face value of ₹ 1 (51,616 options at face value of ₹ 5) exercisable by such former employees have been re-instated and vested.

\* The Company had erroneously lapsed 200,000 options at face value of ₹1 (40,000 options at face value of ₹ 5). Subsequently, the Company has decided that these options be restored and vested.

## 2. Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan (‘Sub-Plan’)

The Company had instituted the Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan (‘Sub-Plan’) for the employees and Directors of its erstwhile subsidiary, GDA Technologies, Inc., USA. The term of option was 5 years from the date of grant. As per vesting schedule, the options had to vest over a period of five years, subject to fulfilment of certain conditions specified in the respective non-statutory stock option agreement. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 1 each at an exercise price of USD 2.4 per share. Under the said plan, options granted, outstanding and vested as at the end of the year are as follows:

Year	2015-16	2014-15	2013-14	2012-13	2011-12
Number of options	143,650	450,500	450,500	450,500	450,500

3. Employees stock options granted and outstanding as at the end of the year on unissued share capital represent options as follows:

Year	2015-16	2014-15	2013-14	2012-13	2011-12
Number of options (Face value of share ₹ 1)	2,576,416	11,782,850	11,817,935	13,191,500	13,315,280

**Annexure VI: Restated consolidated statement of reserves and surplus**
**₹ Million**

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>1. General reserve</b>					
As per last balance sheet	4,490.26	4,490.26	3,580.26	2,976.78	2,476.78
Add : transferred from statement of profit and loss	-	-	910.00	603.48	500.00
Add: transferred from employee stock options outstanding	0.05	-	-	-	-
	<b>4,490.31</b>	<b>4,490.26</b>	<b>4,490.26</b>	<b>3,580.26</b>	<b>2,976.78</b>
<b>2. Hedging reserve (net of tax)</b>					
Opening balance	(366.97)	(2,923.11)	(2,694.39)	(2,663.11)	(658.42)
Deduction/(addition) during the year	(2,328.05)	2,556.14	(228.72)	(31.28)	(2,004.69)
	<b>(2,695.02)</b>	<b>(366.97)</b>	<b>(2,923.11)</b>	<b>(2,694.39)</b>	<b>(2,663.11)</b>
<b>3. Security premium reserve</b>					
Opening balance	1,181.24	1,181.24	1,181.24	1,181.24	1,181.24
Addition during the year	204.16	-	-	-	-
	<b>1,385.40</b>	<b>1,181.24</b>	<b>1,181.24</b>	<b>1,181.24</b>	<b>1,181.24</b>
<b>4. Profit and loss account</b>					
Opening balance	14,193.22	12,223.28	10,301.84	8,695.73	7,825.32
Add: profit for the year	9,221.77	7,691.61	9,283.42	5,737.26	4,331.48
Less: depreciation charged against retained earnings	-	12.27	-	-	-
Add : deferred tax charged against retained earnings	-	2.17	-	-	-
	<b>23,414.99</b>	<b>19,904.79</b>	<b>19,585.26</b>	<b>14,432.99</b>	<b>12,156.80</b>
Less: appropriations					
(a) General reserve	-	-	910.00	603.48	500.00
(b) Interim dividend	5,467.30	4,805.25	5,514.75	3,031.50	2,547.75
(c) Proposed dividend	441.52	-	-	-	-
(d) Tax on dividend	1,048.71	906.32	937.23	496.17	413.32
(e) Additional tax on dividend	58.02	-	-	-	-
	<b>16,399.44</b>	<b>14,193.22</b>	<b>12,223.28</b>	<b>10,301.84</b>	<b>8,695.73</b>
<b>5. Foreign currency translation reserve</b>					
Opening Balance	266.07	631.60	521.65	372.95	62.01
Add: transfer	157.50	(365.53)	109.95	148.70	310.94
Closing balance	<b>423.57</b>	<b>266.07</b>	<b>631.60</b>	<b>521.65</b>	<b>372.95</b>
<b>6. Employee stock options outstanding</b>					
As per last balance sheet	338.41	338.41	338.41	338.74	339.07
Add: addition during the year	-	-	-	-	-
Less : deductions during the year	285.04	-	-	0.33	0.33
Less : transferred to general reserve	0.05	-	-	-	-
	<b>53.32</b>	<b>338.41</b>	<b>338.41</b>	<b>338.41</b>	<b>338.74</b>
<b>7. Deferred employee compensation expense</b>					
As per last balance sheet	-	-	(2.27)	(9.98)	(29.52)
Add: addition during the year	-	-	-	-	-
Less : deductions during the year	-	-	(2.27)	(7.71)	(19.54)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2.27)</b>	<b>(9.98)</b>
<b>RESERVES AND SURPLUS</b>	<b>20,057.02</b>	<b>20,102.23</b>	<b>15,941.68</b>	<b>13,226.74</b>	<b>10,892.35</b>

**Annexure VII: Restated consolidated statement of long-term borrowings**

**₹ Million**

	<b>As at 31-03-2016</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>	<b>As at 31-03-2013</b>	<b>As at 31-03-2012</b>
<b>Long-term borrowings</b>					
<b>Secured loans*</b>					
Term loans from bank	-	138.89	266.29	361.90	452.22
	-	<b>138.89</b>	<b>266.29</b>	<b>361.90</b>	<b>452.22</b>

**\* Details of secured loans –long-term**

<b>Nature of term loan</b>	<b>Rate of interest</b>	<b>Repayment terms</b>	<b>Prepayment charges</b>	<b>Security offered</b>
External commercial borrowings (ECB)	USD LIBOR (3 months) + 2.5%	Repayable in equal half-yearly instalments of USD 1.11 Million each commencing from 19 October 2012 and ending on 14 October 2016.	No charges applicable on prepayment	Secured against hypothecation of the Company's movable fixed assets

There are no long-term borrowings from related parties.

**Annexure VIII: Restated consolidated statement of deferred tax**
**(i) Deferred tax liabilities**
**Deferred tax asset/(liability)**
**₹ Million**

Particulars	As at 31-03- 2016	As at 31-03- 2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Deferred tax liabilities</b>					
Depreciation / amortisation	(280.65)	(411.15)	(528.30)	(581.05)	(504.63)
Gain on derivative transactions	(182.93)	(304.09)	-	-	-
Branch profit tax	(426.93)	(323.40)	(234.68)	-	-
Premia on derivative transaction	(570.42)	-	-	-	-
Others	(1.41)	-	-	-	-
<b>Total</b>	<b>(1,462.34)</b>	<b>(1,038.64)</b>	<b>(762.98)</b>	<b>(581.05)</b>	<b>(504.63)</b>
<b>Deferred tax assets</b>					
Non capital losses and deferred expenses	65.22	234.65	296.44	-	-
Provision for doubtful debts and advances	31.26	7.19	3.04	-	-
Provision for employee benefits	97.73	60.50	49.64	-	-
Loss on derivative transactions	10.60	498.30	-	-	-
Realised gain on derivative transaction	41.36	-	-	-	-
Others	9.92	(0.03)	0.01	373.85	386.35
<b>Total</b>	<b>256.09</b>	<b>800.61</b>	<b>349.13</b>	<b>373.85</b>	<b>386.35</b>
<b>Net deferred tax liability</b>	<b>(1,206.25)</b>	<b>(238.03)</b>	<b>(413.85)</b>	<b>(207.20)</b>	<b>(118.28)</b>

**(ii) Deferred tax assets**
**Deferred tax asset/(liability)**
**₹ Million**

Particulars	As at 31-03 2016	As at 31-03 2015	As at 31-03-2014	As at 31-03 2013	As at 31-03 2012
<b>Deferred tax liabilities</b>					
Depreciation / amortisation	-	0.69	0.76	0.58	(28.25)
Allowance on Income received in advance	(2.27)	(2.27)	-	-	-
Others	-	-	-	(1.85)	(2.47)
<b>Total</b>	<b>(2.27)</b>	<b>(1.58)</b>	<b>0.76</b>	<b>(1.27)</b>	<b>(30.72)</b>
<b>Deferred tax assets</b>					
Provision for doubtful debts and advances	-	-	-	15.75	9.03
Provision for employee benefits	2.04	3.53	1.13	44.59	42.99
Income received in advance	2.34	2.34	-	-	-
Depreciation / amortisation	-	5.72	-	-	-
Others	0.26	0.28	-	-	-
<b>Total</b>	<b>4.64</b>	<b>11.87</b>	<b>1.13</b>	<b>60.34</b>	<b>52.02</b>
<b>Net deferred tax asset</b>	<b>2.37</b>	<b>10.29</b>	<b>1.89</b>	<b>59.07</b>	<b>21.30</b>

₹ Million						
		2015-16	2014-15	2013-14	2012-13	2011-12
(Add)/less	Amount charged to statement of Profit and loss	(609.60)	(35.76)	(261.85)	(46.99)	(119.79)
(Add)/less	Charged to hedge reserve	(366.54)	194.21	-	-	-
(Add)/less	Exchange (gain)/loss on translation	(9.16)	17.53	(1.98)	(4.16)	(7.83)
(Add)/less	Charged against retained earnings	-	2.17	-	-	-
(Add)/less	Deferred tax asset taken over pursuant to amalgamation of ISRC	-	6.07	-	-	-

**Annexure IX: Restated consolidated statement of other long-term liabilities and long term provisions**

**(A) Other long-term liabilities**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Forward contract payable	1,148.52	447.46	673.92	1,170.20	1,955.48
Other payables	102.00	90.89	55.19	86.68	66.71
	<b>1,250.52</b>	<b>538.35</b>	<b>729.11</b>	<b>1,256.88</b>	<b>2,022.19</b>

**(B) Long-term provisions**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Provisions for employee benefits</b>					
Post-retirement medical benefits	124.29	103.71	88.63	90.69	42.10
Provision for interest rate guarantee(PF)	-	-	42.43	3.61	9.15
	<b>124.29</b>	<b>103.71</b>	<b>131.06</b>	<b>94.30</b>	<b>51.25</b>

**Annexure X: Restated consolidated statement of short-term borrowings and current maturities of long-term borrowings**

**(A) Short-term borrowings**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Secured loans*</b>					
Other loans from banks	132.51	600.00	26.86	1,093.97	1,411.45
<b>Unsecured loans</b>					
Other loans from banks	265.02	1,297.48	673.84	759.91	768.17
	<b>397.53</b>	<b>1,897.48</b>	<b>700.70</b>	<b>1,853.88</b>	<b>2,179.62</b>

**\*Details of secured loans – short-term**

₹ Million					
Nature of term loan	Amount outstanding as on 31 March 2016	Rate of interest	Repayment terms	Prepayment charges	Security offered
(Packing Credit)	132.51	USD LIBOR (3 months) + 0.50%	Full amount payable on maturity alongwith interest for the period.	None	Secured against hypothecation of the Company's accounts receivables.

There are no borrowings from related parties.

**(B) Current maturities of long-term borrowings**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Long-term borrowings</b>					
<b>Secured loans*</b>					
Term loans from bank	147.23	138.89	133.14	120.63	56.53
	<b>147.23</b>	<b>138.89</b>	<b>133.14</b>	<b>120.63</b>	<b>56.53</b>

\* Refer annexure VII for security and other terms and conditions of the loans.

There are no long-term borrowings from related parties.



**Annexure XI: Restated consolidated statement of trade payables, other current liabilities and short-term provisions**

**(A) Trade payables**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Trade payables</b>					
Due to holding company	-	174.22	188.25	573.43	360.02
Due to fellow subsidiaries	-	-	117.45	-	-
Due to others	3,276.40	2,545.25	2,109.10	1,491.75	1,655.00
	<b>3,276.40</b>	<b>2,719.47</b>	<b>2,414.80</b>	<b>2,065.18</b>	<b>2,015.02</b>

**(B) Other current liabilities**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Forward contract payable	1,574.11	89.22	2,289.49	1,642.22	985.59
Interest accrued but not due on borrowings	1.08	2.41	2.29	2.96	4.10
Unclaimed dividend	0.62	-	-	-	-
Other payables	1,189.14	1,631.85	1,444.11	875.16	722.64
	<b>2,764.95</b>	<b>1,723.48</b>	<b>3,735.89</b>	<b>2,520.34</b>	<b>1,712.33</b>

**(C) Short-term provisions**

	₹ Million				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Provisions for employee benefits</b>					
Gratuity	86.76	97.33	29.39	88.01	140.68
Compensated absences	507.16	455.72	396.65	333.13	269.89
Post-retirement medical benefits	0.24	0.24	0.16	0.12	0.09
Others	4,046.57	2,236.75	1,765.32	1,353.62	1,186.09
	<b>4,640.73</b>	<b>2,790.04</b>	<b>2,191.52</b>	<b>1,774.88</b>	<b>1,596.75</b>
<b>Other provisions</b>					
Proposed equity dividend	441.52	-	-	-	-
Additional tax on dividend	58.02	-	-	-	-
Income-tax	19.91	14.70	174.42	0.46	10.99
Others*	10.70	10.70	10.70	10.70	10.70
<b>Sub-total</b>	<b>530.15</b>	<b>25.40</b>	<b>185.12</b>	<b>11.16</b>	<b>21.69</b>
<b>Total</b>	<b>5,170.88</b>	<b>2,815.44</b>	<b>2,376.64</b>	<b>1,786.04</b>	<b>1,618.44</b>

\* Disclosure pursuant to Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets"

		₹ Million				
		As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
1	Provision for sales tax	4.00	4.00	4.00	4.00	4.00
2	Provision for others	6.70	6.70	6.70	6.70	6.70
	<b>Total provision</b>	<b>10.70</b>	<b>10.70</b>	<b>10.70</b>	<b>10.70</b>	<b>10.70</b>

Nature of provisions:

- Provision for sales tax pertains to claim made by the authorities on certain transaction of capital nature for the year 2002-03.
- Provision for others represents liabilities relating to matters in dispute.

**Annexure XII: Restated consolidated statement of investments**

₹ Million

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Trade investments (at cost)</b>					
Long term investment					
100,000 fully paid equity shares of USD 1 (₹ 53) each in Pan Health, USA	-	-	-	-	-
<b>Non trade investments</b>					
Investments in mutual funds	-	-	-	-	20.00
<b>Total non-current investments</b>	-	-	-	-	<b>20.00</b>

**Annexure XIII: Restated consolidated statement of long-term loans and advances**

₹ Million

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Considered good</b>					
Premia on forward contracts	1,280.43	874.90	768.15	823.03	479.04
Deposits	393.14	372.39	378.28	207.53	290.29
Capital advances	1.25	6.64	42.10	82.19	12.15
Advance tax current year (net of provision)	-	35.65	-	-	-
Advances recoverable in cash or in kind	2,574.31	1,150.21	1,346.31	818.82	585.31
	<b>4,249.13</b>	<b>2,439.79</b>	<b>2,534.84</b>	<b>1,931.57</b>	<b>1,366.79</b>

There are no long-term loans and advances given to related parties including directors and holding company.

**Annexure: XIV: Restated consolidated statement of current investments**

₹ Million

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Investment in mutual funds</b>	429.20	1,035.51	1,687.77	486.63	570.51

**Details of quoted investments:**

₹ Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Aggregate amount of quoted current investments and market value thereof					
Book value	429.20	1,035.51	1,687.77	486.63	570.51
Market value	429.36	1,037.02	1,706.11	487.98	577.02

**Annexure XV: Restated consolidated statement of trade receivables**

₹ Million

	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>Trade receivables</b>					
Unsecured					
Debts outstanding for a period exceeding six months					
Considered good	327.30	65.16	49.93	110.73	505.69
Considered doubtful	160.69	175.30	34.33	95.74	61.24
	<b>487.99</b>	<b>240.46</b>	<b>84.26</b>	<b>206.47</b>	<b>566.93</b>
Other debts					
Considered good					
-Due from holding company	450.38	-	-	-	-
- Due from fellow subsidiaries	53.40	87.91	-	28.09	17.19
- Others	10,828.79	10,748.09	9,259.93	7,271.70	6,322.62
	<b>11,820.56</b>	<b>11,076.46</b>	<b>9,344.19</b>	<b>7,506.26</b>	<b>6,906.74</b>
Less : Allowance for bad and doubtful debts	(160.69)	(175.30)	(34.33)	(95.74)	(61.24)
	<b>11,659.87</b>	<b>10,901.16</b>	<b>9,309.86</b>	<b>7,410.52</b>	<b>6,845.50</b>

There are no receivables from holding company (except at 31 March 2016) and directors.

**Annexure XVI: Restated consolidated statement of unbilled revenue, cash and bank and short-term loans and advances**

**(A) Unbilled revenue**

Unbilled revenues comprise revenue recognised in relation to services performed in accordance with contract terms but not billed.

**(B) Cash and bank balances**

₹ Million					
<b>Cash and Bank</b>	<b>As at 31-03-2016</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>	<b>As at 31-03-2013</b>	<b>As at 31-03-2012</b>
Cash on hand	0.62	0.67	0.56	0.76	0.73
Balances with banks					
- in current accounts					
Overseas	1,120.98	1,078.30	843.10	647.93	650.14
Domestic	223.49	235.72	236.18	18.80	184.91
Remittances in transit	94.82	221.58	177.02	423.24	124.26
Fixed deposits (maturity less than 3 months )	322.09	125.57	212.89	1.18	148.50
	<b>1,762.00</b>	<b>1,661.84</b>	<b>1,469.75</b>	<b>1,091.91</b>	<b>1,108.54</b>
<b>Other bank balance</b>					
- in deposit accounts					
Fixed deposit with bank with more than 3 months but less than 12 months maturity	245.90	-	-	-	150.00
Earmarked balances with banks- unclaimed dividend	0.62	-	-	-	-
Cash and bank balance not available for immediate use*	25.14	347.37	119.36	101.81	62.55
	<b>2,033.66</b>	<b>2,009.21</b>	<b>1,589.11</b>	<b>1,193.72</b>	<b>1,321.09</b>

\*Other bank balance not available for immediate use being in nature of security for guarantees issued by bank on behalf of the Company, collaterals etc.

**(C) Short-term loans and advances**

₹ Million					
	<b>As at 31-03-2016</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>	<b>As at 31-03-2013</b>	<b>As at 31-03-2012</b>
<b>Considered good</b>					
Loans against mortgage of house property	-	0.10	0.20	0.54	0.23
Premia on forward contracts	2,385.73	1,723.63	1,146.85	594.63	1,025.41
Interest receivable	1.81	6.86	8.47	5.14	12.77
Deposits	155.20	126.43	59.61	147.31	37.14
Advance tax current year (net of provision)	88.68	163.04	6.71	27.06	20.33
Advances recoverable in cash or in kind					
-Considered good	3,206.05	3,534.46	2,411.99	2,051.64	1,745.52
-Considered doubtful	-	6.06	4.85	4.85	10.27
Less : Allowance for doubtful advances	-	(6.06)	(4.85)	(4.85)	(10.27)
	<b>5,837.47</b>	<b>5,554.52</b>	<b>3,633.83</b>	<b>2,826.32</b>	<b>2,841.40</b>

There are no short-term loans and advances given to related parties including directors and holding company.

**Annexure XVII: Restated consolidated statement of other income**

₹ Million

	2015-16	2014-15	2013-14	2012-13	2011-12
Income from current investment in mutual funds	68.44	141.26	79.58	103.75	87.03
Profit on sale of fixed assets	-	-	1.81	2.98	3.32
Interest received	25.06	22.81	74.91	29.98	34.59
Foreign exchange gain/(loss)	2,795.57	667.81	(1,048.05)	(19.25)	(107.05)
	1.08	-	-	-	4.59
Provision for doubtful debts no longer required					
Miscellaneous income	69.46	83.12	58.57	103.58	73.36
	<b>2,959.61</b>	<b>915.00</b>	<b>(833.18)</b>	<b>221.04</b>	<b>95.84</b>

**Annexure XVIII: Restated consolidated statement of other expenses**
**₹ Million**

		2015-16	2014-15	2013-14	2012-13	2011-12
<b>(A)</b>	<b>Employee benefit expenses</b>					
	Salaries including overseas staff expenses	33,997.84	28,056.30	26,246.94	21,323.31	17,467.94
	Staff welfare	865.95	799.93	938.79	759.82	696.97
	Contribution to provident and other funds	344.99	249.93	320.42	252.37	233.69
	Contribution to superannuation fund	52.05	44.71	38.67	56.35	89.94
	Contribution to gratuity fund	85.75	91.86	36.75	94.08	146.76
		<b>35,346.58</b>	<b>29,242.73</b>	<b>27,581.57</b>	<b>22,485.93</b>	<b>18,635.30</b>
<b>(B)</b>	<b>Operating expenses</b>					
	Communication expenses	191.68	168.11	176.54	117.52	108.99
	Lease finance charges	53.97	112.16	108.92	110.44	133.73
	Consultancy charges	4,032.97	3,458.95	3,607.47	2,053.84	1,709.73
	Cost of software packages for own use	450.06	403.65	397.26	326.01	250.64
	Cost of bought-out items for resale	1,982.12	742.76	548.28	272.10	249.58
	Raw materials consumed	-	-	53.04	40.09	122.61
		<b>6,710.80</b>	<b>4,885.63</b>	<b>4,891.51</b>	<b>2,920.00</b>	<b>2,575.28</b>
<b>(C)</b>	<b>Sales, administration and other expenses</b>					
	Travelling and conveyance	1,409.01	1,202.05	1,198.54	999.71	866.01
	Rent and establishment expenses	1,591.38	1,459.43	1,458.28	1,419.26	1,163.27
	Telephone charges and postage	377.84	344.52	360.70	315.48	277.04
	Legal and professional charges	585.27	562.58	657.06	326.00	315.37
	Printing and stationery	25.88	29.21	25.97	25.54	28.26
	Advertisement	115.49	92.69	68.94	36.71	49.73
	Entertainment	72.36	57.29	50.34	32.12	26.57
	Recruitment expenses	147.69	132.70	99.39	74.30	81.59
	Repairs to building	199.36	135.43	104.47	105.14	93.85
	Repairs to computers	65.97	93.16	96.34	101.55	86.72
	General repairs and maintenance	320.36	253.51	242.63	165.79	113.86
	Power and fuel	347.91	290.26	309.52	283.10	237.29
	Equipment hire charges	12.90	10.19	7.67	7.83	11.00
	Insurance charges	162.91	165.74	117.52	116.00	78.89
	Rates and taxes	204.39	358.46	217.15	113.23	113.63
	Allowance for doubtful debts and advances	30.29	190.47	8.33	84.30	18.28
	Bad debts	51.92	39.13	66.58	42.72	178.50
	Less : Provision written back	(50.95)	(39.13)	(66.58)	(42.81)	(179.06)
	Commission paid	6.99	0.62	18.15	13.69	7.11
	Books, periodicals and Subscriptions	19.79	29.09	11.41	28.12	14.26
	Directors fees	1.43	0.93	0.40	0.52	0.62
	Commission to director	5.81	3.60	3.73	4.46	2.56
	Loss on sale of fixed assets	27.28	7.18	-	-	-
	Miscellaneous expenses	325.79	181.97	193.01	147.62	114.97
	Amortisation of cost of long term projects *	-	6.35	9.52	3.17	11.62
		<b>6,057.07</b>	<b>5,607.43</b>	<b>5,259.07</b>	<b>4,403.55</b>	<b>3,711.94</b>

\* Cost incurred for long-term projects mainly comprise of legal and employee related costs to secure long term projects



**Annexure XIX: Restated consolidated statement of finance cost****₹ Million**

	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
<b>Interest paid on</b>					
Fixed loans	31.90	46.94	101.32	87.18	49.85
On others	25.99	9.29	0.82	10.50	11.00
Lease finance charges	-	-	0.03	-	0.40
	<b>57.89</b>	<b>56.23</b>	<b>102.17</b>	<b>97.68</b>	<b>61.25</b>
Exchange (gain)/loss on borrowings (net)	45.68	47.96	203.17	110.44	281.17
	<b>103.57</b>	<b>104.19</b>	<b>305.34</b>	<b>208.12</b>	<b>342.42</b>

**Annexure XX: Restated consolidated statement of provision for taxation****₹ Million**

	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Current tax on continuing operations	2,697.81	2,141.09	1,979.11	1,685.09	1,529.03
MAT credit entitlement for current year	(1,086.70)	(505.04)	(188.82)	-	-
MAT credit entitlement for earlier years	-	-	(2.09)	-	(277.90)
Provision for earlier year/excess provision for earlier year written back	38.06	(5.60)	(107.17)	(54.09)	38.14
<b>Total current taxes (a)</b>	<b>1,649.17</b>	<b>1,630.45</b>	<b>1,681.03</b>	<b>1,631.00</b>	<b>1,289.27</b>
<b>Current tax on discontinued operations (b)</b>	<b>-</b>	<b>1.69</b>	<b>129.25</b>	<b>191.54</b>	<b>-</b>
*Capital gains tax on sale of PES business unit	-	14.87	592.68	-	-
MAT credit entitlement on capital gains tax for current year	-	-	(176.56)	-	-
<b>Capital gain tax on sale of PES business (c)</b>	<b>-</b>	<b>14.87</b>	<b>416.12</b>	<b>-</b>	<b>-</b>
<b>Current tax (a) +(b)+(c)</b>	<b>1,649.17</b>	<b>1,647.01</b>	<b>2,226.40</b>	<b>1,822.54</b>	<b>1,289.27</b>

The Central Board of Direct Taxes (CBDT) has notified the Income Computation and Disclosure Standards (ICDS) with effect from April 1, 2015 for companies resident in India and shall accordingly apply for assessment year 2016-17 onwards. Accordingly, the Company has accounted for the impact of ICDS in its tax computation.

**Annexure XXI: Restated consolidated statement of contingent liabilities****₹ Million**

	2015-16	2014-15	2013-14	2012-13	2011-12
1. Income-tax liability that may arise in respect of which the Company is in appeal*	1,343.99	1,167.47	910.03	48.22	44.31
2. Corporate guarantee given on behalf of subsidiaries**	5,998.76	5,395.70	5,681.29	5,445.98	3,572.98
3. Service tax refund disallowed, in respect of which the Company is in appeal #	12.48	4.52	-	-	-
4. Bill discounted with banks	-	-	-	59.71	157.62
5. Sales tax liability, in respect of which the Company is in appeal	1.28	1.28	-	-	-
6. Legal notice served by a vendor for unpaid dues, disputed by the Company	0.02	0.02	-	-	-
	<b>7,356.53</b>	<b>6,568.99</b>	<b>6,591.32</b>	<b>5,553.91</b>	<b>3,774.91</b>

\* Out of contingent tax liability for FY 2015-16, ₹ 1,280.69 Mn (including interest of ₹ 202.48 Mn), FY 2014-15, ₹ 1,099.79 Mn (including interest of ₹ 263.71 Mn), for FY 2013-14, ₹ 866.26 Mn (including interest of ₹ 240.57 Mn), for FY 2012-13, ₹ 29.63 Mn (including interest of ₹ 18.59 Mn), for FY 2011-12, ₹ 25.72 Mn (including interest of ₹ 18.59 Mn), pertains to the tax demand arising on account of disallowance of exemption under section 10A on profits earned by STPI Units on onsite export revenue. The Company is pursuing appeal against these demands before the relevant Appellate Authorities.

The Company believes that its position is likely to be upheld by Appellate Authorities and considering the facts, the ultimate outcome of these proceedings is not likely to have material adverse effect on the results of operations or the financial position of the Company.

Out of the total income tax liability, ₹ 5.19 Mn (including interest of ₹ 0.65 Mn) pertains to a wholly owned subsidiary incorporated in Canada. The Canada Revenue Agency ("CRA") had conducted a tax audit for the three years ending March 31, 2013 and has disallowed/reallocated certain expenses due to which carry forward non-capital losses have been reduced. Since the company has carry forward losses, the taxable income should have been offset against the carry forward losses resulting in nil taxable income and no interest payable.

A notice of objection ("NOO") has been filed with Chief of Appeals, Canada Revenue Agency and the company is confident that the disallowed expenses will be allowed as a deductible expense. Consequently no income tax should be payable for the three years ending March 31, 2013.

- \*\* (a) The Company has given a corporate guarantee on behalf of its wholly owned subsidiary, L&T Infotech Financial Services Technologies Inc., Canada. The guarantee is for performance of all obligations by L&T Infotech Financial Services Technologies Inc., Canada in connection with the long term annuity services contracts obtained by them. The obligation under this guarantee is limited in aggregate to the amount of CAD 70,000,000.
- (b) The Company has given a corporate guarantee on behalf of its subsidiary, Larsen And Toubro Infotech South Africa (Proprietary) Limited. The guarantee is for performance of all obligations by Larsen And Toubro Infotech South Africa (Proprietary) Limited in connection with the Application Testing Service contract. The obligation under this guarantee is limited in aggregate to the amount of USD 31,414,785.
- (c) The Company has given a corporate guarantee on behalf of its subsidiary, Larsen And Toubro Infotech South Africa (Proprietary) Limited. The guarantee is for performance of all obligations by Larsen And Toubro Infotech South Africa (Proprietary) Limited in connection with software development services and related services. The obligation under this guarantee is limited in aggregate to the amount of USD 5,000,000.
- # The Company had filed refund of accumulated service tax credit in accordance with relevant CENVAT Credit Rules. However, the department has disallowed certain portion of such refunds considering the same as ineligible, as not related with export and output services. The Company is in process of filing appeal against these disallowances before the relevant Authorities and hopeful of getting a favorable order.

**For FY 2011-12**

Two terminated employees in USA had initiated litigation against the Company in FY 2011-12. The processes of the litigations were at the initial stages. While the Company's management believed that it had a valid defense against the allegations made, management was neither able to predict the final outcome of the proceedings nor was it possible to estimate the monetary impact of an adverse decision. Management, however, did not reasonably expect that these litigations, when concluded and determined, will have any material and adverse effect on the operations or the financial position of the Company. The matter has since been concluded.

## Annexure XXII: Restated consolidated statement of related parties

### (A) Key management Personnel:

Name	Status
Mr. V. K. Magapu	Managing Director *
Mr. Sanjay Jalona	Chief Executive Officer & Managing Director **
Mr. Chandrashekara Kakal	Chief Operating Officer & Executive Director ***
Mr. K. R. L. Narasimham	Executive Director #
Mr. Vivek Chopra	Chief Executive (Industrials Cluster) & Executive Director \$
Dr. Mukesh Aghi	Chief Executive (Services Cluster) & Executive Director ^
Mr. Sunil Pande	Executive Director ^^

\* Ceased to be Director w.e.f. the close of working hours of September 25, 2015

\*\* Appointed as Chief Executive Officer & Managing Director w.e.f. August 10, 2015

\*\*\* Ceased to be Director w.e.f. the close of working hours of August 26, 2015

# Ceased to be Director w.e.f. the close of working hours of April 7, 2015

\$ Ceased to be Director w.e.f. the close of working hours of December 31, 2014

^ Ceased to be Director w.e.f. the close of working hours of February 28, 2015

^^ Ceased to be Director w.e.f. the close of working hours of August 25, 2015

### (B) List of related parties with whom there were transactions during any of the five years FY 2015-16, FY 2014-15, FY 2013-14, FY 2012-13 and FY 2011-12

Name	Relationship
Larsen & Toubro Limited	Holding Company
L&T MHPS Turbine Generators Private Limited	Fellow Subsidiary
L&T Seawoods Limited	Fellow Subsidiary
L&T - MHPS Boilers Private Limited	Fellow Subsidiary
Larsen & Toubro (East Asia) SDN.BDH	Fellow Subsidiary
L&T Modular Fabrication Yard LLC	Fellow Subsidiary
L&T Howden Private Limited	Fellow Subsidiary
L&T-Valdel Engineering Limited	Fellow Subsidiary
Larsen & Toubro ATCO Saudia LLC	Fellow Subsidiary
L&T Hydrocarbon Engineering Limited*	Fellow Subsidiary
L&T Electrical and Automation Saudi Arabia Company Limited LLC	Fellow Subsidiary
L&T Finance Limited	Fellow Subsidiary
L&T General Insurance Company Limited	Fellow Subsidiary
L&T Infrastructure Development Projects Limited	Fellow Subsidiary
L&T Power Development Limited	Fellow Subsidiary
L&T Sapura Shipping Private Limited	Fellow Subsidiary
L&T Power Limited	Fellow Subsidiary
L&T-Sargent & Lundy Limited	Fellow Subsidiary
L&T Realty Limited	Fellow Subsidiary
L&T BPP Tollway Limited	Fellow Subsidiary
Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability	Fellow Subsidiary
Larsen & Toubro Electromech LLC	Fellow Subsidiary
L&T Infrastructure Finance Company Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Limited	Fellow Subsidiary
L&T Kobelco Machinery Private Limited	Fellow Subsidiary
L&T Cutting Tools Limited	Fellow Subsidiary
L&T Technology Services Limited**	Fellow Subsidiary
L&T Valves Limited	Fellow Subsidiary
Larsen & Toubro Hydrocarbon International Limited LLC	Fellow Subsidiary
L&T Investment Management Limited	Fellow Subsidiary
L&T Construction Equipment Limited	Fellow Subsidiary

Name	Relationship
Larsen & Toubro LLC	Fellow Subsidiary
L&T Devihalli Hassan Tollway Limited	Fellow Subsidiary
Larsen and Toubro Saudi Arabia LLC	Fellow Subsidiary
Nabha Power Limited	Fellow Subsidiary
L&T Electrical & Automation FZE	Fellow Subsidiary
L&T Thales Technology Services Private Limited	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
Family Credit Limited	Fellow Subsidiary
Spectrum Infotech Private Limited	Fellow Subsidiary
PT. Tamco Indonesia	Fellow Subsidiary
L&T Capital Markets Limited	Fellow Subsidiary
L&T Housing Finance Limited	Fellow Subsidiary
Tamco Electrical Industries Australia PTY Limited	Fellow Subsidiary
L&T Special Steels and Heavy Forgings Private Limited	Fellow Subsidiary

\* This company was demerged from Larsen & Toubro Limited into new entity named L&T Hydrocarbon Engineering Limited effective April 2013. Transactions from 1 April 2011 to 31 March 2013 are including under holding company whereas transactions from 1 April 2013 to 31 March 2016 are shown separately as fellow subsidiary.

\*\* Integrated Engineering Services (IES) unit from Larsen & Toubro Limited was transferred to L&T Technology Services Limited effective April 2014. Transactions from 1 April 2011 to 31 March 2014 are including under holding company whereas transactions from 1 April 2014 to 31 March 2016 are shown separately as fellow subsidiary.

(C) **Restated consolidated statement of related party transactions:**

	₹ Million				
Transaction	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Transaction</b>					
<b>Sale of services / products</b>					
<b><u>Holding Company</u></b>	<b>1,101.09</b>	<b>352.00</b>	<b>635.68</b>	<b>422.83</b>	<b>346.70</b>
-Larsen & Toubro Limited	1,101.09	352.00	635.68	422.83	346.70
<b><u>Fellow subsidiaries</u></b>	<b>423.59</b>	<b>324.91</b>	<b>221.91</b>	<b>150.82</b>	<b>168.41</b>
- L&T General Insurance Company Limited	6.95	24.79	29.49	51.42	47.61
- L&T Power Limited	-	-	30.41	33.93	49.56
- Larsen & Toubro LLC	32.22	30.14	29.48	-	-
- L&T Finance Limited	14.27	11.79	9.21	22.68	16.86
- L&T Construction Equipment Limited	16.14	18.18	16.82	15.89	-
- L&T Metro Rail (Hyderabad) Limited	63.60	60.14	-	-	-
- L&T Technology Services Limited	50.50	53.12	7.01	-	-
- Larsen and Toubro Saudi Arabia LLC	-	2.75	-	-	3.72
- L&T Hydrocarbon Engineering Limited	78.80	59.13	49.94	-	-
- L&T Modular Fabrication Yard LLC	-	-	-	0.44	22.87
- L&T Thales Technology Services Private Limited	95.70	-	-	-	-
<b>Sale of assets</b>					
<b><u>Holding Company</u></b>	<b>108.62</b>	<b>-</b>	<b>17.13</b>	<b>30.52</b>	<b>23.66</b>
- Larsen & Toubro Limited	108.62	-	17.13	30.52	23.66
<b><u>Fellow subsidiaries</u></b>	<b>7.70</b>	<b>-</b>	<b>11.73</b>	<b>-</b>	<b>-</b>
- L&T Technology Services Limited	7.70	-	11.73	-	-
<b>Purchase of services</b>					
<b><u>Holding Company</u></b>	<b>275.43</b>	<b>1,034.96</b>	<b>1,754.22</b>	<b>1,428.88</b>	<b>1,079.56</b>
- Larsen & Toubro Limited	275.43	1,034.96	1,754.22	1,428.88	1,079.56
<b><u>Fellow subsidiaries</u></b>	<b>694.17</b>	<b>788.45</b>	<b>234.22</b>	<b>-</b>	<b>-</b>
- L&T Technology Services Limited	694.17	788.45	234.22	-	-
<b>Overheads charged by</b>					
<b><u>Holding Company</u></b>	<b>635.01</b>	<b>125.82</b>	<b>212.29</b>	<b>220.11</b>	<b>253.40</b>

<b>Transaction</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
- Larsen & Toubro Limited	635.01	125.82	212.29	220.11	253.40
<b><u>Fellow subsidiaries</u></b>	<b>38.36</b>	<b>44.84</b>	<b>11.68</b>	<b>8.31</b>	<b>8.60</b>
- Larsen & Toubro (East Asia) SDN.BDH	24.03	24.43	-	0.21	1.75
- L&T Electrical & Automation FZE	7.19	5.81	-	-	-
- Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability	6.23	10.76	10.19	5.41	3.44
- L&T Power Limited	-	-	-	1.27	-
L&T Technology Services Limited	-	0.39	-	-	-
- Larsen & Toubro Electromech LLC	0.01	-	0.05	0.28	1.89
- L & T Electrical and Automation Saudi Arabia Company Limited LLC	-	-	0.62	0.92	-
- L&T Finance Limited	-	-	0.32	0.18	-
<b><u>Overheads charged to</u></b>					
<b><u>Holding Company</u></b>	<b>82.49</b>	<b>65.57</b>	<b>373.21</b>	<b>341.52</b>	<b>513.56</b>
- Larsen & Toubro Limited	82.49	65.57	373.21	341.52	513.56
<b><u>Fellow subsidiaries</u></b>	<b>441.42</b>	<b>715.18</b>	<b>191.85</b>	<b>0.13</b>	<b>8.47</b>
- L&T Technology Services Limited	440.12	707.93	144.57	-	-
- L&T Hydrocarbon Engineering limited	-	1.67	47.17	-	-
- L&T Power Limited	-	-	0.90	0.13	0.06
- L&T Valdel Engineering Limited	-	-	-	-	8.13
<b><u>Commission received from</u></b>					
<b><u>Holding Company</u></b>	<b>-</b>	<b>-</b>	<b>14.70</b>	<b>5.93</b>	<b>0.98</b>
- Larsen & Toubro Limited	-	-	14.70	5.93	0.98
<b><u>Fellow subsidiaries</u></b>	<b>5.26</b>	<b>18.40</b>	<b>4.66</b>	<b>-</b>	<b>-</b>
- L&T Technology Services Limited	5.26	18.40	4.66	-	-
<b><u>Lease rent paid</u></b>					
<b><u>Fellow subsidiaries</u></b>	<b>0.07</b>	<b>0.52</b>	<b>1.41</b>	<b>2.70</b>	<b>8.56</b>
- L&T Finance Limited	0.07	0.52	1.41	2.70	8.56
<b><u>Commission paid to</u></b>					
<b><u>Holding Company</u></b>	<b>-</b>	<b>-</b>	<b>16.70</b>	<b>11.70</b>	<b>-</b>
- Larsen & Toubro Limited	-	-	16.70	11.70	-
<b><u>Fellow subsidiaries</u></b>	<b>-</b>	<b>0.62</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Larsen & Toubro Kuwait Construction General Contracting Company With Limited Liability	-	0.62	-	-	-
<b><u>Interest paid</u></b>					
<b><u>Holding Company</u></b>	<b>-</b>	<b>-</b>	<b>1.90</b>	<b>0.01</b>	<b>32.72</b>
- Larsen & Toubro Limited	-	-	1.90	0.01	32.72
<b><u>Interest received</u></b>					
<b><u>Holding Company</u></b>	<b>-</b>	<b>-</b>	<b>53.43</b>	<b>-</b>	<b>-</b>
- Larsen & Toubro Limited	-	-	53.43	-	-
<b><u>Trademark fees paid</u></b>					
<b><u>Holding Company</u></b>	<b>104.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Larsen & Toubro Limited	104.89	-	-	-	-
<b><u>Unsecured loan given to</u></b>					
<b><u>Holding Company</u></b>	<b>-</b>	<b>-</b>	<b>4,500.00</b>	<b>-</b>	<b>-</b>
- Larsen & Toubro Limited	-	-	4,500.00	-	-
<b><u>Unsecured loan taken from</u></b>					
<b><u>Holding Company</u></b>	<b>-</b>	<b>-</b>	<b>400.00</b>	<b>-</b>	<b>-</b>
- Larsen & Toubro Limited	-	-	400.00	-	-
<b><u>Trade receivables</u></b>					
Holding Company	450.38	0.01	2.54	9.87	0.34
Fellow subsidiaries	53.40	88.80	0.23	28.09	17.19
<b><u>Trade payables</u></b>					
Holding Company	-	174.23	190.79	583.30	360.36
Fellow subsidiaries	-	0.89	117.68	-	-

Transaction	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Interim dividend paid</b>					
<b>Holding company</b>	<b>5,264.81</b>	<b>4,805.25</b>	<b>5,514.75</b>	<b>3,031.50</b>	<b>2,547.75</b>
- Larsen & Toubro Limited	5,264.81	4,805.25	5,514.75	3,031.50	2,547.75

**Annexure XXIII: Restated consolidated statement of accounting ratios**

**(A) Basic and diluted earnings per share (EPS) at face value of ₹ 5**

**Before extraordinary items**

Basic earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Restated profit after tax (₹ Million)	-	7,612.53	6,886.10	5,737.26	4,331.48
Weighted average number of shares outstanding	-	32,250,000	32,250,000	32,250,000	32,250,000
<b>Basic EPS (₹)</b>	-	<b>236.05</b>	<b>213.52</b>	<b>177.90</b>	<b>134.31</b>

Diluted earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Weighted average number of shares outstanding	-	32,250,000	32,250,000	32,250,000	32,250,000
Add : weighted average number of potential equity shares on account of employee options	-	1,454,020	1,454,020	1,454,020	1,454,020
Weighted average number of shares outstanding	-	33,704,020	33,704,020	33,704,020	33,704,020
<b>Diluted EPS (₹)</b>	-	<b>225.86</b>	<b>204.31</b>	<b>170.22</b>	<b>128.52</b>

**After extraordinary items**

Basic earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Restated profit after tax (₹ Million)	-	7,691.61	9,283.42	5,737.26	4,331.48
Weighted average number of shares outstanding	-	32,250,000	32,250,000	32,250,000	32,250,000
<b>Basic EPS (₹)</b>	-	<b>238.50</b>	<b>287.86</b>	<b>177.90</b>	<b>134.31</b>

Diluted earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Weighted average number of shares outstanding	-	32,250,000	32,250,000	32,250,000	32,250,000
Add : weighted average number of potential equity shares on account of employee options	-	1,454,020	1,454,020	1,454,020	1,454,020
Weighted average number of shares outstanding	-	33,704,020	33,704,020	33,704,020	33,704,020
<b>Diluted EPS (₹)</b>	-	<b>228.21</b>	<b>275.44</b>	<b>170.22</b>	<b>128.52</b>

**(B) Basic and diluted earnings per share (EPS) at face value of ₹ 1**

**Before extraordinary items**

Basic earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Restated profit after tax (₹ Million)	9,221.77	7,612.53	6,886.10	5,737.26	4,331.48
Weighted average number of shares outstanding	163,914,663	161,250,000	161,250,000	161,250,000	161,250,000
<b>Basic EPS (₹)</b>	<b>56.26</b>	<b>47.21</b>	<b>42.70</b>	<b>35.58</b>	<b>26.86</b>

Diluted earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Weighted average number of shares outstanding	163,914,663	161,250,000	161,250,000	161,250,000	161,250,000
Add : weighted average number of potential equity shares on account of employee options	392,052	7,270,100	7,270,100	7,270,100	7,270,100
Weighted average number of shares outstanding	164,306,715	168,520,100	168,520,100	168,520,100	168,520,100
<b>Diluted EPS (₹)</b>	<b>56.13</b>	<b>45.17</b>	<b>40.86</b>	<b>34.04</b>	<b>25.70</b>



### After extraordinary items

Basic earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Restated profit after tax (₹ Million)	9,221.77	7,691.61	9,283.42	5,737.26	4,331.48
Weighted average number of shares outstanding	163,914,663	161,250,000	161,250,000	161,250,000	161,250,000
<b>Basic EPS (₹)</b>	<b>56.26</b>	<b>47.70</b>	<b>57.57</b>	<b>35.58</b>	<b>26.86</b>

Diluted earnings per share	2015-16	2014-15	2013-14	2012-13	2011-12
Weighted average number of shares outstanding	163,914,663	161,250,000	161,250,000	161,250,000	161,250,000
Add : weighted average number of potential equity shares on account of employee options	392,052	7,270,100	7,270,100	7,270,100	7,270,100
Weighted average number of shares outstanding	164,306,715	168,520,100	168,520,100	168,520,100	168,520,100
<b>Diluted EPS (₹)</b>	<b>56.13</b>	<b>45.64</b>	<b>55.09</b>	<b>34.04</b>	<b>25.70</b>

The Company has split its equity shares from face value of ₹ 5 to face value of ₹ 1 per equity share on 22 June 2015. Consequently disclosure of EPS is given both before and after the split for convenience of readers.

### (C) Net asset value per share at face value of ₹ 5

	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Net asset value per share</b>	-	628.32	499.32	415.13	342.75

### (D) Net asset value per share at face value of ₹ 1

	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Net asset value per share</b>	119.11	125.66	98.86	83.03	68.55

The Company has split its equity shares from face value of ₹ 5 to face value of ₹ 1 per equity share on 22 June 2015. Consequently disclosure of net asset value per share is given both before and after the split for convenience of readers.

### (E) Return on net worth

	2015-16	2014-15	2013-14	2012-13	2011-12
Restated profit after tax (₹ Million)	9,221.77	7,612.53	6,886.10	5,737.26	4,331.48
Average net worth	20,245.16	18,183.20	14,745.46	12,220.80	11,205.67
<b>Return of net worth %</b>	<b>45.55%</b>	<b>41.87%</b>	<b>46.70%</b>	<b>46.95%</b>	<b>38.65%</b>

- 1) Earnings per share (Basic) = 
$$\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$
- 2) Earnings per share (Diluted) = 
$$\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$$
- 3) Net asset value per share = 
$$\frac{\text{Net worth at the end of the year}}{\text{Equity shares outstanding at the end of the year}}$$
- 4) Return on net worth = 
$$\frac{\text{Net profit after tax}}{\text{Average net worth (average of two years)}}$$

**Annexure XXIV: Restated consolidated capitalisation statement**

₹ Million

Particulars	Pre issue as at 31 March 2016	As adjusted for IPO (Refer note below)
Secured loans	279.74	279.74
Unsecured loans	265.02	265.02
<b>Total debt</b>	<b>544.76</b>	<b>544.76</b>
<b>Shareholders' funds</b>		
<b>Share capital (A)</b>	<b>169.82</b>	<b>169.82</b>
<b>Reserves and surplus (B)</b>	<b>20,057.02</b>	<b>20,057.02</b>
- General reserve	4,490.31	4,490.31
- Hedging reserve	(2,695.02)	(2,695.02)
- Securities premium reserve	1,385.40	1,385.40
- Profit and loss account	16,399.44	16,399.44
- Employee stock options outstanding	53.32	53.32
- Foreign currency translation reserve	423.57	423.57
<b>Total shareholders' funds (A) + (B)</b>	<b>20,226.84</b>	<b>20,226.84</b>
<b>Debt equity ratio (Number of times)</b>	<b>0.03</b>	<b>0.03</b>

**Note:** Larsen and Toubro Limited (the holding company) is proposing to offer the equity shares of the Company to the public by way of an initial public offering. Hence there will be no change in the shareholders' funds post issue.

**Annexure XXV: Restated consolidated statement of dividend paid****₹ Million**

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Dividend paid on equity shares					
Rate of dividend (%) (Face value of ₹ 1 per share)	3,265%	-	-	-	-
Rate of dividend (%) (Face value of ₹ 5 per share)	-	2,980%	3,420%	1,880%	1,580%
Dividend paid per share (Face value of ₹ 1 per share)	32.65	-	-	-	-
Dividend paid per share (Face value of ₹ 5 per share)	-	149.00	171.00	94.00	79.00
Dividend paid on equity shares	5,467.30	4,805.25	5,514.75	3,031.50	2,547.75
Tax on dividend paid	1,048.71	906.32	937.23	496.17	413.32

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

**Sanjay Jalona***Chief Executive Officer &  
Managing Director***R. Shankar Raman***Director***Firdosh D. Buchia**

Partner

Membership No: 38332

Mumbai

25 May 2016

**Ashok Kumar Sonthalia***Chief Financial Officer***Subramanya Bhatt***Company Secretary*

Mumbai

25 May 2016

## STATEMENT OF CAPITALISATION

### Restated unconsolidated capitalisation statement

We have set out below the post-Offer details of the restated unconsolidated statement of capitalisation, in addition to the statement of capitalisation stated in relation to Annexure XXIV of the unconsolidated Restated Financial Statements on page 228 (which was to be calculated upon completion of the Offer).

₹ Million

Particulars	Pre issue as at 31 March 2016	As adjusted for IPO (Refer note below)
Secured loans	279.74	279.74
Unsecured loans	265.02	265.02
<b>Total debt</b>	<b>544.76</b>	<b>544.76</b>
<b>Shareholders' funds</b>		
<b>Share capital (A)</b>	<b>169.82</b>	<b>169.82</b>
<b>Reserves and surplus (B)</b>	<b>18,462.89</b>	<b>18,462.89</b>
General reserve	3,771.27	3,771.27
Hedging reserve	(2,695.02)	(2,695.02)
Securities premium reserve	1,385.40	1,385.40
Profit and loss account	15,947.50	15,947.50
Employee stock options outstanding	53.32	53.32
Capital Reserve	0.42	0.42
<b>Total shareholders' funds (A) + (B)</b>	<b>18,632.71</b>	<b>18,632.71</b>
<b>Debt equity ratio (Number of times)</b>	<b>0.03</b>	<b>0.03</b>

1. Larsen and Toubro Limited (the holding company) is proposing to offer the equity shares of the Company to the public by way of an initial public offering. Hence there will be no change in the shareholders' funds post issue.
2. On June 17, 2016, the Company has allotted 27,350 Equity Shares under the Existing Employee Stock Option Plans and accordingly, the issued and paid up equity share capital of the Company post this allotment is ₹169.84 million. Since the Offer is an offer for sale by Larsen and Toubro Limited, there will be no change in the shareholders' funds and reserves and surplus post issue.

## Restated consolidated capitalisation statement

We have set out below the post-Offer details of the restated consolidated statement of capitalisation, in addition to the statement of capitalisation stated in relation to Annexure XXIV of the consolidated Restated Financial Statements on page 280 (which was to be calculated upon completion of the Offer).

₹ Million

Particulars	Pre issue as at 31 March 2016	As adjusted for IPO (Refer note below)
Secured loans	279.74	279.74
Unsecured loans	265.02	265.02
<b>Total debt</b>	<b>544.76</b>	<b>544.76</b>
<b>Shareholders' funds</b>		
<b>Share capital (A)</b>	<b>169.82</b>	<b>169.82</b>
<b>Reserves and surplus (B)</b>	<b>20,057.02</b>	<b>20,057.02</b>
- General reserve	4,490.31	4,490.31
- Hedging reserve	(2,695.02)	(2,695.02)
- Securities premium reserve	1,385.40	1,385.40
- Profit and loss account	16,399.44	16,399.44
- Employee stock options outstanding	53.32	53.32
- Foreign currency translation reserve	423.57	423.57
<b>Total shareholders' funds (A) + (B)</b>	<b>20,226.84</b>	<b>20,226.84</b>
<b>Debt equity ratio (Number of times)</b>	<b>0.03</b>	<b>0.03</b>

1. Larsen and Toubro Limited (the holding company) is proposing to offer the equity shares of the Company to the public by way of an initial public offering. Hence there will be no change in the shareholders' funds post issue.
2. On June 17, 2016, the Company has allotted 27,350 Equity Shares under the Existing Employee Stock Option Plans and accordingly, the issued and paid up equity share capital of the Company post this allotment is ₹ 169.84 million. Since the Offer is an offer for sale by Larsen and Toubro Limited, there will be no change in the shareholders' funds and reserves and surplus post issue.

## SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

*The financial statements have been prepared in accordance with Indian GAAP, which differs in certain material respects from IND AS.*

*The following table summarizes certain of the areas in which differences between Indian GAAP and IND AS could be significant to our financial position and results of operations. This summary should not be taken as an exhaustive list of all the differences between Indian GAAP and IND AS. No attempt has been made to identify all recognition and measurement, disclosures, presentation or classification differences that would affect the manner in which transactions or events are presented in our consolidated financial statements (or notes thereto). Certain principal differences between Indian GAAP and IND AS that may have a material effect on our consolidated financial statements are summarized below. Our management has not quantified all of the effects of the differences discussed below. Accordingly, no assurance can be provided to investors that our consolidated financial statements would not be materially different if prepared in accordance with IND AS.*

*Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and IND AS and how those differences might affect the financial information disclosed in this Prospectus.*

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
1.	Ind AS 1	Presentation of Financial Statements	<b>Other Comprehensive Income:</b> There is no concept of “other comprehensive income” under Indian GAAP, which is required under Ind AS. The items that would form part of Other Comprehensive Income under Ind AS are included in the income statement under Indian GAAP.	<b>Other Comprehensive Income:</b> Ind AS-1 requires the presentation of a statement of other comprehensive income as part of the financial statements. This statement presents all the items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind ASs.
			<b>Statement of Change in Equity:</b>  Indian GAAP does not require a statement of change in equity. However, information relating to the appropriation of profits and movement in capital and reserves is presented in the line items 'share capital' and 'reserves and surplus' in the balance sheet.	<b>Statement of Change in Equity:</b> Ind AS-1 requires the presentation of all transactions with equity holders in their capacity as equity holders to be presented in the statement of changes in equity (the “SOCIE”). The SOCIE is considered to be an integral part of financial statements.
			<b>Minority Interest:</b>  Under Indian GAAP, minority interest is presented separately from liabilities and equity.	<b>Minority Interest:</b>  Under Ind AS-1, minority interest (referred to as non-controlling interest) is presented as a component of equity.
			<b>Other disclosures:</b> There are no specific disclosure requirements under Indian GAAP for:  (a) Critical judgments made by the management in	<b>Other disclosures:</b>  Ind AS-1 requires disclosure of:  (a) Critical judgments made by the management in applying

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			<p>applying accounting policies;</p> <p>(b) Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and</p> <p>(c) Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.</p>	<p>accounting policies;</p> <p>(b) Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and</p> <p>(c) Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.</p>
			<p><b>Extraordinary items:</b></p> <p>Indian GAAP specifically requires the disclosure of certain items as extraordinary items in Net Profit or Loss for the Period.</p>	<p><b>Extraordinary items:</b></p> <p>Ind AS-1 prohibits the presentation of any item as an extraordinary item, either on the face of the income statement or in the notes to accounts.</p>
			<p><b>Change in Accounting Policies:</b></p> <p>Indian GAAP requires the impact of material changes in accounting policies to be shown in the financial statements. There is no requirement to present an additional balance sheet which retrospectively applies these policies.</p>	<p><b>Change in Accounting Policies:</b></p> <p>Ind AS-1 requires a third balance sheet as at the beginning of the earliest comparative period, where an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements, to be included in a complete set of financial statements.</p>
			<p><b>Dividends:</b></p> <p>Under Indian GAAP, proposed dividend is shown as appropriation of profit in profit and loss account balance forming part of reserves.</p>	<p><b>Dividends:</b></p> <p>As per Ind AS-1 proposed dividend is not to be recognised. The presentation of such disclosures in profit and loss account balance is not permitted until approved by the shareholders at an annual general meeting.</p>
2.	Ind AS 109	Financial Instruments - Premia on forward contracts	Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly. Exchange differences arising on such contracts are	<p>Under Ind-AS109, changes in the fair value of the derivative hedging instrument which are designated as "Cash flow hedges" are recognized under Other Comprehensive Income and held in Hedging Reserve (net of taxes) to the extent the hedges are effective.</p> <p>To the extent that the hedge is ineffective, changes in fair value are</p>

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			<p>recognized in the period in which they arise.</p> <p>All the other derivative contracts, including forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions, are recognized in the financial statements at fair value as on the date of the balance sheet.</p> <p>Under Accounting Standard (AS) 30 “Financial Instruments: Recognition and Measurement” on the accounting of derivative contracts, the gains or losses on the fair valuation/settlement of the derivative contracts covered under the standard are recognized in the statement of profit and loss or balance sheet (as the case may be) after applying the test of hedge effectiveness.</p> <p>Under the test of hedge effectiveness, where the hedge in respect of off-balance sheet items is effective, the gains or losses have to be recognized in the “hedging reserve” which forms part of “reserves and surplus” line item in the balance sheet. The amount recognized in the “hedging reserve” has to be transferred to the statement of profit and loss in the period in which the underlying hedged item affects the statement of profit and loss. Gains or losses in respect of ineffective hedges have to be recognized in the statement of profit and loss in the period in which such gains or losses are incurred.</p> <p>The premium paid/received on a foreign currency forward contract designated as Cash Flow hedge is accounted as expense/income over the life of the contract.</p>	<p>recognized in the statement of income and reported within foreign exchange gains/(losses), net. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument is recognized in hedging reserve until the period the hedge was effective remains in hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the hedging reserve is transferred to the statement of income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of income.</p> <p>Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges have to be recognized in the statement of income and reported within foreign exchange gains/(losses), net.</p> <p>The premium paid/received on a foreign currency forward contract designated as Cash Flow hedge is not recognized in either the statement of income or the balance sheet.</p>
3.	Ind AS 19	Employee Benefits -Treatment for actuarial gains or losses on retirement benefits	<p>Under India GAAP, Actuarial valuation is used to determine the present value of benefits obligation and is carried out every year. The fair value of the benefit obligations are determined at every balance sheet date.</p> <p>All actuarial gains or losses are recognized in the</p>	<p>Under Ind AS, Actuarial valuation to determine the present value of the net defined benefit liability/asset is performed with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would have been determined at the end of the reporting period.</p> <p>Actuarial gains or losses representing changes in the present value of</p>



Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			statement of profit and loss account.	the defined benefit obligation resulting from experience adjustment and effects of change in actuarial assumptions are recognized as a part of Other Comprehensive Income, except for leave encashment. Actuarial gains or losses related to leave encashment would continue to be recognized in the statement of profit and loss account.
4.	Ind AS 102	Recognition of ESOP charge	The guidance note on accounting of employee share based payments effective April 1, 2005 issued by the ICAI required unlisted companies to account for ESOP charge. The guidance note permits the use of either the intrinsic value or fair value for determining the cost of benefits arising from employee share based compensation plans. Under the intrinsic value method, the cost is the difference between the market price of the underlying share on the date of grant and the exercise price of the option. The fair value method is based on fair value of the option at the date of grant. The fair value is estimated using an option-pricing model (for eg. Black Scholes or Binomial model).	Under Ind AS, in case of equity settled transactions with employees, the fair value as of the grant date of the equity instrument should be used. The fair value is estimated using an option-pricing model (for e.g. Black Scholes or Binomial model).
5.	Ind AS 17	Leases:  Operating lease rentals	Under Indian GAAP, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern of the users benefit.	Under IND-AS 17, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless either of the below:  a) another systematic basis is more representative of the time pattern of the user's benefit, or  b) The payments to the lessor are structured to increase in line with expected general inflation for cost increases.
		Fair valuation of rent deposits	There is no specific accounting treatment specified under Indian GAAP for the accounting of deposits provided by the lessee under a lease. Deposits are generally accounted as assets at historical cost.	Under Ind AS, in case of an operating lease, the difference between the nominal value and the fair value of the deposit under the lease is considered as additional rent payable. This is expensed on a straight line basis over the term of the lease.  The lessee also recognizes interest income using internal rate of return through its profit and loss over the life of the deposit.
6.	Ind AS 109	Financial Instruments - Provision	Under Indian GAAP, provisions are made for specific receivables based on circumstances such as. Credit default	In addition to the specific provisions under Indian GAAP, under Ind AS, at each reporting date, an entity shall assess whether the credit

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
		for doubtful debts	<p>of customer or disputes with customers.</p> <p>An enterprise should assess the provision of doubtful debts at each period end which, in practice, is based on relevant information such as past experience, actual financial position and cash flows of the debtors.</p> <p>Different methods are used for making provisions for bad debts, including ageing analysis and individual assessment of recoverability.</p>	<p>risk on trade receivables has increased significantly since initial recognition.</p> <p>When making the assessment, an entity shall use the Expected Credit Loss model to provide for a loss allowance over and above any provision for doubtful debts in the profit and loss statement.</p> <p>An entity shall measure expected credit losses to reflect the following:</p> <ul style="list-style-type: none"> <li>an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;</li> <li>the time value of money; and</li> </ul> <p>reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.</p>
7.	Ind AS 18	Accounting of Cash discount given to customers	Under Indian GAAP, cash discounts are treated as finance cost and hence reflected under expenses as part of finance costs.	Under Ind AS, cash discounts are reduced from the revenue from operations. If the same is not certain on the date of sale, an entity must estimate the amount of cash discount on that date.
8.	Ind AS 109	Accounting of Current Investments	Under Indian GAAP, long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is not temporary in nature. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds are stated at the lower of cost and fair value.	<p>A financial asset is measured at amortized cost if it meets the following criteria:</p> <ul style="list-style-type: none"> <li>the asset is held to collect its contractual cash flows.</li> <li>the asset's contractual cash flows represent 'solely payments of principal and interest' ('SPPI').</li> </ul> <p>Financial assets included within the amortized cost category are initially recognized at fair value and subsequently measured at amortized cost. A financial asset is measured at fair value through the Other Comprehensive Income if it fulfils the following requirements:</p> <ul style="list-style-type: none"> <li>the objective of the business model is achieved both by</li> </ul>

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
				<p>collecting contractual cash flows and by selling financial assets.</p> <ul style="list-style-type: none"> <li>the asset's contractual cash flows represent SPPI.</li> </ul> <p>Financial assets included within the Fair value through other comprehensive income (FVTOCI) category are initially recognized and subsequently measured at fair value.</p> <p>Movements in the carrying amount will be taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in profit and loss. Where the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.</p> <p>Fair value through profit &amp; loss (FVTPL) is the residual category. Financial assets will be classified as FVTPL if they do not meet the criteria of FVTOCI or amortized cost. Financial assets included within the FVTPL category will be measured at fair value with all changes taken through profit or loss. Regardless of the business model assessment, an entity can elect to classify a financial asset at FVTPL, if doing so, reduces or eliminates a measurement or recognition inconsistency ('accounting mismatch')</p>
9.	Ind AS 21	Effects of changes in Foreign Exchange Rates:  Functional and presentation currency	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are prepared. Under Indian GAAP, there is no concept of functional currency.	Under Ind AS, the functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.
		Translation of foreign subsidiaries	<p>Under Indian GAAP, the translation of financial statements of a foreign operation to the reporting currency of the parent/investor depends on the classification of that operation as integral or non-integral.</p> <p>In the case of an integral foreign operation, monetary assets are translated at closing rate. Non-monetary items are translated at historical rate if they are valued at cost.</p>	Under Ind AS, assets and liabilities should be translated from the functional currency to the presentation currency at the closing rate at the date of the statement of financial position, income and expenses at actual/average rates for the period; exchange differences are recognized in other comprehensive income and accumulated in a separate component of equity. These are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			<p>Non-monetary items which are carried at fair value or other similar valuation are reported using the exchange rates that existed when the values were determined. Income and expense items are translated at historical/average rate. Exchange differences are taken to the statement of profit and loss.</p> <p>For non-integral foreign operations, closing rate method should be followed (i.e. all assets and liabilities are to be translated at closing rate while profit and loss account items are translated at actual/average rates). The resulting exchange difference is taken to reserve and is recycled to profit and loss on the disposal of the non-integral foreign operation.</p>	<p>on disposal is recognized.</p> <p>Treatment of disposal depends on whether control is lost or not. Thus, if control is lost, the exchange difference attributable to the parent is reclassified to profit or loss from foreign currency translation reserve in other comprehensive income.</p>
10.	Ind AS 103	Accounting of acquisitions (business combinations) - Measurement of Goodwill	<p>Upon an acquisition, any excess of the amount of the purchase consideration over the value of net assets of the transferor company acquired by the transferee company is recognized in the transferee company's financial statements as goodwill on acquisition.</p> <p>The goodwill is tested for impairment at each balance sheet date.</p>	<p>Upon an acquisition, the purchase price allocation should be made by fair valuation of all assets including intangibles.</p> <p>Goodwill is measured as the difference between;</p> <ul style="list-style-type: none"> <li>the aggregate of a) the fair value of the consideration transferred on the acquisition date; b) the amount of any non-controlling interest.</li> <li>the net of the acquisition date fair values of the identifiable assets acquired and the liabilities assumed after adjusting deferred tax assets and liabilities</li> </ul> <p>The goodwill is tested for impairment at each balance sheet date.</p>
11.	Ind AS 12	Deferred Taxes: P&L vs. Balance Sheet Approach	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purpose of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.
		Temporary difference in Assets/Liabilities	Deferred tax liability / asset which is created for premia on forward contracts is accounted in the profit and loss statement. This is required since the Income Computation & Disclosure Standards (ICDS) has been effective April 1, 2015, under which forex gains/losses are taxed/deducted	Deferred tax liability/asset which is created for premia on forward contracts is accounted in the profit and loss statement will no longer be created.

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			on settlement of forward contracts.	Deferred tax asset/liability on account of provision for doubtful debts and fair valuation of current investments will change considering the ECL model and fair value of investments.
		Deferred tax on unrealized intra-group profits	Deferred tax is not recognized. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	Deferred tax assets/Deferred Tax Liabilities will need to be created on unrealized intragroup profit. Deferred tax on unrealized intra group profits is recognized at the buyer's rate.

## FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of business for the purposes of meeting working capital requirements.

Set forth below is a brief summary of our aggregate borrowings as of March 31, 2016:

Category of borrowing	Sanctioned Amount (in ₹ million)	Outstanding amount (in ₹ million) as on March 31, 2016
<b><i>Borrowings of our Company</i></b>		
<b><i>A. Fund based borrowings</i></b>		
<b>Term loans</b>		
Secured	490.66	147.23
<b>Working capital loans</b>		
Secured	440.00	132.51
Unsecured	3,070.00	265.02
<b><i>B. Non fund borrowings</i></b>		
Bank guarantees	2,020.00	1,165.54
<b>Total</b>	<b>6,020.66</b>	<b>1,710.30</b>
<b><i>Borrowings of L&amp;T Infotech Financial Services Technologies Inc.</i></b>		
<b>Working capital loans</b>		
Secured	358.61*	-
<b>Total</b>	<b>358.61*</b>	<b>-</b>

\* As on March 31, 2016, no amount of secured loan sanctioned to LTIFST has been availed by LTIFST.

### Principal terms of the borrowings availed by us:

- Interest:** In terms of the loans availed by us, the interest rate is typically base rate plus basis points as specified by a given lender.
- Tenor:** The tenor of the working capital limits typically ranges from three months to six months and five years for the term loan.
- Security:** In terms of our borrowings where security needs to be created, we are typically required to create security by way of hypothecation of book debts and receivables and charge on movable fixed assets of our Company. There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.
- Re-payment:** The working capital facilities are typically repayable on maturity date. Some of our lenders typically have a right to modify or cancel the facilities without prior notice and require immediate repayment of all outstanding amounts. The repayment period for our term loan is in equal half yearly instalments.
- Covenants:** Borrowing arrangements entered into by our Company contain certain covenants to be fulfilled by our Company, including:
  - Submission of financial statements to our lenders, within a specified period;
  - Notification to our lenders upon entering into any amalgamation, consolidation, demerger, merger and upon breach of any of the covenants of the borrowing arrangements;
  - Refraining from changing our financial year end from the date we have currently adopted, refraining from reducing our Promoter's shareholding in our Company to below 51%, refraining from selling, letting out, transferring or disposing off all or substantial part of our assets without prior written consent of our lender and refraining from declaring dividends or distributing profits except where the instalments of principal and interest payable to a particular lender is being paid regularly and there are no irregularities in relation thereto; and
  - Compliance of the financial covenants including in relation to maintenance of minimum net debt to EBITDA ratio, minimum tangible net worth, minimum fixed asset cover and maximum net gearing.
- Events of Default:** Borrowing arrangements entered into by our Company contain standard events of default, including:
  - Change in constitution of our Company which would in the opinion of the bank would adversely affect the interest of the bank;

- b) Cross defaults;
- c) Material adverse change to the business, assets or condition of our Company which is likely to have a material adverse effect on the financial condition of our Company; and
- d) Breach of the obligations under any term of the relevant agreement or any other borrowing agreement entered into by our Company.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial information as of and for the Financial Years ended March 31, 2016, 2015 and 2014, including the notes thereto and reports thereon, each included in this Prospectus, and our assessment of the factors that may affect our prospects and performance in future periods. Our restated financial information included in this Prospectus is prepared under Indian GAAP, in accordance with requirements of the Companies Act, 2013, as amended, and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Restated Financial Statements beginning on page 183 of this Prospectus will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP. Further, with effect from April 1, 2016, we are required to prepare our financial statements in accordance with Ind AS. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2016 may not be comparable to our historical financial statements. See also "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies", "Summary of Significant Differences between Indian GAAP and Ind AS" and "Risk Factors - Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the "ICDS"). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition." on pages 318, 284 and 37 to 38, respectively. This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "Risk Factors" and "Forward Looking Statements" beginning on pages 16 and 15, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.*

*The USD financial information included in this Prospectus has not been audited but has been reviewed by our auditors, and is based on internally generated information derived from our management information systems. Accordingly, there can be no assurance that, had an audit been conducted in respect of such USD financial information, the financial information presented therein would not have been materially different, and investors should therefore construe such financial information accordingly.*

### Overview

We are one of India's global IT services and solutions companies. In 2015, NASSCOM ranked us as the sixth largest Indian IT services company in terms of export revenues. We were amongst the top 20 IT service providers globally in 2015 according to the Everest Group's PEAK Matrix for IT service providers. Our clients comprise some of the world's largest and well-known organisations, including 49 of the Fortune Global 500 companies.

We offer an extensive range of IT services to our clients in diverse industries such as banking and financial services, insurance, energy and process, consumer packaged goods, retail and pharmaceuticals, media and entertainment, hi-tech and consumer electronics and automotive and aerospace. Our range of services includes application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions and platform-based solutions. We serve our clients across these industries, leveraging our domain expertise, diverse technological capabilities, wide geographical reach, an efficient global delivery model, thought partnership and "new age" digital offerings.

We were incorporated in 1996 and are headquartered in Mumbai, India. We leverage the strengths and heritage of our Promoter, Larsen & Toubro Limited, a leading Indian conglomerate in engineering, construction, manufacturing, finance and technology. The L&T group provides us with access to professionals with deep industry knowledge in the sectors in which we do business. We have also inherited from the L&T group its corporate and business culture and corporate governance practices, which in our view places us in good stead in relation to our business. In addition, we benefit from our "Business-to-IT Connect" model, which we derive from the commonality of business verticals with our Promoter. For further details, see "Our Business – Our Competitive Strengths – Strong domain focus enabling Business-to-IT Connect" on pages 105 to 106.

Our growth has been marked by significant expansion of business verticals and geographies in which we do business. Besides India, we provide services globally and the percentage of our revenue from continuing operations from North America, Europe, Asia Pacific and the rest of the world amounted to 69.0%, 17.4%, 2.0% and 5.8% for Financial Year 2016 and 68.6%, 17.9%, 2.4% and 6.9%, for Financial Year 2015, respectively. As of May 31, 2016, we had 22 Delivery Centres and 41 sales offices globally.

As part of a business restructuring exercise conducted by our Promoter, all engineering services businesses of our Promoter have been consolidated under a separate subsidiary of our Promoter, LTTSL. As part of this restructuring, on January 1, 2014, we sold and transferred the assets and liabilities of our PES Business to LTTSL. Our PES Business was responsible for the



operations of our telecom cluster, providing IT services and solutions to our clients in the telecommunication sector. For further details on our PES Business, see “Our Business – Notable Developments” on page 118.

Our revenue from continuing operations increased by a CAGR of 13.5% from ₹45,351.64 million in Financial Year 2014 to ₹58,470.60 million in Financial Year 2016. Our USD revenue from continuing operations comprise amounts in foreign currencies across our operations, excluding the United States, that are converted into USD using the month-end/day-end exchange rates for the relevant period. In USD terms, our revenue from continuing operations increased by a CAGR of 9.0% from USD 746.6 million in Financial Year 2014 to USD 887.2 million in Financial Year 2016. Our net profit from continuing operations increased by a CAGR of 18.2%, from ₹6,598.48 million in Financial Year 2014 to ₹9,223.06 million in Financial Year 2016. Our total number of employees increased by 13.9%, from 17,627 as of March 31, 2014 to 20,072 as of March 31, 2016.

### **Note Regarding Non-Comparability of Results of Operations**

As part of a business restructuring exercise conducted by the L&T group, our PES Business has been consolidated under a separate subsidiary of our Promoter, LTTSL. For further details of the restructuring, see “Our Business- Notable Developments” on page 118. As a result of this restructuring, and as a consequence of the timing of the transfer of businesses in Germany being different from that in other countries, we have recognised certain revenues and expenses relating to our PES Business for a nine-month period in Financial Year 2014 (excluding the operations in Germany of our PES Business, which have been included in the Restated Financial Statements for Financial Year 2014 for a full twelve-month period) and in Financial Year 2015 (in relation to the operations in Germany of our PES Business), as results of discontinued operations in our restated consolidated financial information presented in this Prospectus. We did not recognise any revenues and expenses on account of such discontinued operations in our restated consolidated financial statements for Financial Year 2016 included in this Prospectus. In addition, while our restated consolidated financial information discloses summary results from these discontinued operations as distinct from the results of our continuing operations, certain line items in our profit and loss account do not draw this distinction. For example, our employee benefits expense, which is the most significant item of expenditure in our profit and loss account, does not separately disclose those expenses attributable to continuing operations and those expenses attributable to discontinued operations. As a result of the foregoing, our total results of operations for the three Financial Years presented herein are not comparable with one another.

### **Significant Factors Affecting Our Results of Operations**

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. This section sets out certain key factors that our management believes have historically affected our results of operations during the period under review, or which could affect our results of operations in the future.

#### **Client relationships**

Client relationships are at the core of our business. We have a history of high client retention and derive a significant proportion of our revenues from repeat business (defined as repeat business generated in the preceding Financial Year) built on our successful execution of prior engagements. In Financial Years 2016, 2015 and 2014, we generated 96.9%, 98.1% and 96.9%, respectively, of our revenue from continuing operations from existing clients. In addition, we are dependent on certain key clients who may exert pricing pressure upon us. For further details, see “Our Business- Our Competitive Strengths- Established long- term relationships with our clients”, “Our Business- Key Client Relationships”, “Risk Factors- Our revenue depends to a large extent on a limited number of clients, and our revenue could decline if we lose a major client.” from pages 106, 122 to 123 and 23 respectively.

As a client relationship matures and deepens, we seek to maximise our revenues and profitability by expanding the scope of IT services offered to that client with the objective of winning more business from our clients, particularly in relation to our more substantive and value-added IT service offerings. To do this, we take part in client analysis to identify opportunities with our portfolio of existing clients, and use our relevant industry and service line experience to market additional offerings to our clients. We view this approach as important in order to re-evaluate the relevance and criticality of our IT service offerings to our clients’ businesses as they grow and evolve, as well as an opportunity to further strengthen and build long-term relationships with such clients. We believe that our ability to establish and strengthen client relationships and expand the scope of IT services we offer to clients will be an important factor in our future growth and our ability to continue increasing our profitability.

#### **Composition of revenue portfolio**

Our ability to achieve growth in our revenues is dependent on composition of the proportion of work performed onsite and offshore through our global delivery model (see “Our Business – Global Delivery Model”) from pages 118 to 119.

Our offshore export revenues consist of revenues from IT services performed in our facilities in India. Our onsite export revenues consist of revenues from software services performed at clients’ premises or from our Delivery Centres outside India. Onsite export services typically generate higher revenues than the same services performed offshore, and our profit

margins are typically higher if work is performed offshore as compared to onsite. Accordingly, the mix of IT services performed onsite and offshore has an impact on our ability to achieve higher profit margins. We regularly monitor the proportion of work performed onsite and offshore on a project-by-project, client-by-client basis and at an overall organisation level in order to achieve an optimal level of revenues and margins.

The following table shows the proportionate contribution from our onsite and offshore export revenue for the periods indicated:

	Percentage of export revenue from continuing operations		
	Financial Year		
	2016	2015	2014
Onsite	52.3%	51.8%	53.9%
Offshore	47.7%	48.2%	46.1%

In addition, our growth and margin performance will depend on the potential demand for IT services and solutions in the business segments in which we operate and on the composition of our revenues across business segments, including the geographic composition of revenues, the industrial vertical composition of revenues and the IT service offerings composition of revenues. For example, our strategic focus on high growth IT service offerings such as emerging technologies and IMS offerings. For further details, see “Our Business – Our Business Strategies – Continue to focus on emerging technologies” and “Our Business – Our Business Strategies – Expand our focus on infrastructure management services” from pages 108 – 109 is likely to have an impact on our ability to generate higher business in the future.

Further, a key part of our strategy is to focus on business verticals and geographical locations where we believe IT spend is high, or will increase, in the future. With respect to our business verticals, we expect growth in relation to our banking and financial services, insurance and energy and process business verticals. With respect to our geographies, we are aiming to expand our presence outside of the United States and Europe (with certain notable exceptions, including the Nordic region and Germany, where we intend to continue expanding our presence) in markets that in our view offer high potential for our IT service offerings. These include Australia, Singapore, Japan, South Africa, India and the Middle East. For further details, see “Our Business – Our Business Strategies – Expand our geographical presence” on page 109.

Our ability to sustain increasing revenues and margins will be dependent on our ability to maintain an optimal mix of revenues generated onsite and offshore and from our business verticals, service lines and the geographies in which we do business, and to successfully implement these strategies.

### Employees and employee costs

A principal component of our ability to compete effectively is our ability to attract and retain qualified employees. Our number of employees increased to 20,072 as of March 31, 2016 from 19,479 as of March 31, 2015 and 17,627 as of March 31, 2014 (in each case, excluding our PES Business).

The principal component of the overall cost of our sales is employee benefits expenses, which, in Financial Years 2016 and 2015, constituted 57.5% and 57.7%, respectively of our total income. Wage costs in India, including in the IT services industry, have historically been more competitive than wage costs in the United States, Europe and other developed economies. However, if wage costs in India continue to increase at a rate faster than in the United States, Europe and other developed economies due to competitive pressures, we may experience a greater increase in our employee costs, thereby eroding one of our principal cost advantages over competitors in the United States, Europe and other developed economies, as well as other offshore services destinations such as China, the Philippines, Eastern Europe and Latin America. In addition, our ability to manage our employee benefit expenses will also be heavily impacted by our onshore and offsite export revenue mix, as well as our resource mix. Furthermore, we expect that the recent increases in visa fees on the U.S. H-1B and L-1 visas will increase our employee costs. See also “Risk Factors – Challenges in relation to immigration may affect our ability to compete for, and provide services to, clients in the United States and/or other countries, partly because we may be required to hire locals instead of using our existing work force, which could result in lower profit margins, delays in, or losses of, client engagements and otherwise adversely affect our ability to meet our growth, revenue and profit projections. We cannot assure you that we will not be subject to penalties in relation to employment visa violations in the future.” from pages 20 to 21.

In addition, as we continue to invest in the recruitment and retention of sales and administration staff in line with our growth and expand our markets. For details, see “Our Business – Our Business Strategies – Expand our geographical presence” on page 109, we are likely to incur costs in relation to our market penetration, sales and marketing initiatives, and for the recruitment of sales and administrative employees located in India and overseas.

Our Company has granted 12,935,449 options (after adjustment for the sub-division of equity shares of our Company from face value of ₹5 each to ₹1 each) to the eligible employees under the Existing Employee Stock Option Plans. The objective of the ESOP Scheme, 2000 is to reward those employees who contribute significantly to our Company’s profitability and shareholder’s value as well as encourage improvement in performance and retention of talent. As of date of this Prospectus,

the total options outstanding under the ESOP Scheme, 2000 are 2,403,166 (after adjustment for the sub-division of equity shares of our Company from face value of ₹5 each to ₹1 each)

The main objective of the U.S Sub-Plan, 2006 is to attract and retain the best available personnel, to provide additional incentive to the employees of our Company, its holding company and its subsidiaries, to promote the success of our Company's business and to enable the employees to share in the growth and prosperity of our Company by providing them with an opportunity to purchase stock in our Company. As of date of this Prospectus, the total options outstanding under the U.S Sub-Plan, 2006 are 143,650 (after adjustment for the sub-division of equity shares of our Company from face value of ₹5 each to ₹1 each).

As of the date of this Prospectus, 8,593,538 options have been exercised by the employees and former employees of our Company under the ESOP Scheme, 2000 and U.S Sub-Plan, 2006.

Our Company has also instituted ESOP Scheme, 2015 to reward our employees for their contributions to us. The issue of Equity Shares pursuant to the Existing Employee Stock Option Plans and ESOP Scheme, 2015 will be subject to compliance with applicable laws and regulations, including the securities laws of foreign jurisdictions. As of the date of the Prospectus, 3,166,900 options have been granted under the ESOP Scheme, 2015.

### **Foreign currency fluctuations**

Since our key clients are foreign corporate and the majority of our revenues are generated outside of India (see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Segmental Reporting – Geographic segmentation" below) we are exposed to translation and transaction foreign exchange risks (see "Risk Factors – Exchange rate fluctuations in various currencies in which we do business could negatively impact our business, financial condition and results of operations" on pages 19 to 20). Although we partly benefit from a natural hedge for our foreign currency revenues against our foreign currency expenses, we also have an exposure to foreign exchange rate risk in respect of revenues or expenses entered into in a currency where corresponding expenses or revenues are denominated in different currencies. Such transactions are generally denominated in USD, Euro, Canadian Dollars, British Pound Sterling and South African Rand. For further details in relation to our unhedged receivables and payables, see Annexure IV (C) (2) in our consolidated Restated Financial Statements in "Financial Statements" on page 248. We manage, in part, our foreign exchange risk by entering into forward contracts. In Financial Years 2016 and 2015, we experienced net foreign exchange gain of ₹2,795.57 million and ₹667.81 million, respectively and in Financial Year 2014, we experienced net foreign exchange loss of ₹1,048.05 million. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures about Market Risk - Foreign Currency Exchange Rate Risk" on page 317.

In addition, the overall competitiveness of the Indian IT industry in the global market is also significantly dependent on favourable exchange rates. Any significant appreciation of the Rupee against foreign currencies, especially the USD and the Euro, is likely to have an impact on our ability to compete effectively with international competitors, and maintain or grow our profit margin.

### **Tax benefits for Indian IT companies**

We have historically benefited from the direct and indirect tax benefits given by the Government for the export of IT services from SEZs, including for our business. As a result, a substantial portion of our profits is exempt from income tax leading to a lower overall effective tax rate than that which we would otherwise enjoy if we were doing business outside SEZs, and we will continue to enjoy these benefits in the near future. Our effective tax rate was 19.6% and 18.0%, respectively in Financial Years 2016 and 2015. For further details, see "Risk Factors – If there is a change in tax regulations, our tax liabilities may increase and thus adversely affect our financial position and results of operations. We would indeed realise lower tax benefits if the special tax holiday scheme for units set up in special economic zones is substantially modified" from pages 18 to 19.

Until March 31, 2011, direct and indirect tax benefits were also available for the export of IT services from software development centres registered under the STPI Scheme, including for our business. From April 1, 2011 onwards, we have enjoyed only indirect tax benefits for our business through software development centers registered under the STPI Scheme.

### **The effect of the sale and transfer of our PES Business**

For further information on the restructuring effected by the L&T group, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Note Regarding Non-Comparability of Results of Operations", "Our Business – Notable Developments" and Annexure IV (C) (6) to our consolidated Restated Financial Statements in "Financial Statements" on page 295, 118 and 250 to 251, respectively.

As a result of the restructuring, we have recognised profit on the sale and transfer of our PES Business in Financial Years 2015 and 2014 as an extraordinary item, which has not occurred in Financial Year 2016 and will not occur in other future financial periods. In addition, we have also recognised revenues from the discontinued operations of our PES Business for

Financial Years 2015 and 2014, which we have not recognised in Financial Year 2016 and will not recognise in other future financial periods. Accordingly, the results of operations presented herein may not be comparable.

### ***Transition from Indian GAAP to Ind AS***

The Government of India has notified Ind AS and the timelines for its implementation. Pursuant to the notification, we are required to prepare our financial statements in accordance with Ind AS from the period beginning April 1, 2016. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, the transition to Ind AS may have a significant impact on our financial results, in particular on our foreign exchange gain / (loss), which forms part of our Other Income. We discuss the transition to Ind AS in the context of foreign exchange gain/(loss) below:

In order to mitigate our foreign exchange risk, we have a long-term hedging policy. We hedge the major currencies in which we transact business by entering into forward contracts with banks. Our forward contracts are run on a net exposure basis, typically for a period of up to three years. These forward contracts provide for payments by banks to us in the situations where the spot exchange rate on maturity is lower than the rate at which forward contracts were entered and payment by us to the banks in situations where the spot exchange rate on maturity is higher than the rate at which forward contracts were entered. Under Indian GAAP, such forward contracts are treated as foreign currency transactions and accounted for accordingly. The exchange differences arising on such contracts are recognised in the period in which they arise and the premium paid/received is accounted as expense/income over the period of the contract and the impact is reversed upon maturity of the contract. For details, see “ - Critical Accounting Policies – Foreign Exchange Transactions” and “Annexure IVB: Significant Accounting Policies – 13. Foreign Currency Transactions” in our consolidated Restated Financial Statements.

However, under Ind AS, the premium paid/received is not accounted as expense/income over the period of the contract. Under Ind AS, the changes in the fair value of derivative hedging instruments are recognised as part of the schedule on "Other Comprehensive Income", which does not form part of the statement of profit and loss. Upon settlement of the hedging transaction, the cumulative gain or loss previously recognised in the Other Comprehensive Income is transferred to the statement of profits and losses. For details, see “Summary of Significant Differences between Indian GAAP and Ind AS”. This change in accounting methodology is likely to have a significant impact on our financial results in future periods.

We discuss the impact of this change below using our consolidated financial results for Financial Year 2016, for illustration purposes only.

The discussion below takes into account the impact of the transition to Ind AS solely with respect to the foreign exchange gain/(loss) as explained above and not any other changes that may also have a quantitative impact on our consolidated financial results for Financial Year 2016. In addition, the changes to the line items quantified below are unaudited and have not been subjected to any limited review procedures. Our actual financial results may vary significantly if our financial results for Financial Year 2016 are prepared on the basis of Ind AS. See also, "Risk Factors - Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the "ICDS"). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition" on pages 37 to 38.

### ***Impact on the statement of profits and losses***

In Financial Year 2016, the depreciation of major currencies in which we transact business against the US dollar, was offset by the forward rates contracted with banks in the past. This, coupled with higher volume of forward contracts entered into and maturing in this period, led to a gain on settlement of our forward contracts and premia income, which we recognised as part of our other income. As a result of this, our foreign exchange gain was ₹ 2,795.57 million in Financial Year 2016.

If our financial statements for Financial Year 2016 had been prepared in accordance with Ind AS, our foreign exchange gain/(loss) would have been lower, as premia income would not have been included in foreign exchange gain/(loss). Set forth below are the constituents of our other income for Financial Year 2016:

<b>Other income</b>	<b>Financial Year 2016 (restated Indian GAAP)</b>
	<i>(₹ million)</i>
Income from current investment in mutual funds	68.44
Interest received	25.06
Foreign exchange gain/(loss) <sup>(1)</sup>	2,795.57
Provision for doubtful debts no longer required	1.08
Miscellaneous income	69.46
<b>Other income</b> <sup>(2)</sup>	<b>2,959.61</b>

Notes:

(1) Under Ind AS, our foreign exchange gain/(loss) would have been lower by ₹ 1,060.86 million, as premia income amounting to ₹ 1,060.86 million would not have been included in this line item.

(2) As a consequence of the above, our other income would have been lower by ₹ 1,060.86 million.

As a consequence of the above, our total income, operating profit and profit from continuing operations before tax would have been lower by ₹ 1,060.86 million; our current tax expense would have been higher by ₹ 306.68 million and our deferred tax expense would have been lower by ₹ 570.42 million. Consequently, our profit after tax for Financial Year 2016 would have been lower by ₹ 797.11 million as a result of the impact of the transition to Ind AS solely with respect to foreign exchange gain/(loss).

#### *Impact on the statement of assets and liabilities*

The table below shows the key items from our statement of assets and liabilities that would be impacted due to the transition to Ind AS with respect to the foreign exchange gain/(loss) as explained above:

Line item	As at March 31, 2016 (restated Indian GAAP)	Increase/ (decrease)* (unaudited)
	(₹ million)	(₹ million)
<b>Reserves and surplus</b>		
Hedging reserve (net of tax)	(2,695.02)	3,571.62 <sup>(1)</sup>
Profit and loss account – Closing balance	16,399.44	(3,001.20) <sup>(2)</sup>
Reserves and surplus	20,057.02	570.42 <sup>(3)</sup>
<b>Deferred tax liabilities</b>		
Premia on derivative transactions	(570.42)	570.42 <sup>(4)</sup>
Net Deferred tax liabilities	(1,206.25)	(570.42) <sup>(4)</sup>
<b>Other long term liabilities</b>		
Forward contract payable	1,148.52	(1,148.52) <sup>(5)</sup>
Other long term liabilities	1,250.52	(1,148.52) <sup>(5)</sup>
<b>Other current liabilities</b>		
Forward contract payable	1,574.11	(1,574.11) <sup>(6)</sup>
Other current liabilities	2,764.95	(1,574.11) <sup>(6)</sup>
<b>Long term loans and advances</b>		
Premia on forward contracts	1,280.43	(1,280.43) <sup>(7)</sup>
Forward contract receivable	-	131.91 <sup>(7)</sup>
Long term loans and advances	4,249.13	(1,148.52) <sup>(7)</sup>
<b>Short-term loans and advances</b>		
Premia on forward contracts	2,385.73	(2,385.73) <sup>(8)</sup>
Forward contract receivable	-	811.62 <sup>(8)</sup>
Short-term loans and advances	5,837.47	(1,574.11) <sup>(8)</sup>

#### Notes:

\* This column presents the increase or decrease in the line items on account of the impact of the transition to Ind AS solely with respect to foreign exchange gain/(loss). The numbers presented in this column are unaudited and have not been subjected to any limited review.

(1) Our hedging reserves (net of tax) would have increased by ₹ 3,571.62 million due to the removal of the impact of premia income from the fair valuation of hedges.

(2) Our profit and loss account – carried forward balance would have been lower by ₹ 3,001.20 million on account of not recognizing premia income in this line item.

(3) As a result of the foregoing, our reserves and surplus would have increased by ₹ 570.42 million.

(4) Premia on derivative transactions would not be recognised as part of our deferred tax liabilities. As a result, our deferred tax liabilities would have been lower by ₹ 570.42 million.

(5) Premia income of ₹ 1,280.43 million will be reduced from forward contract payable, which would result in forward contract receivables of ₹ 131.91 million. This amount would be recognised as forward contract receivables in our long term loans and advances (see note 7 below). As a result, our other long term liabilities would have been lower by ₹ 1,148.52 million.

- (6) Premia income of ₹ 1,574.11 million will be reduced from forward contracts payable, which would result in forward contract receivables of ₹ 811.62 million. This amount would be recognised as forward contract receivables in our short term loans and advances (see note 8 below). As a result, our other current liabilities would have been lower by ₹ 1,574.11 million.
- (7) Premia on forward contracts (amounting to ₹ 1,280.43 million) would not be recognised as part of our other long term loans and advances. In addition, as explained in note 5 above, forward contract receivable amounting to ₹ 131.91 million would be recognised as part of our long term loans and advances. As a result, our long term loans and advances would be lower by ₹ 1,148.52 million.
- (8) Premia on forward contracts (amounting to ₹ 1,574.11 million) would not be recognised as part of our short term loans and advances. In addition, as explained in note 6 above, forward contract receivable amounting to ₹ 811.62 million would be recognised as part of our short term loans and advances. As a result, our short term loans and advances would be lower by ₹ 1,574.11 million.

For a discussion of the significant differences between Indian GAAP and Ind AS, see "*Summary of Significant Differences between Indian GAAP and Ind AS*".

## Results of Operations

The following table shows a breakdown of our results of operations (including results from our discontinued operations) and each item as a percentage of total income for the periods indicated:

	For Financial Year					
	2016		2015		2014	
	(₹millions)	% of total income	(₹millions)	% of total income	(₹millions)	% of total income
<b>Income</b>						
Revenue from operations	58,470.60	95.2%	49,780.36	98.2%	49,204.98	101.7%
Other income	2,959.61	4.8%	915.00	1.8%	(833.18)	(1.7)%
<b>Total Income</b>	<b>61,430.21</b>	<b>100.0%</b>	<b>50,695.36</b>	<b>100.0%</b>	<b>48,371.80</b>	<b>100.0%</b>
<b>Expenses</b>						
Employee benefit expenses	35,346.58	57.5%	29,242.73	57.7%	27,581.57	57.0%
Operating expenses	6,710.80	10.9%	4,885.63	9.6%	4,891.51	10.1%
Sales, administration and other expenses	6,057.07	9.9%	5,607.43	11.1%	5,259.07	10.9%
<b>Total Expenses</b>	<b>48,114.45</b>	<b>78.3%</b>	<b>39,735.79</b>	<b>78.4%</b>	<b>37,732.15</b>	<b>78.0%</b>
<b>Operating profit</b>	<b>13,315.76</b>	<b>21.7%</b>	<b>10,959.57</b>	<b>21.6%</b>	<b>10,639.65</b>	<b>22.0%</b>
Finance costs	103.57	0.2%	104.19	0.2%	305.34	0.6%
Depreciation on tangible assets	736.67	1.2%	741.55	1.5%	589.03	1.2%
Amortisation of intangible assets	1,002.85	1.6%	837.85	1.6%	710.72	1.5%
	<b>1,843.09</b>	<b>3.0%</b>	<b>1,683.59</b>	<b>3.3%</b>	<b>1,605.09</b>	<b>3.3%</b>
<b>Profit before extraordinary items and tax</b>	<b>11,472.67</b>	<b>18.7%</b>	<b>9,275.98</b>	<b>18.3%</b>	<b>9,034.56</b>	<b>18.7%</b>
Profit from continuing operations before tax	11,472.67	18.7%	9,266.26	18.3%	8,541.36	17.7%
<b>Tax expenses for continuing operations</b>						
- Current tax	1,649.17	2.7%	1,630.45	3.2%	1,681.03	3.5%
- Deferred tax	600.44	1.0%	35.76	0.1%	261.85	0.5%
	<b>2,249.61</b>	<b>3.7%</b>	<b>1,666.21</b>	<b>3.3%</b>	<b>1,942.88</b>	<b>4.0%</b>
<b>Profit from continuing operations after tax</b>	<b>9,223.06</b>	<b>15.0%</b>	<b>7,600.05</b>	<b>15.0%</b>	<b>6,598.48</b>	<b>13.7%</b>
<b>Profit from discontinued operations before tax</b>	<b>—</b>	<b>-</b>	<b>9.72</b>	<b>-</b>	<b>493.20</b>	<b>1.0%</b>
<b>Tax expenses for discontinued operations</b>						
- Current tax	—	—	1.69	-	129.25	0.3%
<b>Profit from discontinued operations after tax</b>	<b>—</b>	<b>—</b>	<b>8.03</b>	<b>0.0%</b>	<b>363.95</b>	<b>0.7%</b>
<b>Profit for the year before minority interest</b>	<b>9,223.06</b>	<b>15.0%</b>	<b>7,608.08</b>	<b>15.0%</b>	<b>6,962.43</b>	<b>14.4%</b>
Minority Interest	1.29	—	1.90	-	0.77	-
<b>Net profit before extraordinary item</b>	<b>9,221.77</b>	<b>15.0%</b>	<b>7,606.18</b>	<b>15.0%</b>	<b>6,961.66</b>	<b>14.4%</b>
Extraordinary items (net of tax)	—	-	79.08	0.2%	3,002.42	6.2%
<b>Net profit after tax before restatement adjustments</b>	<b>9,221.77</b>	<b>15.0%</b>	<b>7,685.26</b>	<b>15.2%</b>	<b>9,964.08</b>	<b>20.6%</b>
<b>Restatement adjustments:</b>						
<b>Changes in accounting policies</b>						

	For Financial Year					
	2016		2015		2014	
	(₹millions)	% of total income	(₹millions)	% of total income	(₹millions)	% of total income
- Amortisation of goodwill	—	—	—	—	(85.08)	(0.2%)
- Provision for tax	—	—	—	—	—	—
- Amortisation of cost of long-term projects	—	—	6.35	0.0%	9.52	0.0%
<b>Extraordinary items:</b>						
- Goodwill written off	—	—	—	—	(605.10)	(1.2%)
<b>Net profit before extraordinary items as restated</b>	<b>9,221.77</b>	<b>15.0%</b>	<b>7,612.53</b>	<b>15.0%</b>	<b>6,886.10</b>	<b>14.2%</b>
<b>Extraordinary items (net of tax) as restated</b>	<b>—</b>	<b>0.0%</b>	<b>79.08</b>	<b>0.2%</b>	<b>2,397.32</b>	<b>5.0%</b>
<b>Net profit after tax as restated</b>	<b>9,221.77</b>	<b>15.0%</b>	<b>7,691.61</b>	<b>15.2%</b>	<b>9,283.42</b>	<b>19.2%</b>

### Segmental Reporting

Our segmental reporting comprises business and geographic segmentation.

#### Business segmentation

We report our continuing business operations in two business segments, which we term “clusters”: an industrials cluster (comprising the business verticals of energy and process, consumer packaged goods, retail and pharmaceuticals, hi-tech and consumer electronics, automotive and aerospace, plant equipment, and utilities, engineering and construction) and a services cluster (comprising the business verticals of banking and financial services, insurance, media and entertainment, travel and logistics and other miscellaneous business verticals). The business units within each cluster include certain horizontals from an organisational structure perspective, which are responsible for serving clients across both clusters. See “Our Business – Operations” beginning on page 110 for further information on our business clusters. In addition, our results of operations presented in this Prospectus also include a third cluster, our telecom segment, which constitutes our discontinued operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations – The effect of the sale and transfer of our PES Business” on pages 297 to 298.

The following table shows a breakdown of our segmental revenue by our business clusters, with each item represented as a percentage of revenue from operations for the periods indicated:

	For Financial Year					
	2016		2015		2014	
	(₹millions)	% of revenue from operations	(₹millions)	% of revenue from operations	(₹millions)	% of revenue from operations
<b>Revenue from operations</b>						
Industrials Cluster	26,937.56	46.1%	23,391.05	47.0%	22,902.67	46.6%
Services Cluster	31,533.04	53.9%	26,289.89	52.8%	22,448.97	45.6%
Telecom Cluster <sup>1</sup>	—	—	99.42	0.2%	3,853.34	7.8%
<b>Total revenue from operations</b>	<b>58,470.60</b>	<b>100.0%</b>	<b>49,780.36</b>	<b>100.0%</b>	<b>49,204.98</b>	<b>100.0%</b>



<sup>1</sup> Revenue from operations from our telecom cluster represents revenue from our discontinued operations, which was not recognised in Financial Year 2016 and will not be recognised in future periods. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations – The effect of the sale and transfer of our PES Business” above.

The following table shows a breakdown of our segmental operating profit by our business clusters, with each item represented as a percentage of total segmental operating profit for the periods indicated:

	For Financial Year					
	2016		2015		2014	
	(₹millions)	% of total segmental operating profit	(₹millions)	% of total segmental operating profit	(₹millions)	% of total segmental operating profit
<b>Segmental Profit</b>						
Industrials Cluster	6,896.37	48.1%	6,123.58	52.8%	7,477.77	56.5%
Services Cluster	7,439.75	51.9%	5,456.21	47.1%	4,907.64	37.1%
Telecom Cluster <sup>1</sup>	—	—	9.72	0.1%	856.31	6.4%
<b>Segmental Operating Profit</b>	<b>14,336.12</b>	<b>100.0%</b>	<b>11,589.51</b>	<b>100.0%</b>	<b>13,241.72</b>	<b>100.0%</b>

<sup>1</sup> Operating profit from our telecom cluster represents operating profit from our discontinued operations, which was not recognised in Financial Year 2016 and will not be recognised in future periods. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations – The effect of the sale and transfer of our PES Business” above.

#### Geographic segmentation

Our revenues are generated from four main geographic markets: North America, Europe, Asia Pacific and India. We present our revenues by client location based on the location of the specific client site that we serve, irrespective of the location of the headquarters of the client or the location of the Delivery Centre where the work is performed. See “Our Business – Geographies” from page 109 for further details of our clients.

The following tables show a breakdown of our revenue from continuing operations and discontinued operations separately, on the basis of the geographic location of our clients, with each item represented as a percentage of revenue from continuing operations and revenue from discontinued operations, as applicable, for the periods indicated:

	For Financial Year					
	2016		2015		2014	
	(₹millions)	% of revenue from continuing operations	(₹millions)	% of revenue from continuing operations	(₹millions)	% of revenue from continuing operations
North America	40,370.47	69.0%	34,097.77	68.6%	30,533.28	67.3%

	For Financial Year					
	2016		2015		2014	
	(₹millions)	% of revenue from continuing operations	(₹millions)	% of revenue from continuing operations	(₹millions)	% of revenue from continuing operations
Europe	10,124.59	17.4%	8,862.74	17.9%	9,151.48	20.1%
Asia Pacific	1,190.47	2.0%	1,199.12	2.4%	1,161.06	2.6%
India	3,400.19	5.8%	2,075.90	4.2%	1,530.53	3.4%
Rest of the world	3,384.88	5.8%	3,445.41	6.9%	2,975.29	6.6%
<b>Revenue from continuing operations (A)</b>	<b>58,470.60</b>	<b>100.0%</b>	<b>49,680.94</b>	<b>100.0%</b>	<b>45,351.64</b>	<b>100.0%</b>

	For Financial Year					
	2016 <sup>(1)</sup>		2015		2014	
	(₹millions)	% of revenue from discontinued operations	(₹millions)	% of revenue from discontinued operations	(₹millions)	% of revenue from discontinued operations
North America	—	—	—	—	1,771.37	46.0%
Europe	—	—	99.42	100.0%	336.41	8.7%
Asia Pacific	—	—	—	—	982.37	25.5%
India	—	—	—	—	760.45	19.7%
Rest of the world	—	—	—	—	2.74	0.1%
<b>Revenue from discontinued operations (B)</b>	—	—	<b>99.42</b>	<b>100.0%</b>	<b>3,853.34</b>	<b>100.0%</b>
<b>Revenue from Operations (A + B)</b>	—	—	<b>49,780.36</b>	—	<b>49,204.98</b>	—

<sup>1</sup> We did not recognise any revenue from discontinued operations in Financial Year 2016 and will not recognise such revenue from discontinued operations in future periods.

## Results of discontinued operations

Our consolidated restated financial statements for Financial Years 2015 and 2014 include results of our discontinued operations, before the sale and transfer of our PES Business to LTTSL (see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations - The effect of the sale and transfer of our PES Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Note Regarding Non-Comparability of Results of Operations” above). Our consolidated restated financial statements for Financial Year 2016 do not include results of discontinued operations. The following table shows a summary breakdown of results of our discontinued operations, with each item represented as a percentage of the total thereof for the periods indicated:

	For Financial Year		
	2016	2015	2014
	(₹millions)	(₹millions) <sup>1</sup>	(₹millions) <sup>2</sup>
Total revenues from operations	—	99.42	3,853.34
Total expenses	—	(89.70)	(3,360.14)
Profit before taxes	—	9.72	493.20
Income taxes	—	(1.69)	(129.25)
<b>Profit after taxes</b>	—	<b>8.03</b>	<b>363.95</b>

<sup>1</sup> Includes results of operations for five months, from April 1, 2014 to August 30, 2014. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations – The effect of the sale and transfer of our PES Business” above.

<sup>2</sup> Includes results of operations for nine months, from April 1, 2013 to December 31, 2013. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations – The effect of the sale and transfer of our PES Business” above.

## Components of Income and Expenses

The components of our income and expenses are as set forth below:

### Income

Our revenue comprises revenue from operations and other income.

### Revenue from operations

Our revenue from operations comprises revenue from continuing operations and revenue from discontinued operations.

#### Revenue from continuing operations

We generate revenue from our continuing operations through time-and-materials contracts and fixed-price contracts by providing IT services and solutions to our clients in our industrials and services clusters.

#### Revenue from discontinued operations

Our revenue from discontinued operations comprises revenue generated by providing IT services and solutions to our clients in our telecom cluster, which was sold and transferred to LTTSL. We did not record any revenue from discontinued operations in Financial Year 2016 and will not record such revenue from discontinued operations in future periods. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations- Significant Factors Affecting Our Results of Operations – The effect of the sale and transfer of our PES Business” on pages 297 to 298.

### Other income

Our other income primarily consists of income from foreign exchange gains (or losses), investments in mutual funds, profit on sale of fixed assets, interest received and miscellaneous income.

## **Expenses**

Our expenses comprise expenses attributable to continuing operations and expenses attributable to discontinued operations.

### Expenses attributable to continuing operations

Our expenses attributable to continuing operations include employee benefit expenses, operating expenses, sales, administration and other expenses, finance costs, depreciation and amortisation and tax expenses.

#### Employee benefit expenses

Employee benefit expenses comprise salaries (including overseas staff expenses); staff welfare; contributions to provident and other funds; contributions to superannuation funds and contributions to gratuity funds.

#### Operating expenses

Operating expenses comprise communication expenses; operating lease charges; consultancy charges; cost of software packages for own use; insurance; and the cost of bought-out items for resale.

#### Sales, administration and other expenses

Sales, administration and other expenses primarily comprise rent and establishment expenses; travelling and conveyance; legal and professional charges; telephone charges and postage; rates and taxes; power and fuel and other miscellaneous expenses.

#### Finance costs

Finance costs comprise interest paid on fixed loans, external commercial borrowings and lease finance charges. Exchange losses on borrowings are also accounted for as part of finance costs.

#### Depreciation and amortisation

Tangible and intangible assets are amortised over periods corresponding to their estimated useful lives. See “ – Critical Accounting Policies – Depreciation and amortisation”, below.

### Expenses attributable to discontinued operations

Our expenses attributable to discontinued operations comprise expenses incurred by our telecom cluster, before the sale and transfer of our PES Business to LTTSL. We did not record any expenses attributable to discontinued operations in Financial Year 2016 and will not record such expenses in future periods. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations - The effect of the sale and transfer of our PES Business” on pages 297 to 298.

#### Tax expense for continuing operations

Tax expenses for continuing operations comprise current tax and deferred tax. Current income tax is the amount expected to be paid to the tax authorities in accordance with the applicable tax laws in relevant jurisdictions. Deferred income tax reflects the impact of timing differences between taxable income and accounting income.

#### Tax expenses attributable to discontinued operations

Tax expenses attributable to discontinued operations comprise tax expenses incurred by our telecom cluster, before the sale and transfer of our PES Business to LTTSL. We did not record any tax expenses attributable to discontinued operations in Financial Year 2016 and will not record such tax expenses in future periods. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations - The effect of the sale and transfer of our PES Business” for further details on pages 297 to 298.

## Financial Year 2016 Compared to Financial Year 2015

### Income

Our total income increased by 21.2% to ₹61,430.21 million for Financial Year 2016 from ₹50,695.36 million for Financial Year 2015, primarily due to an increase in our revenue from continuing operations and other income (primarily on account of foreign exchange gain). See also “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Note Regarding Non-Comparability of Results of Operations” above for details in relation to the non-comparability of the financial results for Financial Year 2016 and Financial Year 2015 in light of the sale and transfer of our PES Business.

#### Revenue from continuing operations

Our revenue from continuing operations increased by 17.7% to ₹58,470.60 million for Financial Year 2016 from ₹49,680.94 million for Financial Year 2015, primarily as a result of growth in our revenues in our banking and financial services, insurance, automotive and aerospace, media and entertainment and plant equipment business verticals, as well as our digital solutions, testing and IMS service lines, which was partially offset by lower revenues from continuing operations in our energy and process business vertical.

Revenue from continuing operations in North America increased by 18.4% to ₹40,370.47 million for Financial Year 2016 from ₹34,097.77 million for Financial Year 2015, primarily as a result of growth in our banking and financial services, insurance, media and entertainment and automotive and aerospace business verticals. Revenue from continuing operations in Europe increased by 14.2% to ₹10,124.59 million for Financial Year 2016 from ₹8,862.74 million for Financial Year 2015, primarily as a result of increase in revenues from existing clients and revenues from new clients in the Nordic region, Germany and France. Revenue from continuing operations in Asia-Pacific decreased by 0.7% to ₹1,190.47 million for Financial Year 2016 from ₹1,199.12 million for Financial Year 2015, primarily as a result of the completion of projects for a large client. Revenue from continuing operations in India increased by 63.8% to ₹3,400.19 million for Financial Year 2016 from ₹2,075.90 million for Financial Year 2015, primarily as a result of increase in revenue attributable increase in revenues from existing clients and revenues from new clients in the banking and financial services, plant equipment, utilities, engineering and construction verticals and the defense business verticals. Revenue from continuing operations in the rest of the world decreased by 1.8% to ₹3,384.88 million for Financial Year 2016 from ₹3,445.41 million for Financial Year 2015, primarily as a result of currency devaluation of the South African Rand against the Indian Rupee which negatively impacted our revenue from continuing operations in South Africa and due to the completion of implementation of projects for few large clients in the Middle East.

Our USD revenue from continuing operations comprise revenues denominated in USD, in addition to amounts in foreign currencies across our operations, that are converted into USD using the month-end/day-end exchange rates for the relevant period. Such revenues increased by 9.5% to USD887.2 million for Financial Year 2016 from USD809.9 million for Financial Year 2015, primarily as a result of growth in our revenue from continuing operations from our banking and financial services, insurance, automotive and aerospace, media and entertainment and plant equipment business verticals, as well as our digital solutions, testing and IMS service lines.

#### Revenue from discontinued operations

There was no revenue from discontinued operations for Financial Year 2016. Our revenue from discontinued operations was ₹99.42 million for Financial Year 2015. See also “Management’s Discussion and Analysis of Financial Condition and Results of Operations – The effect of the sale and transfer of our PES Business” on pages 297 to 298.

#### Other Income

Our other income increased to ₹2,959.61 million for Financial Year 2016 from ₹915.00 million for Financial Year 2015. This was primarily due to a foreign exchange gain of ₹2,795.57 million in Financial Year 2016 compared with a foreign exchange gain of ₹667.81 million in Financial Year 2015.

In order to mitigate our foreign exchange risk, we have a long-term hedging policy. We hedge the major currencies in which we transact business (for example, the US dollar and the Euro) by entering into forward contracts. Our forward contracts are run on a net exposure basis, typically for a period of up to three years. These forward contracts provide for payments by banks to us in the situations where the spot exchange rate on maturity is lower than the rate at which forward contracts were entered and payment by us to the banks in

situations where the spot exchange rate on maturity is higher than the rate at which forward contracts were entered. Such forward contracts are treated as foreign currency transactions and accounted for accordingly. Exchange differences arising on such contracts are recognised in the period in which they arise and the premium paid/received is accounted as expense/income over the period of the contract and the impact is reversed upon maturity of the contract. For details, see “ - Critical Accounting Policies – Foreign Exchange Transactions” and “Annexure IVB: Significant Accounting Policies – 13. Foreign Currency Transactions” in our consolidated Restated Financial Statements.

In Financial Year 2016, the depreciation of major currencies in which we transact business against the US dollar, was offset by the forward rates contracted with banks in the past. This, coupled with higher volume of forward contracts entered into and maturing in this period, led to a higher gain on settlement under our forward contracts and higher premia income, which we recognised as part of our other income. As a result of this, our foreign exchange gain was ₹2,795.57 million in Financial Year 2016.

See also “Risk Factors - Exchange rate fluctuations in various currencies in which we do business could negatively impact our business, financial condition and results of operations.”

### **Expenses**

Our total expenses increased by 21.1% to ₹48,114.45 million for Financial Year 2016 from ₹39,735.79 million for Financial Year 2015, primarily as a result of an increase in employee benefit expenses, which was attributable to the growth of our continuing operations. See also “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Note Regarding Non-Comparability of Results of Operations”, above.

Our entire expenses in Financial Year 2016 were attributable to continuing operations. See also “Management’s Discussion and Analysis of Financial Condition and Results of Operations – The effect of the sale and transfer of our PES Business” on pages 297 to 298.

In Financial Year 2015, our expenses attributable to discontinued operations was ₹89.70 million.

#### **Employee benefit expenses**

Our employee benefit expenses increased by 20.9% to ₹35,346.58 million for Financial Year 2016 (which represented 57.5% of our total income for such period) from ₹29,242.73 million for Financial Year 2015 (which represented 57.7% of our total income for such period). This was primarily as a result of a 21.2% increase in salaries including overseas staff expenses to ₹33,997.84 million in Financial Year 2016 from ₹28,056.30 million in Financial Year 2015, which was attributable to a 3.0% increase in the number of our employees to 20,072 employees as of March 31, 2016 from 19,479 employees as of March 31, 2015, the increases in our usage of local hires, the increase in annual increments and the impact of rupee depreciation against USD in relation to onsite salaries.

#### **Operating expenses**

Our operating expenses increased by 37.4% to ₹6,710.80 million for Financial Year 2016 (which represented 10.9% of our total income for such period) from ₹4,885.63 million for Financial Year 2015 (which represented 9.6% of our total income for such period). This was primarily as a result of an increase in the costs of bought-out items for resale (which relates to the purchase of hardware and software license) to ₹1,982.12 million in Financial Year 2016 from ₹742.76 million in Financial Year 2015 and a 16.6% increase in our consultancy charges to ₹4,032.97 million in Financial Year 2016 from ₹3,458.95 million in Financial Year 2015, in both cases, primarily as a result of increase in services performed for clients requiring us to work with external sub-contractors.

#### **Sales, administration and other expenses**

Our sales, administration and other expenses increased by 8.0% to ₹6,057.07 million for Financial Year 2016 (which represented 9.9% of our total income for such period) from ₹5,607.43 million for Financial Year 2015 (which represented 11.1% of our total income for such period). This was primarily as a result of an increase in repairs to certain buildings and transit houses, increase in general repairs and maintenance expenses for new units which become fully operational in Financial Year 2016, higher rates and taxes payable in relation to the growth of our operations, partially offset by the reversal of a provision made in Financial Year 2015 pursuant to a final judicial order received in our favour. The increase in our miscellaneous expenses for Financial Year 2016

compared to Financial Year 2015 was due to certain one-time expenses and increase in expenditure made on account of CSR activities.

#### Finance costs

Our finance costs decreased by 0.6% to ₹103.57 million for Financial Year 2016 from ₹104.19 million for Financial Year 2015. This was primarily due to a decrease in interest payable on fixed loans from ₹46.94 million in Financial Year 2015 to ₹31.90 million in Financial Year 2016 on account of repayment of certain loans during Financial Year 2016 which was partially offset by an increase in the interest payable on other loans to ₹25.99 million in Financial Year 2016 from ₹9.29 million in Financial Year 2015 owing to an increase in the interest payable on a credit support agreement in relation to a portfolio of forward contracts.

#### Depreciation and amortisation

Our depreciation on tangible assets decreased by 0.7% to ₹736.67 million for Financial Year 2016 from ₹741.55 million for Financial Year 2015 primarily as a result of lower depreciation due to the retiring and sale of certain fixed assets during the year, which was partially offset by depreciation on fixed assets added during the year. Our amortisation of intangible assets increased by 19.7% to ₹1,002.85 million for Financial Year 2016 from ₹837.85 million for Financial Year 2015 primarily as a result of amortisation of certain software purchased at the beginning of Financial Year 2016 which were leased from third parties during Financial Year 2015 and consequently, we did not record any amortisation relating to such software in our financial accounts for such period.

#### Profit before extraordinary items and tax

As a result of the foregoing factors, our profit before extraordinary items and tax was ₹11,472.67 million for Financial Year 2016 (which represented 18.7% of our total income for such period) and ₹9,275.9 million for Financial Year 2015 (which represented 18.3% of our total income for such period).

#### Profit from continuing operations before tax

As a result of the foregoing factors, our profit from continuing operations before tax increased by 23.8% to ₹11,472.67 million for Financial Year 2016 (which represented 18.7% of our total income for such period) from ₹9,266.26 million in Financial Year 2015 (which represented 18.3% of our total income for such period). None of our profit in Financial Year 2016 was attributable to discontinued operations although some of our profit in Financial Year 2015 was attributable to discontinued operations.

#### Tax expenses for continuing operations

Our current tax increased by 1.1% to ₹1,649.17 million for Financial Year 2016 from ₹1,630.45 million for Financial Year 2015. This increase was primarily due to an increase in our current taxes outside India corresponding to an increase in our operations and an increase in our overseas withholding taxes, which was offset by the reduction of current tax provision in India due to the application of ICDS with effect from April 1, 2015. Under ICDS, tax treatment for premia earned on forward contracts has changed and premia earned on forward contracts is taxable on settlement and not at the time of earning. Prior to the application of ICDS, such premia were taxable when earned. See also "Financial Statements" beginning on page 183. Due to this change, current tax provision is reduced (and MAT credit entitlement has increased), with corresponding increase in deferred tax provision. Thus, there is no impact on total tax provision (current plus deferred) due to application of ICDS.

Our deferred tax charge for Financial Year 2016 was ₹600.44 million as against our deferred tax charge for Financial Year 2015 of ₹35.76 million owing to the application of ICDS as explained above.

Our total tax expense has increased by 35.0% to ₹2,249.61 million for Financial Year 2016 from ₹1,666.21 million for Financial Year 2015 primarily due to increase in profit before tax by 23.8% to ₹11,472.67 million for Financial Year 2016 from ₹9,266.26 million for Financial Year 2015.

#### Extraordinary items and profit from discontinued operations after tax

There were no gains or losses from extraordinary items (net of tax) from discontinued operations for Financial Year 2016. We earned gains from extraordinary items (net of tax) of ₹79.08 million for Financial Year 2015. Our profit from discontinued operations after tax was ₹8.03 million for Financial Year 2015.

#### Net profit before extraordinary items as restated

As a result of the foregoing factors, our net profit before extraordinary items as restated was ₹9,221.77 million for Financial Year 2016 and ₹7,612.53 million for Financial Year 2015.

#### Extraordinary items (net of tax) as restated

There were no gains or losses from extraordinary items (net of tax) as restated for Financial Year 2016. Our gains from extraordinary items (net of tax) as restated was ₹79.08 million for Financial Year 2015.

#### Net profit after tax, as restated

As a result of the foregoing factors, our net profit after tax as restated was ₹9,221.77 million for Financial Year 2016 and ₹7,691.61 million for Financial Year 2015.

### **Financial Year 2015 Compared to Financial Year 2014**

#### **Income**

Our total income increased by 4.8% to ₹50,695.36 million for Financial Year 2015 from ₹48,371.80 million for Financial Year 2014, primarily due to an increase in our revenue from continuing operations. See “ – Note Regarding Non-Comparability of Results of Operations” for details in relation to the non-comparability of the financial results for Financial Year 2014 and 2015 in light of the sale and transfer of our PES Business.

#### Revenue from continuing operations

Our revenue from continuing operations increased by 9.5% to ₹49,680.94 million for Financial Year 2015 from ₹45,351.64 million for Financial Year 2014, primarily as a result of growth in our revenues in our banking and financial services, insurance and consumer packaged goods, retail and pharmaceuticals business verticals, as well as our testing and IMS service lines, which was partially offset by lower revenues from continuing operations in our energy and process business vertical.

Revenue from continuing operations in North America increased by 11.7% to ₹34,097.77 million for Financial Year 2015 from ₹30,533.28 million for Financial Year 2014, primarily as a result of growth in our banking and financial services and insurance business verticals. Revenue from continuing operations in Europe decreased by 3.2% to ₹8,862.74 million for Financial Year 2015 from ₹9,151.48 million for Financial Year 2014, primarily as a result of the completion of a large Oracle-related implementation project and the decisions of certain clients to defer the usage of their IT-related budgets, in the Nordic region. Revenue from continuing operations in Asia-Pacific increased by 3.3% to ₹1,199.12 million for Financial Year 2015 from ₹1,161.06 million for Financial Year 2014, primarily as a result of growth in our banking and financial services business vertical and IMS service line in Singapore. Revenue from continuing operations in India increased by 35.6% to ₹2,075.90 million for Financial Year 2015 from ₹1,530.53 million for Financial Year 2014, primarily as a result of our engagement in certain government projects. Revenue from continuing operations in the rest of the world increased by 15.8% to ₹3,445.41 million for Financial Year 2015 from ₹2,975.29 million for Financial Year 2014, primarily as a result of growth in our banking and financial services business vertical and testing service line in South Africa.

Our USD revenue from continuing operations comprise revenues denominated in USD, in addition to amounts in foreign currencies across our operations, that are converted into USD using the month-end/day-end exchange rates for the relevant period. Such revenues increased by 8.5% to USD809.9 million for Financial Year 2015 from USD746.6 million for Financial Year 2014, primarily as a result of growth in our revenue from continuing operations in our banking and financial services, insurance and consumer packaged goods, retail and pharmaceuticals business verticals.

#### Revenue from discontinued operations

Our revenue from discontinued operations was ₹99.42 million for Financial Year 2015 and ₹3,853.34 million for Financial Year 2014. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Note Regarding Non-Comparability of Results of Operations”, above for further details.



## Other Income

Our other income increased to ₹915.00 million for Financial Year 2015 from a loss of ₹833.18 million for Financial Year 2014. This was primarily due to a foreign exchange gain of ₹667.81 million in Financial Year 2015 compared with a foreign exchange loss of ₹1,048.05 million in Financial Year 2014, primary attributable to gains and losses in relation to the settlement of forward contracts.

In line with our long-term hedging policy to hedge foreign exchange risk, forward contracts were entered to hedge, against the US dollar, all major currencies in which we transact business (for example, the Indian Rupee and the Euro). During Financial Year 2015, the depreciation of major currencies in which we transact business against the US dollar was offset by higher forward rates contracted with banks in past. This, coupled with higher volume of forward contracts, entered into and maturing in this period led to a higher gain on settlement under our forward contracts and higher premia income, which we recognised as part of our other income. As a result of this, our foreign exchange gain was ₹667.81 million in Financial Year 2015.

## Expenses

Our total expenses increased by 5.3% to ₹39,735.79 million for Financial Year 2015 from ₹37,732.15 million for Financial Year 2014, primarily as a result of an increase in employee benefit expenses, which was attributable to the growth of our continuing operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Note Regarding Non-Comparability of Results of Operations”, above for further details.

Our expenses attributable to continuing operations increased by 15.3% to ₹39,646.09 million for Financial Year 2015 from ₹34,372.01 million for Financial Year 2014, primarily as a result of an increase in employee benefit expenses, which was attributable to the growth of our continuing operations.

Our expenses attributable to discontinued operations were ₹89.70 million for Financial Year 2015 and were ₹3,360.14 million in Financial Year 2014. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Note Regarding Non-Comparability of Results of Operations” above for further details.

### Employee benefit expenses

Our employee benefit expenses increased by 6.0% to ₹29,242.73 million for Financial Year 2015 (which represented 57.7% of our total income for such year) from ₹27,581.57 million for Financial Year 2014 (which represented 57.0% of our total income for such year), primarily as a result of a 6.9% increase in salaries, including overseas staff expenses, to ₹28,056.30 million from ₹26,246.94 million, which is attributable to an increase of 10.5% in the number of our employees to 19,479 employees as of March 31, 2015 from 17,627 employees as of March 31, 2014 due to the growth of our operations, in addition to our further usage of local hires. This increase was partially offset by a better resource mix in the way we provide our IT services and solutions to clients.

### Operating expenses

Our operating expenses decreased by 0.1% to ₹4,885.63 million for Financial Year 2015 (which represented 9.6% of our total income for such year) from ₹4,891.51 million for Financial Year 2014 (which represented 10.1% of our total income for such year), primarily as a result of changes in relation to our external sub-contractors and consultant charges, which is largely attributable to such expenses for our PES Business being incurred in Financial Year 2014 and not in Financial Year 2015. The cost savings were partially offset by an increase of 35.5% in the cost of bought-out items for resale (which relates to the purchase of hardware and software licenses), primarily as a result of certain clients requiring specific hardware and software licenses in relation to the IT services and solutions that we provided to them.

### Sales, administration and other expenses

Our sales, administration and other expenses increased by 6.6% to ₹5,607.43 million for Financial Year 2015 (which represented 11.1% of our total income for such year) from ₹5,259.07 million for Financial Year 2014 (which represented 10.9% of our total income for such year), primarily as a result of increases in allowance for doubtful debts and advances attributable to a one-time provision for doubtful debts in relation to a large project in our banking and financial services business vertical, higher tax rates and taxes payable in relation to the growth of our operations and a non-recurring payment of California state taxes pursuant to a judicial order.

#### Finance costs

Our finance costs decreased by 65.9% to ₹104.19 million for Financial Year 2015 from ₹305.34 million for Financial Year 2014, primarily as a result of a 76.4% decrease in foreign exchange losses on borrowings to ₹47.96 million from ₹203.17 million, as well as a 53.7% decrease in interest payable on fixed loans to ₹46.94 million from ₹101.32 million, in each case, attributable to the repayment of loans.

#### Depreciation and amortisation

Our depreciation on tangible assets increased by 25.9% to ₹741.55 million for Financial Year 2015 from ₹589.03 million for Financial Year 2014, and our amortisation of intangible assets increased by 17.9% to ₹837.85 million for Financial Year 2015 from ₹710.72 million for Financial Year 2014. In accordance with Schedule II of the Companies Act, 2013, as amended, we determined that the remaining useful life of our assets based on a technical evaluation thereof resulted in additional depreciation of ₹69.21 million for Financial Year 2015.

#### Profit before extraordinary items and tax

As a result of the foregoing factors, our profit before extraordinary items and tax was ₹9,275.98 million for Financial Year 2015 (which represented 18.3% of our total income for such year) and ₹9,034.56 million for Financial Year 2014 (which represented 18.7% of our total income for such year).

#### Profit from continuing operations before tax

As a result of the foregoing factors, our profit from continuing operations before tax increased by 8.5% to ₹9,266.26 million for Financial Year 2015 (which represented 18.3% of our total income for such year) from ₹8,541.36 million for Financial Year 2014 (which represented 17.7% of our total income for such year).

#### Tax expenses for continuing operations

Our current tax decreased by 3.0% to ₹1,630.45 million for Financial Year 2015 from ₹1,681.03 million for Financial Year 2014. This decrease was primarily due to an increase in the tax benefits on our taxable income from SEZs.

Our deferred tax charge decreased by 86.3% to ₹35.76 million for Financial Year 2015 from ₹261.85 million for Financial Year 2014. This decrease was primarily attributable to a one-time provision in Financial Year 2014 for future taxes payable on branch profits.

As a result of the foregoing factors, our total tax expense decreased by 14.2% to ₹1,666.21 million for Financial Year 2015 from ₹1,942.88 million for Financial Year 2014.

#### Extraordinary items and profit from discontinued operations after tax

We had an extraordinary gain (net of tax) of ₹79.08 million for Financial Year 2015 against ₹3,002.42 million for Financial Year 2014, which pertains to profit from sale and transfer of our PES Business to LTTSL. Similarly, our profit from discontinued operations after tax was ₹8.03 million for Financial Year 2015 as compared to ₹363.95 million for Financial Year 2014. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations– Note Regarding Non-Comparability of Results of Operations” for details.

#### Net profit before extraordinary items as restated

As a result of the foregoing factors, our net profit before extraordinary items as restated was ₹7,612.53 million for Financial Year 2015 and ₹6,886.10 million for Financial Year 2014.

#### Extraordinary items (net of tax) as restated

Our gains from extraordinary items (net of tax) as restated decreased to ₹79.08 million for Financial Year 2015 from ₹2,397.32 million for Financial Year 2014.

Net profit after tax, as restated

As a result of the foregoing factors, our net profit as restated was ₹7,691.61 million for Financial Year 2015 and ₹9,283.42 million for Financial Year 2014.

## Liquidity and Capital Resources

### Liquidity

We have historically met our working capital and other capital expenditure requirements primarily from cash generated by operating activities, short-term and long-term bank borrowings. We believe that we have adequate working capital for our present requirements and that our net cash generated from operating activities, together with cash and cash equivalents, will provide sufficient funds to satisfy our working capital requirements and anticipated capital expenditures for the next 12 months following the date of this Prospectus. We may, however, incur additional indebtedness to finance all or a portion of our capital expenditures or for any other purposes depending on our capital requirements, market conditions and other factors.

### Cash flows

The table below summarises our cash flows for the periods indicated:

Cash Flow Data	For Financial Year		
	2016	2015	2014
	(₹millions)		
Net cash (used) / generated from operating activities before extraordinary item (A)	8,633.03	6,422.54	6,278.61
Net cash from / (used) in investing activities (after extraordinary item) (B)	(441.35)	(1,028.63)	1,803.31
Net cash (used) in financing activities (C)	(8,167.23)	(4,973.81)	(7,686.53)
Net increase / (decrease) in cash and cash equivalents (D = A+B+C)	24.45	420.10	395.39
Opening cash and cash equivalents (E)	2,009.21	1,589.11	1,193.72
<b>Closing cash and cash equivalents (D + E)</b>	<b>2,033.66</b>	<b>2,009.21</b>	<b>1,589.11</b>

#### Cash flow from operating activities

Net cash generated from our operating activities before extraordinary item was ₹8,633.03 million for Financial Year 2016. Our net profit before tax (excluding extraordinary items), as restated was ₹11,472.67 million for Financial Year 2016, which was adjusted mainly for depreciation and amortisation of ₹1,739.52 million and unrealised foreign exchange gain of ₹901.57 million. As a result, our operating profit before working capital changes was ₹12,225.69 million for Financial Year 2016. This was further adjusted primarily for an increase in our working capital of ₹935.67 million. The increase in our working capital was primarily attributable to an increase in trade receivables of ₹3,069.79 million, which was partially offset by an increase in our trade and other payables of ₹2,123.04 million. Cash generated from our operations was ₹11,290.02 million in Financial Year 2016, adjusted for direct taxes paid of ₹2,656.99 million. As a result, our net cash generated from operating activities before extraordinary item was ₹8,633.03 million for Financial Year 2016.

Net cash generated from our operating activities before extraordinary item was ₹6,422.54 million for Financial Year 2015. Our net profit before tax (excluding extraordinary items), as restated was ₹9,282.33 million for Financial Year 2015, which was adjusted mainly for depreciation and amortisation of ₹1,579.41 million and unrealised foreign exchange gain of ₹568.72 million. As a result, our operating profit before working capital changes was ₹10,112.10 million for Financial Year 2015. This was further adjusted primarily for an increase in our working capital of ₹922.44 million. The increase in our working capital was primarily attributable to increases in trade receivables and other receivables of ₹1,979.71 million and ₹107.57 million, respectively, which was partially offset by an increase in trade payables of ₹1,164.84 million. Cash generated from our operations was ₹9,189.66 million in Financial Year 2015, adjusted for direct taxes paid of ₹2,767.12 million. As a result, our net cash generated from operating activities before extraordinary item was ₹6,422.54 million for Financial Year 2015.

Net cash generated from operating activities before extraordinary item was ₹6,278.61 million for Financial Year 2014. Our net profit before tax (excluding extraordinary items), as restated was ₹8,959.00 million for Financial

Year 2014, which was adjusted mainly for depreciation and amortisation of ₹1,384.83 million and unrealised foreign exchange gains of ₹516.63 million. As a result, our operating profit before working capital changes was ₹9,827.07 million for Financial Year 2014. This was further adjusted primarily for an increase in our working capital of ₹1,407.54 million. The increase in our working capital was primarily attributable to increases in trade receivables and other receivables of ₹1,906.36 million and ₹833.78 million, respectively, which was partially offset by an increase in trade and other payables of ₹1,332.60 million. Cash generated from our operations was ₹8,419.53 million in Financial Year 2014, adjusted for direct taxes paid of ₹2,140.92 million. As a result, our net cash generated from operating activities before extraordinary item was ₹6,278.61 million for Financial Year 2014.

#### Cash flow used for/from investing activities

Net cash used for investing activities (after extraordinary items) was ₹441.35 million for Financial Year 2016, which was primarily attributable to our purchase of fixed assets amounting to ₹1,290.54 million. This was partially offset by proceeds from the sale of current investments of ₹674.75 million in Financial Year 2016.

Net cash used for investing activities (after extraordinary items) was ₹1,028.63 million for Financial Year 2015, which was primarily attributable to our purchase of fixed assets amounting to ₹1,964.04 million. This was partially offset by proceeds from the sale of current investments of ₹793.52 million and proceeds from the sale and transfer of our PES Business to LTTSL amounting to ₹93.95 million in Financial Year 2015.

Net cash generated from investing activities (after extraordinary items) was ₹1,803.31 million for Financial Year 2014, which was primarily attributable to proceeds from the sale and transfer of our PES Business to LTTSL amounting to ₹3,799.62 million and our sale of fixed assets for ₹233.62 million. This was partially offset by our purchase of fixed assets amounting to ₹1,183.28 million and purchase of current investments amounting to ₹1,121.56 million.

For further details in relation to our fixed assets referenced above, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations– Capital Expenditures – Historical Capital Expenditures” on beginning on page 316.

#### Cash flow used in financing activities

Net cash used in financing activities was ₹8,167.23 million for Financial Year 2016, mainly consisting of the payment of dividends of ₹5,467.30 million, the payment of dividend tax of ₹1,048.71 million and the repayment of borrowings of ₹1,662.61 million.

Net cash used in financing activities was ₹4,973.81 million for Financial Year 2015, mainly consisting of the payment of dividends of ₹4,805.25 million and dividend tax of ₹1,125.56 million. This was partially offset by proceeds from borrowings of ₹1,013.23 million.

Net cash used in financing activities was ₹7,686.53 million for Financial Year 2014, mainly consisting of the payment of dividends of ₹5,514.75 million, a dividend tax of ₹840.95 million and the repayment of borrowings of ₹1,228.66 million.

#### Borrowings

To fund our working capital and capital expenditure requirements, we enter into long-term and short-term credit facilities. Our borrowings are a mix of Rupee and foreign currency borrowings.

The following table shows certain information about our borrowings as of March 31, 2016:

	As of March 31, 2016 (₹millions)
Long-term borrowings:	
Secured	—
Unsecured	—
<b>Total</b>	—
Short-term borrowings:	
Secured	132.51

	As of March 31, 2016 (₹millions)
Unsecured	265.02
<b>Total</b>	<b>397.53</b>
Current maturities of long-term borrowings:	
Secured	147.23
Unsecured	—
<b>Total</b>	<b>147.23</b>
<b>Total borrowings</b>	<b>544.76</b>

Our total outstanding borrowings of ₹544.76 million as of March 31, 2016 were denominated in USD. The principal amounts outstanding under the borrowings bear interest at a floating rate. As of March 31, 2016, all outstanding loans of ₹544.76 million bear interest at floating rates.

Our floating rate borrowings are generally linked to the London interbank offer rate and base rates of banks. For a description of indicative terms of our material indebtedness, see “Financial Indebtedness” beginning on page 292.

### Contractual Obligations

The table below summarises our contractual obligations and commitments as of March 31, 2016 as classified by maturity:

	Payment due by period			
	Total	Less than one year	Between one and five years	Later than five years
	(₹in millions)			
Short-term borrowings	397.53	397.53	-	-
Long-term borrowings	147.23	147.23	-	-
Lease obligations	451.64	62.12	389.52	-
Trade payables	3,276.40	3,276.40	-	-
Contracts on capital account	131.87	131.87	-	-
<b>Total</b>	<b>4,404.67</b>	<b>4,015.15</b>	<b>389.52</b>	<b>-</b>

### Contingent Liabilities

Set forth below is a breakdown of our contingent liabilities as of March 31, 2016, 2015 and 2014 from our consolidated Restated Financial Statements. For further details, see “Financial Statements- Restated consolidated statement of contingent liabilities” from pages 273 to 277:

	As of March 31,		
	2016	2015	2014
	(₹in millions)		
Contingent liabilities			
Income tax demand dispute in appeal	1,343.99	1,167.47	910.03
Corporate guarantee given on behalf of subsidiary	5,998.76	5,395.70	5,681.29
Service tax demand dispute in appeal	12.48	4.52	—
Others	1.30	1.30	
<b>Total</b>	<b>7,356.53</b>	<b>6,568.99</b>	<b>6,591.32</b>

### Off-Balance Sheet Arrangements

Except as set forth above, we did not have any other off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that have been established for the purpose of facilitating off-balance sheet arrangements as of March 31, 2016.

## **Capital Expenditures**

### **Historical Capital Expenditures**

Historically, we have incurred capital expenditure in the normal course of our business in relation to the expansion of our facilities, acquisition of hardware, software licensing rights and acquisition of businesses and we expect to continue to incur such capital expenditure in the future.

#### **Financial Year 2016**

During Financial Year 2016, our capital expenditures were ₹1,290.54 million and primarily comprised:

- Tangible assets: We incurred major capital expenditure on facilities and IT assets for the expansion of the Delivery Centres in the SEZs located in Pune and Chennai, India and IT assets purchased for the Delivery Centres in Canada; and
- Intangible assets: We incurred major software development expenses for the enhancement to our product platform, Unitrax® in Canada and software purchased for the Delivery Centres located in India and Canada.

#### **Financial Year 2015**

- During Financial Year 2015, our capital expenditures were ₹1,964.04 million and primarily comprised:
- Tangible assets: We incurred major capital expenditure on facilities and IT assets for the expansion of Delivery Centres in SEZs located in Airoli and Pune, India; and
- Intangible assets: As a result of our acquisition of ISRC, we acquired goodwill of ₹614.56 million.

#### **Financial Year 2014**

- During Financial Year 2014, our capital expenditures were ₹1,183.28 million and primarily comprised:
- Tangible assets: We incurred major capital expenditure on facilities and IT assets for the expansion of Delivery Centres in SEZs located in Airoli, Pune, Chennai and Bengaluru, India; and
- Intangible assets: We incurred major software development expenses for the enhancement to our product platform, Unitrax® in Canada and software purchased for the Delivery Centres located in India and Canada.

### **Planned Capital Expenditure**

We expect to fund our future capital expenditure plans through funds generated from our operations in a manner that is generally consistent with past practice in relation thereto.

### **Related Party Transactions**

We have engaged in the past, and may engage in the future, in transactions with related parties, including our affiliates on an arm's length basis for Financial Years 2014 to 2016. For further details, see "Related Party Transactions" on page 181.

### **Seasonality**

Our results of operations do not generally exhibit seasonality. However, there may be variation in our quarterly income or profit after tax as a result of various factors, including those described above under "Management's Discussion and Analysis of Financial Condition and Results of Operations– Factors Affecting Our Results of Operations" and those described in "Risk Factors" beginning on pages 294 and 16.

## **Quantitative and Qualitative Disclosures about Market Risk**

### **General**

Market risk is attributable to all market-sensitive financial instruments, including foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity, prices, equity prices and other market changes that affect market risk sensitive instruments. Our exposure to market risk is a function of our revenue generating activities and any future borrowing activities in foreign currencies. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss. Most of our exposure to market risk arises out of our foreign currency accounts receivable.

### **Risk management procedures**

We manage market risk through treasury operations, which include the management of cash resources, implementing hedging strategies for foreign currency exposures and ensuring compliance with market risk limits and policies.

### **Foreign Currency Exchange Rate Risk**

Although our Company's reporting currency is in Rupees, we transact a significant portion of our business in several other currencies. Approximately 94.2%, 95.8% and 95.3% of our revenue from operations in Financial Years 2016, 2015 and 2014, respectively, were derived from sales outside of India. Substantially, all of our non-Indian sales income is denominated in foreign currencies, primarily in USD and Euro.

Further, we continue to incur in currencies other than in Rupee indebtedness in the form of external commercial borrowings, which creates foreign currency exposure in respect of our cash flows and ability to service such debt.

Therefore, our exchange rate risk primarily arises from our foreign currency revenues, costs and other foreign currency assets and liabilities to the extent that there is no natural hedge.

In order to mitigate our foreign exchange risk, we have a long-term hedging policy. We hedge, against the US dollar, all major currencies in which we transact business (for example, the Indian Rupee and the Euro) by entering into forward contracts. Our forward contracts are run on a net exposure basis, typically for a period of up to three years. These forward contracts provide for payments by banks to us in the situations where the spot exchange rate against the US dollar is lower than the forward contract rate against the US dollar and payment to the banks by us when the spot exchange rate against the US dollar is higher than the forward contract rate against the US dollar. Such forward contracts are treated as foreign currency transactions and accounted for accordingly. Exchange differences arising on such contracts are recognised in the period in which they arise and the premium paid/received is accounted as expense/income over the period of the contract.

### **Interest Rate Risk**

We are exposed to market risk with respect to changes in interest rates related to our borrowings. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain benchmark rates. While we hedge the interest rates on certain of our indebtedness in currencies other than in Rupee, if the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase.

As at March 31, 2016, we had outstanding loans of ₹544.76 million that bear interest at floating rates. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain benchmark rates (such as LIBOR, in the case of our external commercial borrowings) as well as borrowings that are generally announced through our credit policy measures issued twice a year. Moreover, our interest rate risk is affected primarily by the short-term interest rates set by Indian banks.

### **Credit Risk**

We are exposed to credit risk on monies owed to us by our clients. If our clients do not pay us promptly, or at all, we may have to make provisions for, or write-off, such amounts. In Financial Years 2016, 2015 and 2014, our trade receivables were ₹11,659.87 million, ₹10,901.16 million and ₹9,309.86 million, respectively.

## **Critical Accounting Policies**

We have prepared our consolidated Restated Financial Statements (beginning on page 183) in accordance with Indian GAAP. Our significant accounting policies are more fully described in Annexure IV (B) to our consolidated Restated Financial Statements from pages 240 to 247. The preparation of our consolidated Restated Financial Statements in conformity with Indian GAAP requires our management to make judgements, estimates and assumptions as disclosed in Annexure IV (B) to our consolidated Restated Financial Statements from pages 240 to 247 that affects the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities in our consolidated Restated Financial Statements. The critical accounting policies that our management believes to be the most significant are disclosed below.

Further, with effect from April 1, 2016, we are required to prepare our financial statements in accordance with Ind AS. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2016 may not be comparable to our historical financial statements. Further, we have made no attempt to quantify or identify the impact of the differences between Ind AS and Indian GAAP as applied to our financial statements and there can be no assurance that the adoption of Ind AS will not affect our reported results of operations on, financial condition. See also, “Summary of Significant Differences between Indian GAAP and Ind AS,” and “Risk Factors – Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the “ICDS”). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition.” from pages 37 to 38. See also, “Significant Factors Affecting Our Results of Operations – Transition from Indian GAAP to Ind AS” from pages 298 to 300, “Summary of Significant Differences between Indian GAAP and Ind AS” beginning on page 284.

### **Preparation of financial statements**

Our Restated Consolidated Financial Statements are prepared from the audited financial statements for Financial Years ended March 31, 2016, 2015, 2014, 2013 and 2012, in accordance with the requirements of section 26 of the Companies Act, 2013 read with Companies (Prospectus and Allotment Securities) Rules, 2014 (the “Rules”) and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.

### **Revenue recognition**

Revenues from contracts with our clients that are priced on a time-and-materials basis are recognised when services are rendered and related costs are incurred.

Revenues from services performed on a fixed-price basis are recognised using the proportionate completion method.

Unbilled revenue represents the value of services performed in accordance with the contract terms, but which has not yet been billed to the customer.

### **Depreciation and amortisation**

#### **Tangible owned assets**

For Financial Year 2016 and Financial Year 2015, depreciation on assets is provided based on the useful life prescribed in Schedule II to the Companies Act, 2013, as amended, except for leasehold improvements which are depreciated over the lease period.

Depreciation/ amortisation on additions/ disposals are calculated pro-rata from/ to the month of additions/ disposals.

For Financial Years 2014, 2013 and 2012, depreciation on all assets was calculated using the straight line method at rates prescribed by Schedule XIV to the Companies Act, 1956, as amended, except for plant and machinery (at the rate of 4.75% to 20%), computers (at the rate of 20% to 30%), servers (at the rate of 25%), furniture and fixtures (at the rate of 10% to 20%), office equipment (at the rate of 20% to 33.33%) and motor vehicles (at the rate of 14.14%).

#### **Tangible leased assets**



Assets acquired under finance leases are depreciated at the rates applicable to similar assets owned by our Company as there is reasonable certainty that our Company shall obtain ownership of the assets at the end of the lease term. Leasehold land is depreciated over the residual period of the lease.

#### Foreign subsidiaries

Depreciation for the assets of foreign subsidiaries is provided using methods and at the rates required and/or deemed permissible by the local laws, to which such foreign subsidiaries are subject, and so as to write off the assets over their useful lives.

#### Intangible assets and amortisation

The basis of amortisation of intangible assets is as follows:

Computer software:	Over a period of 3 years;
Intellectual property rights:	Over a period of 3 years;
Acquired software:	Over a period of 10 years;
Internally developed software:	Over a period 1 to 5 years;
Business rights:	Over a period of 5 years; and
Customer contracts:	Over a period of 10 years.

#### Foreign currency transactions

Foreign currency transactions are initially recorded at the rates prevailing on the date of the transaction. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

The translation of foreign currency transactions by overseas branches and subsidiaries is as under:

Revenue items:	at the average rate for the period;
Fixed assets and investments:	at the rates prevailing on the date of the transaction; and
Other assets and liabilities:	at year-end rates.

Exchange differences on settlement and/or year-end conversions are adjusted and charged to the profit and loss account.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments and/or of highly probable forecast transactions are treated as foreign currency transactions and accounted for accordingly. Exchange differences arising on such contracts are recognised in the period in which they arise and the premium paid/received is accounted as expense/income over the period of the contract.

Profit or loss on such forward contracts is accounted as income or expense for the period.

All the other derivative contracts, including forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in our consolidated Restated Financial Statements at fair value as on the balance sheet date. In pursuance of the announcement of the Institute of Chartered Accountants of India (ICAI) dated March 29, 2008 on accounting of derivatives, our Company has adopted Accounting Standard 30 for applying the test of hedge effectiveness of the outstanding derivative contracts. Accordingly, the resulting gains or losses on fair valuation of such contracts are recognised in the profit and loss account or balance sheet, as the case may be.

#### Provisions, contingent liabilities and contingent assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if our Company has a present obligation as a result of a past event; a probable outflow of resources is expected to settle the obligation; and the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liabilities are disclosed in the case of a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or a possible obligation unless the probability of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

## **Analysis of Certain Changes**

### **Changes in accounting policies**

Our Company has made certain changes to its accounting policies which have resulted in changes to its financial statements for the years presented herein for the more appropriate presentation of financial statements.

First, goodwill arising on acquisition and consolidation was previously amortised over a period of ten years up to Financial Year 2013. We revised the related accounting policy in Financial Year 2014 to test goodwill for impairment at every balance sheet date.

Second, our subsidiary, LTIFST, revised its accounting policy in Financial Year 2012 in relation to income taxes, which are now recognised using the future income taxes method.

Third, the cost incurred on long-term projects was amortised till Financial Year 2015 over a period of two years from the year in which it was incurred. We revised the accounting policy to charge the same to the statement of profit and loss in the year in which it was incurred.

### **Tax impact on restatement adjustments**

Income tax has been computed on restatement adjustments made and has been adjusted in the restated profits for Financial Years ended March 31, 2016, 2015, 2014, 2013 and 2012.

### **Known trends or uncertainties**

Our business has been impacted and we expect will continue to be impacted by the trends identified above in “Management’s Discussion and Analysis of Financial Condition and Results of Operations– Significant Factors Affecting Our Results of Operations” and the uncertainties described in “Risk Factors” beginning on pages 294 and 16, respectively. To our knowledge, except as we have described in this Prospectus, there are no known factors that we expect to have a material adverse impact on our revenues or income from continuing operations.

### **Total turnover in each major industry segment**

Other than as described in this Management’s Discussion and Analysis of Financial Condition and Results of Operations, we do not report segments for our financial statements prepared in accordance with Indian GAAP.

### **Unusual or infrequent events or transactions**

To our knowledge, except as disclosed in this Prospectus, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

### **Future relationship between cost and revenue**

Other than as described in the section “Risk Factors” beginning on page 16, there are no known factors that might affect the future relationship between cost and revenue.

### **Significant developments subsequent to the last financial period**

In the opinion of the Directors, other than as disclosed in this Prospectus, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects or is likely to affect our profitability, taken as a whole, or the value of our consolidated assets or our ability to pay our material liabilities over the next twelve months.

## SELECTED FINANCIAL INFORMATION

The consolidated summary statement of operating profits and losses of our Company is set out below:

	(₹Million)				
Particulars	2015 -2016	2014 -2015	2013 -2014	2012 - 2013	2011 -2012
<b>INCOME:</b>					
<b>Revenue</b>	58,470.60	49,780.36	49,204.98	38,514.39	31,820.15
<b>Revenue related forex gain/(loss)</b>					
Other income	2,959.61	915.00	(833.18)	221.04	95.84
Less: other income other than revenue related forex gain/(loss)	193.96	100.08	52.07	306.29	292.63
<b>Revenue related forex gain/(loss)</b>	<b>2,765.65</b>	<b>814.92</b>	<b>(885.25)</b>	<b>(85.25)</b>	<b>(196.79)</b>
<b>Total Income</b>	<b>61,236.25</b>	<b>50,595.28</b>	<b>48,319.73</b>	<b>38,429.14</b>	<b>31,623.36</b>
<b>EXPENSES:</b>					
<b>Software Development Expenses</b>					
Employee benefit expenses	35,346.58	29,242.73	27,581.57	22,485.93	18,635.30
Operating expenses	6,710.80	4,885.63	4,891.51	2,920.00	2,575.28
Add: travel expenses for billable employees	583.19	525.16	437.68	392.07	356.37
Less: Employee benefit expenses for marketing and support	4,647.62	4,016.99	4,030.75	2,688.84	2,105.01
<b>Software Development Expenses</b>	<b>37,992.95</b>	<b>30,636.53</b>	<b>28,880.01</b>	<b>23,109.16</b>	<b>19,461.94</b>
<b>GROSS MARGIN</b>	<b>23,243.30</b>	<b>19,958.75</b>	<b>19,439.72</b>	<b>15,319.98</b>	<b>12,161.42</b>
% to revenue from operations	<b>38.0%</b>	<b>39.4%</b>	<b>40.2%</b>	<b>39.9%</b>	<b>38.5%</b>
<b>Sales, General &amp; administration expenses</b>					
Sales, General & administration expenses	6,057.07	5,607.43	5,259.07	4,403.55	3,711.94
Add: Employee benefit expenses for marketing and support	4,647.62	4,016.99	4,030.75	2,688.84	2,105.01
Less: travel expenses for billable employees	583.19	525.16	437.68	392.07	356.37
<b>Sales, General &amp; administration expenses</b>	<b>10,121.50</b>	<b>9,099.26</b>	<b>8,852.14</b>	<b>6,700.32</b>	<b>5,460.58</b>
% to revenue from operations	16.5%	18.0%	18.3%	17.4%	17.3%
<b>OPERATING MARGIN</b>	<b>13,121.80</b>	<b>10,859.49</b>	<b>10,587.58</b>	<b>8,619.66</b>	<b>6,700.84</b>
% to revenue from operations	<b>21.4%</b>	<b>21.5%</b>	<b>21.9%</b>	<b>22.4%</b>	<b>21.2%</b>
Add: other income other than revenue related forex gain/(loss)	<b>193.96</b>	<b>100.08</b>	<b>52.07</b>	<b>306.29</b>	<b>292.63</b>
<b>OPERATING PROFIT (AS PER FINANCIALS)</b>	<b>13,315.76</b>	<b>10,959.57</b>	<b>10,639.65</b>	<b>8,925.95</b>	<b>6,993.47</b>

	(₹Million)				
Particulars	2015- 2016	2014- 2015	2013- 2014	2012 - 2013	2011- 2012
Revenue	58,470.60	49,780.36	49,204.98	38,514.39	31,820.15
Revenue related Forex gain/(loss)	2,765.65	814.92	(885.25)	(85.25)	(196.79)
Other income other than revenue related forex gain/(loss)	193.96	100.08	52.07	306.29	292.63
<b>TOTAL INCOME (AS PER FINANCIALS)</b>	<b>61,430.21</b>	<b>50,695.36</b>	<b>48,371.80</b>	<b>38,735.43</b>	<b>31,915.99</b>

Our operating margin has been derived from our statement of consolidated profit and loss for the last five Financial Years shown in the table above. Operating margin is not a standard measure under Indian GAAP and should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of performance or as an indicator of operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Our operating margin presented herein may not be comparable to similarly titled measures presented by other companies, as not all companies use the same definition.

Our operating margin improved from 21.2 % in the Financial Year 2012 to 22.4% in the Financial Year 2013, which was in line with growth in our revenue and as a result of increased operational efficiencies. In the Financial Year 2014, our operating margin declined to 21.9%, primarily due to investment in our sales force. Our operating margin further declined to 21.5% in the Financial Year 2015, primarily due to higher onsite delivery costs. In the Financial Year 2016, the operating margin was stable at 21.4% due to continued increase in onsite delivery costs.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*The details of the outstanding litigation or proceedings involving our Company, Subsidiaries, Promoter, Group Companies and Directors are described in this section in the manner as detailed below.*

**Disclosure of litigation involving our Company and our Subsidiaries:** *We have disclosed all pending criminal litigation and actions taken by regulatory or statutory authorities involving our Company and our Subsidiaries individually in this section. We have disclosed claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims. We have also disclosed details of any inquiry, inspections or investigations initiated or conducted against our Company and our Subsidiaries under the Companies Act in the last five years, details of default and non-payment of statutory dues, details of pending litigation involving our Company, whose outcome could have material adverse effect on the position of our Company, details of acts of material frauds committed against our Company in the last five years and details of pending proceedings initiated against our Company for economic offences, if any.*

*Our Board has approved that given the nature and extent of operations of our Company and our Subsidiaries, the outstanding litigation involving our Company or any of our Subsidiaries which exceed the lower of one per cent of the consolidated total income and five per cent of the consolidated net profit of our Company in the last audited financial year would be considered material for our Company.*

*The consolidated total income of our Company for the Financial Year 2015 and the Financial Year 2016, was ₹ 50,695.3 million and ₹ 61,430.2 million, respectively, and the consolidated net profit of our Company was ₹ 7,685.3 million and ₹9,221.8 million, respectively. Accordingly, in addition to the above, we have disclosed all outstanding litigation involving our Company and our Subsidiaries where the aggregate amount involved exceeds ₹ 375 million (being approximately five percent of consolidated net profit of our Company in the Financial Year 2015 which is lower than five percent of consolidated net profit of our Company in the Financial year 2016) individually and the litigation involving an aggregate amount below ₹ 375 million involving our Company and our Subsidiaries have been consolidated and disclosed in a summary and indicative manner in this section.*

*Our Board has also approved that dues owed by our Company to the small scale undertakings and other creditors exceeding five per cent of our total dues owed to the small scale undertakings and other creditors would be considered as material dues for our Company and accordingly, we have disclosed consolidated information of outstanding dues owed to small scale undertakings and other creditors, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 70 million (being approximately five per cent of total dues owed by our Company to the small scale undertakings and other creditors as of March 31, 2016).*

*For details of the manner of disclosure of litigation involving our Promoter, see “Outstanding Litigation and Material Developments – Litigation involving our Promoter” on page 328. Further, for details of the manner of disclosure of litigation involving our Group Companies, see “Outstanding Litigation and Material Developments – Litigation involving our Group Companies” on pages 339 and 340. For details of the manner of disclosure of litigation involving our Directors, see “Outstanding Litigation and Material Developments – Litigation involving our Directors” on page 355.*

#### **I. Litigation involving our Company**

##### **A. Litigation filed against our Company**

###### *Criminal matters*

1. Suhas Ambade filed an FIR on behalf of Maharashtra State Electricity Distribution Company Limited (“MSEDCL”) before the Kalyan Police Station against Nitin Patwardhan (the “Accused”), an employee of our Company in his capacity as a representative of our Company, before the Court of Special Judge, Thane, for alleged unauthorised use of electricity by our Company under Section 135 of the Electricity Act, 2003. Our Company filed an application for compounding of the alleged offence with MSEDCL. MSEDCL has approved our application for compounding the offence and our Company has paid an amount of ₹ 0.35 million towards compounding charges. The matter is currently pending.
2. Certain officials and ex-officials of our Company, namely Munnawar Bux, Ghanshyam Mhatre, Ganesh Apte and V. K. Magapu, and Chris Colaco (the “Petitioners”) have filed criminal writ petitions before the Bombay High Court in relation to criminal proceedings initiated against the Petitioners. Krishnan Subramanian had filed an FIR before the Powai police station against the Petitioners under Sections 34, 120B, 201, 406 and 420 of the IPC read with Sections 20 and 25 of the Indian Telegraph Act, 1885 and Sections 65, 66 and 85 of

Information Technology Act, 2000 alleging illegal transfer of the international calls and related losses to the Government and Tata Teleservices (Maharashtra) Limited amounting to ₹ 6.45 million. Subsequently, the Petitioners filed discharge applications, which were rejected by the Magistrate. Our Company had also filed two writ petitions before the Bombay High Court seeking quashing of the FIR lodged. Our Company has withdrawn one of the writ petitions and the Bombay High Court has disposed the other writ petition filed by our Company. The matter is currently pending.

#### *Actions by regulatory/ statutory authorities*

The Recovery Officer, Employees' Provident Fund Organisation (the "Recovery Officer"), issued an order to our Company under Section 8F(2) of the EPF Act in relation to recovery of statutory dues owed by M/s. Marg Constructions Limited ("Marg Constructions") to the Employees' Provident Fund Organisation which is alleged to be recovered by our Company. Marg Constructions failed to remit statutory dues amounting to ₹ 5.65 million between the period December 2006 to June 2013. The Recovery Officer has alleged that the aforesaid statutory dues are to be recovered by our Company. The amount involved in the matter is ₹ 5.65 million. Our Company has replied to the Recovery Officer stating that it has no ongoing or past relationship with Marg Constructions. The matter is currently pending.

#### *Direct tax matters*

16 direct tax matters involving our Company are pending before various forums such as CIT (Appeals), ITAT the Bombay High Court and the Supreme Court involving an aggregate amount of ₹ 970.21 million, in relation to *inter alia* partial disallowance of deductions claimed under Section 10A of the Income Tax Act, restriction of deduction under Section 10A of the Income Tax Act to the extent of total income and disallowance of carried forward unabsorbed depreciation, set-off of losses of ineligible units against profits of eligible units and increase in taxable amount owing to transfer pricing adjustment, refusal to set off loss of ineligible unit against profit of other units eligible for deduction under Section 10A of the Income Tax Act and claim for employee stock option amortization expenses. The matters are currently pending.

#### *Indirect tax matters*

32 indirect tax matters (including notices received by our Company) involving our Company are pending before various forums such as the Maharashtra Sales Tax Tribunal, Assistant Commissioner of Service Tax, Commissioner of Service Tax, Assistant Commissioner of Central Excise and CESTAT involving an aggregate amount of ₹ 256.22 million and rejection of refunds claimed by our Company amounting to approximately ₹ 170.50 million, in relation to *inter alia* payment of sales tax on purchase of goodwill, customs and excise duty violation on imported goods, payment of service tax on reverse charge mechanism on import of services, availment of CENVAT credit, rejection of VAT and service tax refund claims and levy of service tax on maintenance and repair services. The matters are currently pending.

#### *Other matters*

There is no outstanding litigation against our Company exceeding ₹ 375 million.

Other matters filed against our Company where the aggregate amount is below ₹ 375 million relate to *inter alia*, complaints filed by ex-employees for wrongful termination of employment by our Company before the Commissioner of Labour, Thane under Sections 2A and 25(f) of the Industrial Disputes Act in relation to alleged unfair dismissal by our Company, claims for non-payment of dues by our Company, including claim filed before the Labour Disputes Settlement Department, Muscat, petition filed by NHAI against our Company before the Delhi High Court under Section 34 of the Arbitration Act seeking setting aside of an arbitral award in relation to a contract for software development entered into between our Company and the NHAI, claim filed before the Magistrates' Court for the district of Johannesburg in relation to alleged non-payment of fees by our Company to a recruitment company, complaint filed against our Company before the Industrial Court, Maharashtra, in relation to unfair labour practices such as non-payment of salary and alleged malafide transfer of an employee and notices, including legal notices, issued to our Company by *inter alia* employees of our Company including in relation to non-refund of tax deducted at source by our Company, dismissal on grounds of

insufficient performance, alleged harassment by an employee of our Company and alleged wrongful cancellation of offer of intent. The matters are currently pending.

#### *Notices*

One of the former employees of our Company has issued a legal notice, through his attorney, indicating intention of the former employee to file a civil action against our Company in the U.S. in relation to alleged (i) entitlement of the former employee to receive options for certain number of employee stock options under the Existing Employee Stock Option Plans, (ii) certain labour law related violations and (iii) visa related violations by filing Qui Tam action to the U.S. Attorney General and U.S. District Attorney, if they do not receive a communication from our Company within five days from the letter dated January 22, 2016. The mediator has been appointed and mediation hearing has been scheduled. The matter is currently pending.

One of the other former employees of our Company has issued a legal notice, through his advocate, to our Company in relation to his alleged entitlement to options rights for certain number of employee stock options under the Existing Employee Stock Option Plans during the course of his employment. Our Company has replied to this notice. The matter is currently pending.

In addition to above, with effect from September 21, 2015 i.e. the effective date of ISRC Scheme, all outstanding litigation involving ISRC set out below, shall be continued against our Company. For details in relation to the ISRC Scheme, see “History and Certain Corporate Matters- Schemes of arrangement- Scheme of amalgamation entered into between ISRC and our Company” on page 134.

#### *Direct tax matters involving ISRC*

Six income tax matters involving ISRC have been filed before various forums such as CIT (Appeals) and ITAT, involving an amount aggregating to ₹ 4.61 million, in relation to *inter alia* reduction of certain deductions claimed under Section 10A of the Income Tax Act and, increase in taxable amount owing to transfer pricing adjustments. The matters are currently pending.

#### *Indirect tax matters involving ISRC*

Three indirect tax proceedings pending before various forums such as CESTAT and Deputy Commissioner of Sales Tax, involving an aggregate amount of ₹ 1.95 million and a refund of ₹ 0.70 million, in relation to *inter alia* disallowance of set-off claim and error in calculation of taxable sales and rejection of refund, in relation to CENVAT credit claimed and rejection of adjustment of set off made of input VAT. The matters are currently pending.

#### *Actions by regulatory/statutory authorities involving ISRC*

The Assistant Provident Fund Commissioner, Regional Office, Pune, has issued notices to ISRC in relation to production of certain documents and appearance in person regarding an enquiry under Section 7-A of the EPF Act. The matter is currently pending.

### **B. Litigation by our Company**

#### *Criminal matters*

T. N. Srinivasan, assistant manager- administration of our Company, filed an FIR on behalf of our Company, against Giridharan and Amitharaj (collectively the “Accused”), before the Mambalam police station, Chennai under Sections 406 and 420 of the IPC in relation to fake recruitments by the Accused in the name of our Company. The matter is currently pending.

#### *Other matters*

There is no outstanding litigation filed by our Company exceeding ₹ 375 million.

Other matters filed by our Company where the aggregate amount is below ₹ 375 million relate to *inter alia*, arbitration proceedings initiated by our Company against our ex-employees before various courts such as Additional District Judge, Indore and the Principal District Judge, Jammu, respectively in



relation to letters of appointment issued by our Company to the ex-employees and breach of the appointment letters by the ex-employees.

#### *Notices*

Our Company issued notices to its employees from time to time in relation to various matters including *inter alia* breach of appointment letters with reference to exit of employees from the employment of our Company without serving the period stipulated under the respective appointment letters.

#### **Small scale undertakings or any other creditors**

Our Company does not owe any small scale undertakings any amounts exceeding ₹ 70 million as of March 31, 2016. There are no disputes with such entities in relation to payments to be made to them.

Our Company, in its ordinary course of business, has certain amounts aggregating ₹ 1,419.62 million or more which are due towards other creditors. As of March 31, 2016, our Company owed an aggregate amount of ₹ 764.19 million towards other creditors where dues to each creditor exceeded ₹ 70 million. The details pertaining to amounts due towards such other creditors exceeding ₹ 70 million as of March 31, 2016 are available on the website of our Company at the following link: [www.Intinfotech.com/en-us/AboutUs/Financials/Pages/ListCreditors.aspx](http://www.Intinfotech.com/en-us/AboutUs/Financials/Pages/ListCreditors.aspx). The details in relation to other creditors and amount payable to each such creditor available on the website of our Company do not form a part of this Prospectus.

## **II. Litigation involving our Subsidiaries**

### **1. Litigation involving LTIFST**

#### ***Litigation against LTIFST***

##### *Direct tax matters*

The Canada Revenue Agency has completed the re-assessment proceedings in relation to payment of income tax returns of LTIFST for the Financial Years 2011, 2012 and 2013 in relation to *inter alia*, reallocation of purchase price for acquisition of shares, increase in the deduction of capital cost allowance and eligible capital expenditures, certain items of expenditure being considered as general reserves instead of specific reserves, and restriction on deduction of certain expenses. The aggregate amount involved in the matter is ₹ 5.77 million. The matters are currently pending.

##### *Other matters*

There is no outstanding litigation filed against LTIFST exceeding ₹ 375 million.

One of the employees of LTIFST has issued legal notices, through her attorney, to LTIFST, alleging constructive dismissal and proposing a severance discussion. LTIFST has replied to the said notices. The matter is currently pending.

### **2. Litigation involving GDA Technologies**

#### ***Litigation against GDA Technologies***

##### *Direct tax matters*

Two income tax matters involving GDA Technologies are pending before the ITAT, in relation to reduction of certain deductions claimed under Section 10A of the Income Tax Act. The matters are currently pending.

##### *Other matters*

There is no outstanding litigation filed against GDA Technologies exceeding ₹ 375 million.

GDA Technologies has received a notice in relation to alleged non-payment of dues for availing of internet data services. The matter is currently pending.

### 3. L&T Infotech South Africa

#### Litigation involving L&T Infotech South Africa

##### *Other matters*

There is no outstanding litigation filed against L&T Infotech South Africa exceeding ₹ 375 million.

One of the employees of L&T Infotech South Africa has referred a dispute for conciliation to the Commission for Conciliation, Mediation and Arbitration, South Africa, alleging misconduct and unfair labour practice by L&T Infotech South Africa and has sought for payment of compensation and balance dues under the fixed term contract entered into with L&T Infotech South Africa. The matter is currently pending.

### III. Litigation involving our Promoter

**Disclosure of litigation involving our Promoter:** *Our Promoter is a major technology, engineering, construction, manufacturing and financial services conglomerate, with global operations. Our Promoter has customers in over 30 countries and has several international offices and a supply chain that extends around the world.*

*In the Financial Year 2016, the consolidated revenue of our Promoter was ₹ 1,026,316.9 million and the consolidated net profit of our Promoter was ₹ 55,379.9 million and in the Financial Year 2015, the consolidated revenue of our Promoter was ₹ 920,045.8 million and the consolidated net profit of our Promoter was ₹ 49,640.0 million.*

*In view of the nature of diverse business undertaken by our Promoter, our Promoter is involved in various litigation filed in India and overseas from time to time.*

*The IPO committee of the board of our Promoter has approved that given the nature and extent of operations of our Promoter, the outstanding litigation involving our Promoter which exceed the lower of one per cent of the consolidated revenue and five per cent of the consolidated net profit of our Promoter in the Financial Year 2015 (being lower than five percent of consolidated net profit of our Promoter in the Financial year 2016) would be considered material for our Promoter. Our Board has approved of this threshold.*

*On the basis of the above, the litigation involving our Promoter has been disclosed in the following manner:*

- (i) all outstanding criminal proceedings involving our Promoter have been disclosed individually in this section other than criminal proceedings initiated by our Promoter under Section 138 of the Negotiable Instruments Act, which have been disclosed in a consolidated manner;*
- (ii) all claims related to direct and indirect taxes, in a consolidated manner giving details of number of claims and total amount in this section;*
- (iii) all actions taken by regulatory or statutory authorities against our Promoter which are currently under litigation and are outstanding have been disclosed in this section;*
- (iv) all outstanding litigation involving our Promoter where the aggregate amount involved exceeds ₹ 2,500 million (being approximately five percent of consolidated net profit of our Promoter in the Financial Year 2015 which is lower than five percent of consolidated net profit of our Promoter in the Financial Year 2016) have been disclosed in this section and litigation below ₹ 2,500 million involving our Promoter have been consolidated and disclosed in a summary and indicative manner in this section;*
- (v) with respect to litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last five years, all such litigation or legal action aggregating above ₹ 2,500 million have been disclosed individually and other litigation or legal action have been consolidated and disclosed in a summary and indicative manner in this section; and*
- (vi) any other case which is non-quantifiable but are considered material by our Promoter.*

#### Litigation against our Promoter

##### *Criminal matters*

1. CBI filed a criminal case against the officials of our Promoter and Oriental Insurance Company Limited before the CBI Special Court, Chennai in relation to alleged conspiracy and

bogus insurance claims filed by our Promoter before Oriental Insurance relating to certain columns erected by our Promoter in NTPC Simhadri coal handling plant job which collapsed due to instable soil. The matter is currently pending.

2. Our Promoter filed a criminal revision petition against CBI before the Patna High Court seeking quashing of criminal proceedings initiated by the CBI. CBI had filed a criminal case against our Promoter and others before the Special Judge, CBI, Patna, under Sections 120B and 420 of the IPC and Sections 13(2) and 13(1)(d) of the Prevention of Corruption Act, 1988. NHAI had awarded a contract (the “Contract”) to L&T-HCC JV, a joint venture of our Promoter and Hindustan Construction Company Limited to execute the golden quadrilateral project (the “Project”) in Delhi-Kolkata. NHAI alleged sub-contracting of more than 10% of the total value of the Project in contravention of the Contract causing a loss of ₹ 220 million to NHAI. Pursuant to the disputes between the parties, NHAI initiated arbitration proceedings before the arbitral tribunal as well as initiated dispute resolution proceedings before the dispute review board (the “DRB”). The arbitral tribunal and the DRB dismissed the claims of NHAI. NHAI entered into a settlement with L&T-HCC JV. The Patna High Court has granted a stay on framing of charges before the Special Judge, CBI, Patna. The matter is currently pending.
3. Our Promoter and M.P. Sharma (the “Accused”) filed a discharge petition (the “Discharge Petition”) before the Sub-Divisional Judicial Magistrate, Sherghati in relation to the criminal case initiated against our Promoter and the Accused by the Labour Enforcement Officer (Central), Patna before the Sub-Divisional Judicial Magistrate, Sherghati for alleged violation of sections 47, 48 and 49 of the BCW Act. The Sub-Divisional Judicial Magistrate, Sherghati has allowed the Application and the Discharge Petition. The matter is currently pending.
4. The State of Jammu (the “Complainant”) filed an FIR against the officials of National Hydroelectric Power Corporation (“NHPC”) and officials of our Promoter (collectively the “Accused”), before the CBI under Sections 120B and 420, 420A of the Ranbir Penal Code of Jammu and Kashmir, 1932 and Section 5 of Jammu and Kashmir Prevention of Corruption Act, 2006, alleging criminal conspiracy and forgery of documents by the Accused. NHPC had awarded two contracts (the “NHPC Contract”) to our Promoter to execute the work of rural electrification in Udhampur and Kathua district in Jammu. A complaint was filed by a whistle blower within NHPC alleging irregularities by the officials of NHPC in execution of the NHPC Contract. Pursuant to the same, the Central Bureau of Investigation filed charge sheet alleging that the officials of our Promoter had furnished forged undertakings and also placed purchase orders on various firms without the prior approval of NHPC, causing loss to the exchequer as the materials were not supplied directly from the manufacturer. The matter is currently pending.
5. The Karnataka State Pollution Control Board filed a criminal complaint against our Promoter before the JMFC, Devanahalli, Bengaluru for alleged violation of certain provisions of the Air (Prevention and Control of Pollution) Act, 1981 and failure to disconnect power supply to the crusher plant of our Promoter. The matter is currently pending.
6. Two criminal complaints (the “Complaints”) against our Promoter and others have been filed by the Inspector, under the BCW Act, before the Karkardooma Court, Delhi in relation to alleged non-compliance of certain provisions of the BCW Act pertaining to the green project site of DLF Limited. Subsequently, our Promoter filed petitions (the “Petitions”) under Section 482 of the CrPC before the Delhi High Court seeking quashing of the Complaints. The Delhi High Court disposed of one of the Petitions and dispensed with appearance of the directors of the Promoter. The matters are currently pending.
7. S. K. Poddar filed a criminal complaint against our Promoter before the Chief Metropolitan Magistrate, Kolkata under Section 420 of the IPC alleging non-payment of brokerage relating to lease provided to British Airways. The matter is currently pending.
8. The Labour Enforcement Officer filed a complaint against our Promoter before the Metropolitan Magistrate Court, Patiala in relation to alleged violation of certain provisions of Contract Labour Act at various construction sites. The matter is currently pending.

9. T. Malliah, a labour supply contractor filed a complaint against our Promoter before the Metropolitan Magistrate Court, Miyapur for alleged non-payment of wages and alleged violation of certain provisions of Contract Labour Act. The matter is currently pending.
10. G V Bapat, a food inspector (the “Complainant”) filed a complaint against our Promoter, the supplier and buyer of food items used in the canteen of our Promoter before the Additional Chief Metropolitan Magistrate, Mazgaon under Section 2 of the Prevention of Food Adulteration Act, 1954 in relation to adulterated food being supplied. The matter is currently pending.
11. Patekar (the “Complainant”), a retired workman of our Promoter filed a miscellaneous criminal complaint before the 66<sup>th</sup> Metropolitan Magistrate Court, Mumbai against our Promoter alleging criminal conspiracy and criminal intimidation when he was in service. The Complainant had also filed a complaint alleging unfair labour practice before the Industrial Court, Mumbai seeking stay on transfer of the Complainant by our Promoter, which is pending before the Industrial Court. The matter is currently pending.
12. Kamaljeet Singh Shikawat (the “Complainant”), a customer of our Promoter, filed a criminal case against our Promoter and Komatsu India Private Limited (“Komatsu”) before the Thana Mandan, District Alwar, Rajasthan alleging that Komatsu failed to return the equipment belonging to the Complainant. The matter is currently pending.
13. Our Promoter has filed an appeal against the order passed by the Directorate General of Inspection before the Secretary, Labour Department, Government of India. For further details, see “Outstanding Litigation and Material Developments - Litigation involving our Promoter – Actions by regulatory/ statutory authorities - Actions taken by authorities for building and construction workers” on pages 334 to 335.
14. The Regional Officer, of Gujarat Pollution Control Board (the “GPCB”) filed a criminal complaint on behalf of GPCB, against our Promoter and the directors of our Promoter, including A. M. Naik, S. N. Subrahmanyam and R. Shankar Raman, before the Chief Judicial Magistrate First Class, Vadodara under Section 15 read with Section 16 of the Environment (Protection) Act, 1986 alleging that the construction of flats and buildings was commenced without obtaining an environment clearance as required under the notification issued by the Ministry of Environment and Forests. The matter is currently pending.
15. Our Promoter has filed a criminal revision petition against the Department of Mines and Geology before the District Sessions Court, Bengaluru, in relation to the dismissal of application for release of material by the JMFC, Bengaluru. The Department of Mines and Geology had filed a complaint before the JMFC, Bengaluru against our Promoter in relation to alleged failure of our Promoter to comply with the provisions of the Karnataka Regulation of Stone Crushers Act, 2011 and the rules framed thereunder. The matter is currently pending.
16. The Labour Officer, State of Gujarat has filed three complaints against the Promoter and its employees before the Judicial Magistrate, Vagra alleging certain non-compliances with the provisions of the Contract Labour (Regulation of Employment and Abolition) Act, 1970 read with the rules framed thereunder and the Minimum Wages Act, 1948 read with the rules framed thereunder on account of irregularities, *inter alia* in the maintenance of attendance registers, pay sheets, overtime registers in relation to construction work undertaken by our Promoter for Torrent Pharmaceuticals Limited at Ahmedabad. The matters are currently pending.
17. Govind Gaekwad (the “Complainant”) has filed an FIR against our Promoter before the Manwath police station, in relation to alleged fatal accident of the brother of the Complainant at one of the construction sites of our Promoter under Sections 304A, 279 and 34 of the IPC. Subsequently, an anticipatory bail *had been* granted to the staff members against whom the FIR was filed by the Complainant. An application for quashing the FIR has been filed with the Aurangabad High Court. The matter is currently pending.
18. The Municipal Corporation of Greater Mumbai (the “Complainant”) has filed two criminal complaints against an official of our Promoter, L&T-SCOMI Consortium and others

(collectively, the “Accused”) before the Metropolitan Magistrate Court, Mumbai, under Sections 478, 478-1A and 478-1B of the Mumbai Municipal Corporation Act, 1888 in relation to alleged evasion of payment of octroi duty and fabrication of receipts of octroi duty by the Accused. The Mumbai Metropolitan Region Development Authority had entered into a contract with L&T-SCOMI Consortium for the purpose of construction of the monorail project and octroi duty was payable on goods imported for the purpose of the project. The matters are currently pending.

#### *Actions by regulatory/ statutory authorities*

##### **Actions taken by SEBI**

1. SEBI has issued summons to our Promoter (the “Summons”) in furtherance of the ongoing investigation proceedings initiated by SEBI in connection with the order dated November 24, 2015 passed against Sharepro Services (India) Private Limited (“Sharepro”), seeking details and documents in relation to, among others: (i) process of transfer of shares of our Promoter; (ii) whether Sharepro informed and took approval for dematerialization of shares of our Promoter and the detailed procedure regarding the same; (iii) whether Sharepro informed and took approval for rematerialization of shares of our Promoter and the detailed procedure regarding to the same; and (iv) authority of Sharepro to sign new share certificates of our Promoter. Our Promoter has filed a response to each of the queries raised in the Summons. The matter is currently pending.
2. SEBI has issued notices to our Promoter and A. M. Naik in relation to alleged violation of the SEBI Act and the SEBI Insider Trading Regulations, 1992, for certain trade in shares of our Promoter. For further details, see “Outstanding Litigation and Material Developments- Litigation involving our Directors” on page 357.
3. SEBI has informed our Company that SEBI has initiated adjudication proceedings against our Promoter in relation to alleged violation of continuous disclosure norms under Regulation 13(3) read with Regulation 13(5) of the SEBI Insider Trading Regulations, 1992, and Regulation 12(2) the SEBI Insider Trading Regulations, 2015, by our Promoter, for alleged failure of our Promoter in adequate disclosure of sale of its shareholding in L&T Finance Holdings Limited, one of our Promoter Group entities. The matter is currently pending.

##### **Actions taken by authorities for stamp duty**

1. Our Promoter has filed a writ petition before the Gujarat High Court against the order (the “Order”) passed by the Collector and Additional Superintendent of Stamps, Gandhinagar (the “Collector”) for a demand of stamp duty aggregating to ₹ 33.50 million against our Promoter. Our Promoter had applied for de-notification from SEZ of certain units situated at Vadodara and accordingly was required to obtain no objection certificates (“NOCs”) from various authorities including the stamp duty department (the “Department”) of Gandhinagar. Accordingly, our Promoter had filed an application with the Department for obtaining an NOC. However, the Collector, through the Order raised the aforesaid demand. The amount involved in the matter is ₹ 33.50 million. The writ petition was disposed of by the Gujarat High Court and the Promoter has been directed to file an appeal before the Chief Controlling Revenue Authority (“CCRA”). The CCRA has been directed by the Gujarat High Court to issue the NOC, during the pendency of the appeal, subject to the Promoter depositing a percentage of stamp duty amount and furnishing a corporate guarantee. This matter is currently pending.
2. Our Promoter has filed a writ petition against the demand made by the Sub-Registrar, Kodambakkam, Chennai (the “Sub-Registrar”) before the Madras High Court relating to alleged deficiency of ₹ 44.92 million in the payment of stamp duty on a consortium agreement. Our Promoter had entered into a consortium agreement with Alstom to form a consortium namely L&T Alstom and paid a stamp duty of ₹ 1,600 for execution of the consortium agreement. The Sub-Registrar issued a show cause notice to our Promoter demanding payment of the aforesaid stamp duty. The amount involved in the matter is ₹ 44.92 million. The Madras High Court has granted stay against the demand of the Sub-Registrar and the matter is currently pending.

3. Our Promoter has filed a writ petition against the demand made by the Collector and District Registrar, Hyderabad (the “Registrar”) before High Court of Hyderabad for the State of Telangana and the State of Andhra Pradesh (the “Hyderabad High Court”) relating to alleged deficiency of ₹ 6,197.50 million in the payment of stamp duty paid on the engineering, procurement and construction agreement entered into with L&T Metro Rail (Hyderabad) Limited (“LTMRHL”) and paid a stamp duty of ₹ 100 on the same. The Registrar issued a show cause notice (the “Notice”) to our Promoter and LTMRHL demanding payment of deficit stamp duty amounting to ₹ 6,197.50 million. The Hyderabad High Court has suspended the Notice by way of an interim order. The amount involved in the matter is ₹ 6,197.50 million. The matter is currently pending.

#### **Actions taken by authorities for legal metrology**

A notice against our Promoter was issued by the Inspector of Legal Metrology, Haveli-1, Pune (the “Inspector”) including in relation to certain non-compliances of the provisions of the Legal Metrology Act, 2009 and the rules framed thereunder due to non-disclosure of certain details required to be disclosed under Legal Metrology Act. The matter is currently pending.

#### **Actions taken by municipal corporations**

1. Our Promoter has filed a writ petition before the Bombay High Court against the action taken by the Municipal Corporation of Greater Mumbai of preventing our Promoter’s trucks from entering the municipal limits of Mumbai. Our Promoter had entered into an agreement with Systems Application and Products in Data Processing Private Limited (“SAP India”) for obtaining license to use proprietary software (the “Software”) of SAP India. The Municipal Corporation of Greater Mumbai had required our Promoter to furnish certain documents for the purposes of investigating the use of Software in Mumbai. Subsequently, the Municipal Corporation of Greater Mumbai demanded an octroi of ₹ 2.36 million from our Promoter. Our Promoter raised objection to the same and paid an amount of ₹ 0.45 million under protest. Due to non-payment of the entire octroi amount, the Municipal Corporation of Greater Mumbai had prevented our Promoter’s trucks containing ready-mix cement from entering the municipal limits of Mumbai. Due to the short life of ready-mix cement, the consignment of cement had to be returned. The amount involved in the matter is ₹ 2.36 million. The matter is currently pending.
2. The Municipal Corporation of Greater Mumbai has filed an appeal against the order passed by the Small Causes Court, Mumbai before the Bombay High Court against the ratable value fixed by the Municipal Corporation of Greater Mumbai. The Municipal Corporation of Greater Mumbai had issued notices to our Promoter under the Mumbai Municipal Corporation Act, 1888 for fixation of the ratable value of amenity with respect to a parcel of land held by our Promoter. The Small Causes Court passed an order in favour of our Promoter, against which the Municipal Corporation of Greater Mumbai filed the aforesaid appeal. The amount involved in the matter is ₹ 1.12 million. The matter is currently pending.
3. Our Promoter has filed a petition against the rejection of certain claims by the Municipal Corporation of Greater Mumbai before the Bombay High Court. Our Promoter had filed several applications before Municipal Corporation of Greater Mumbai seeking the approval from the Municipal Corporation of Greater Mumbai for commencement of various construction works. Our Promoter had paid an amount of ₹ 3.07 million under protest as directed by the Municipal Corporation of Greater Mumbai and thereafter filed a claim before the Municipal Corporation of Greater Mumbai for refund of certain charges. The Municipal Corporation of Greater Mumbai rejected the claim of our Promoter. The amount involved in the matter is ₹ 3.07 million. The matter is currently pending.
4. Our Promoter has filed a writ petition against the demand (the “Demand”) made by the Tahasildar, Ernakulam (the “Tahasildar”) before the Kerala High Court (the “Court”) relating to alleged damage to cables caused while laying down pipe lines by our Promoter. The Court has granted a stay order on the Demand. The amount involved in the matter is ₹ 2.00 million. The matter is currently pending.

5. Our Promoter has filed a writ petition against the demand by the Tahasildar, Rajgangpur (the “Tahasildar”) before the Orissa High Court relating to industrial water tax to be paid by our Promoter. The Tahasildar issued notices to our Promoter demanding payment of industrial water tax (the “Demand”) under the Orissa Irrigation (Amendment) Act, 1993 for lifting of water from River Sankh, Orissa. Subsequently, the ADM, Sundargarh, issued an order to discontinue the water supply line availed by our Promoter. Our Promoter has, accordingly, filed the aforesaid writ petition against the Demand. The Orissa High Court has passed an interim order directing the Tahasildar to refrain from discontinuing the water supply system subject to deposit of ₹ 2.40 million by our Promoter. Our Promoter deposited an amount of ₹ 2.40 million. Our Promoter filed representation before the Principal Secretary, Water Resources Department for calculation of water tax. Subsequently, the Under Secretary Department, Orissa ordered the Engineer in Chief to finalise the calculations of the industrial water tax payments. The amount involved in the matter is ₹ 2.40 million. The matter is currently pending.
6. Our Promoter has filed a writ petition against the levy of property tax by the Municipal Corporation of Greater Mumbai before the Bombay High Court. The Mumbai Metropolitan Region Development Authority (the “MMRDA”) had let out a land to the consortium named L&T-SCOMI Consortium for the purpose of fabrication for the monorail project by L&T-SCOMI. The Municipal Corporation of Greater Mumbai issued a notice to our Promoter demanding an amount of ₹ 380.00 million (the “Demand”). The Bombay High Court granted a stay order in favour of our Promoter for recovery of the Demand. The amount involved in the matter is ₹ 380.00 million. The matter is currently pending.
7. The Municipal Corporation of Greater Mumbai has filed an appeal against the order passed by the Small Causes Court, Mumbai before the Bombay High Court in relation to assessment of property tax in favour of our Promoter. The amount involved in the matter is ₹ 36.57 million. The matter is currently pending.
8. Our Promoter has filed a writ petition against the recovery of amounts by the Panchayati Raj and Rural Development, Andhra Pradesh (the “Authority”) before the Hyderabad High Court with respect to the recovery proceedings initiated by the Authority for recovery of alleged excess payment on price variation clause pertaining to the water supply projects at Anantapur, on the basis of a vigilance report. The Hyderabad High Court has granted an interim stay on the recovery proceedings. The amount involved in the matter is ₹ 837.80 million. The matter is currently pending.
9. Our Promoter has filed one writ petition before the Calcutta High Court against demand notices issued by the Kolkata Municipal Corporation (“KMC”) in relation to payment of municipal taxes with retrospective effect from assessment years 2001-2002 in respect of our Promoter’s premises at No. 16, Camac Street, Kolkata. The Calcutta High Court passed an order directing the KMC to refrain from taking coercive actions against our Promoter without the leave of the court. The amount involved in the matter is ₹ 25.83 million. The matter is currently pending.

#### **Actions taken by pollution control boards**

1. Our Promoter has filed a writ petition against the demand (the “Demand”) of water cess passed by the Orissa State Pollution Control Board (the “Board”) before the Orissa High Court. The Board raised the Demand against our Promoter in respect of construction work at Kansbahal for a certain period. During such period, engineering industries were not included in the Schedule of the Water (Prevention and Control of Pollution) Cess Act, 1977. The amount involved in the matter is ₹ 0.08 million. The matter is currently pending.

#### **Actions taken by authorities for labour**

1. Our Promoter has filed a civil miscellaneous application against the order passed by the Deputy Director, Employee State Insurance Corporation (the “Deputy Director”) before the Court of District Judge, Sundargarh. The Deputy Director had passed an order for contribution to be made by our Promoter towards employee state insurance under the Employees’ State Insurance Act, 1948. The Deputy Director had issued a show cause notice (the “Notice”) to

our Promoter in relation to alleged differential contribution made by our Promoter in respect of the contract labourers employed at Kansbahal works. Our Promoter filed its reply to the Notice stating that there was no differential contribution and requested the Deputy Director to cause an inspection of the contract labourers. Subsequently, the Deputy Director conducted an inspection of the contract labourers and passed an order demanding an amount of ₹ 0.13 million towards arrear of employee state insurance contribution to be made by our Promoter. The amount involved in the matter is ₹ 0.13 million. The matter is currently pending.

2. Our Promoter has filed a writ petition against the action taken by the Labour Department, Chattisgarh before the Chattisgarh High Court in relation to recovery of labour welfare cess pertaining to the project for the Bharat Aluminium Company Limited. The amount involved in the matter is ₹ 20.00 million. The matter is currently pending.
3. A notice has been issued by National Commission for Scheduled Castes (the “Commission”) to our Promoter seeking details with respect to a complaint received by the Commission from Dinesh Kumar alleging wrongful termination of his services by the Promoter. Our Promoter has responded to the queries by the Commission and refuted the allegations as being false and misleading. The matter is currently pending.

#### **Actions taken by authorities for building and construction workers**

1. Our Promoter has filed a writ petition against the action taken by the Labour Department, Vizag before the Hyderabad High Court in relation to demand of cess (the “Demand”) with respect to the project constructed for the National Thermal Power Corporation, Simhadri (“NTPC”) under the BCW Act. The Hyderabad High Court has granted a stay order (the “Stay Order”) in favour of our Promoter against recovery of the Demand. Subsequently, NTPC issued a letter to our Promoter indicating that they have received an intimation from the Joint Commissioner, Labour Department, Vizag claiming payment of ₹ 33.67 million towards cess and penalty for the Financial Years 2008, 2009, 2010, 2011 and 2013. Our Promoter has replied to NTPC contending that the stay order granted by the Hyderabad High Court against the Demand for the Financial Years 2008 and 2009 shall continue to apply for any demand that may be raised by the Labour Department, Vizag for subsequent years. The amount involved in the matter is ₹ 33.67 million. The matter is currently pending.
2. Our Promoter has filed a review petition (the “Review Petition”) before the Hyderabad High Court against the order of Hyderabad High Court allowing the appeal filed by State of Andhra Pradesh. Our Promoter had filed a writ petition against the demand of cess (the “Demand”) made by Labour Department, Vizag before the Hyderabad High Court under the BCW Act. The Labour Department, Vizag had raised the Demand against our Promoter in relation to a project constructed for Steel Authority of India Limited, Vizag. The Hyderabad High Court allowed the aforesaid writ petition in favour of our Promoter against recovery of the Demand. The State of Andhra Pradesh had filed an appeal against the aforesaid order of the Hyderabad High Court, which has been allowed by the Hyderabad High Court. Our Promoter, has accordingly, filed the Review Petition. The Hyderabad High Court passed an interim order (the “Interim Order”) directing our Promoter to deposit the Demand pending the decision on the Review Petition. Subsequently, our Promoter filed a special leave petition in the Supreme Court against the Interim Order. The Hyderabad High Court has dismissed the Review Petition. The amount involved in the matter is ₹ 25.30 million. The matter is currently pending.
3. Our Promoter has filed a writ petition against the demand of cess (the “Demand”) made by the Government of Chattisgarh under the BCW Act with respect to the steel plant of our Promoter located at Bhilai, before the Chattisgarh High Court. The Chattisgarh High Court has granted a stay order in favour of our Promoter against recovery of the Demand. The amount involved in the matter is ₹ 16.12 million. The matter is currently pending.
4. Our Promoter has filed a writ petition against the Labour Department, Vizag before the Hyderabad High Court (the “Court”) in relation to refund of the cess amount ordered by the Hyderabad High Court (the “Refund Order”). Our Promoter had filed an application before the Labour Department, Vizag for enforcement of the Refund Order. Upon failure of the Labour Department, Vizag in refunding the cess amount, our Promoter has filed the aforesaid fresh



writ petition. The amount involved in the matter is ₹ 14.10 million. The matter is currently pending.

5. Our Promoter has filed a writ petition against the demand made by the Labour Department, Orissa before the Orissa High Court in relation to demand of 1% of total contract value (the “Demand”) made under the BCW Act in respect of contract awarded by Sterlite Energy Limited to our Promoter for certain railway siding works. The amount involved in the matter is ₹ 24.38 million. The matter is currently pending.
6. Our Promoter has filed four writ petitions against the demand of cess (the “Demand”) made by the Public Health Engineering Department, Barmer before the Rajasthan High Court under the BCW Act for the Barmer project (SPR I and SPR II), Jodhpur undertaken by our Promoter. The Rajasthan High Court has granted conditional stay on the Demand and has required the payment of 1% cess to be made equally by our Promoter and the Government of Rajasthan. The matter is currently pending.
7. Our Promoter has filed a writ petition against the demand of cess and recovery of arrears (the “Demand”) made by the Joint Commissioner of Labour and Assessing Officer, Government of Telangana (the “Joint Commissioner”) before the Hyderabad High Court under the BCW Act with respect to the metro rail project. The Hyderabad High Court has granted a stay order in favour of our Promoter against recovery of the Demand. The amount involved in the matter is ₹ 1,400 million. The matter is currently pending.
8. Our Promoter has filed an appeal against the order passed by the Directorate General of Inspection (the “Directorate”) before the Secretary, Labour Department, Government of India imposing penalty for contravention of certain provisions under the BCW Act with respect to Jharkhand road project. The amount involved in the matter is ₹ 0.01 million. The matter is currently pending.

#### **Actions taken by authorities for mines and minerals**

1. Our Promoter has filed a writ petition against the demand of royalty (the “Demand”) made by the Tahsildar cum certificate officer, Sundergadh (the “Authority”) before the Orissa High Court. The Authority had raised the Demand on alleged royalty to be paid on minor minerals under the Orissa Public Demand Recovery Act, 1963. The amount involved in the matter is ₹ 1.54 million. The matter is currently pending.
2. Our Promoter has filed a writ petition against the demand made by the Tahsildar (the “Authority”) before the Jharkhand High Court for market price and interest on certain minerals with respect to Jharkhand road project. The amount involved in the matter is ₹ 3.88 million. The matter is currently pending.
3. Our Promoter has filed a writ petition against a notification passed by the Sub-divisional Land and Land Reforms Officer (the “Officer”) before the Calcutta High Court relating to levy of royalty and cess (the “Notification”). The Officer had levied cess and raised a demand of royalty (the “Demand”) under the Notification on the basis of treatment of ordinary soil under minor mineral. The amount involved in the matter is ₹ 0.40 million. The matter is currently pending.
4. Our Promoter has filed a writ petition against the fees demanded by the Government of Tamil Nadu (the “Authority”) before the Madras High Court relating to the cost of mineral and seigniorage in relation to Krishnagiri road project. The amount involved in the matter is ₹ 70.50 million and has been paid by our Promoter. The matter is currently pending.
5. Our Promoter has filed two appeals before the Director of Mines, Rajasthan against the demand (the “Demand”) made by the Superintendent Mining Engineer (Vigilance) of the Mining and Geology Department, Rajasthan (the “Superintendent”) relating to alleged mining operation undertaken by our Promoter for the purposes of construction of Chabra Power Plant in Rajasthan. Our Promoter had filed a writ petition against the Demand before the Rajasthan High Court. The Rajasthan High Court directed the Director of Mines, Rajasthan to decide the aforesaid appeals and passed a stay on the Demand. The aforesaid writ petition has been

disposed of. The amount involved in the matters ₹ 207.89 million and ₹ 5.25 million. The matter is currently pending.

6. Our Promoter has filed a special civil application before the Gujarat High Court against the demand made by the Commissioner of Geology & Mining and others, State of Gujarat (the “Commissioner”). The Commissioner had made a demand for payment of ₹16.97 million (the “Demand”) alleging illegal excavation of ordinary clay, a minor mineral by our Promoter in connection with construction of a portion of the road on National Highway No. 8A. Our Promoter has filed a writ petition before the Gujarat High Court against the Commissioner, Additional Director (Appeal), Appeal & Flying Squad, Geology & Mining Department, (the “Additional Director”), Geologist, Geology and Mining Department (the “Geologist”) and the State of Gujarat in relation to the Demand. The Gujarat High Court passed an order staying the operation of all demands issued by the Commissioner, the Additional Director and the Geologist against our Promoter. The matter is currently pending.
7. Our Promoter filed three appeals before the Additional District Magistrate, Sundargarh against the demand notices issued by the Revenue Inspector, Mining Department, Sundargarh, Odisha as well as the Orissa public demand recovery notices issued by the Tehsildar, Sadar and Certificate Officer in relation to delay in royalty payments of ₹2.63 million by our Promoter pertaining to Sambalpur- Rourkela road project. The matter is currently pending. The Additional District Magistrate, Sundargarh has granted a stay in favour of our Promoter against the aforesaid payment of royalty.

#### **Actions taken by authorities for land and land revenue**

1. Our Promoter has filed a writ petition against the acquisition of land (the “Acquisition”) by the Government of Puducherry (the “Authority”) before Madras High Court under the Land Acquisition Act, 1894 with respect to of approximately 17 acres of land owned by our Promoter. The Madras High Court has granted a stay order against dispossession in respect of the Acquisition. The matter is currently pending.
2. Our Promoter has filed a writ petition against the land reforms proceedings (the “Proceedings”) by the Government of Puducherry (the “Government”) before the Madras High Court under the Pondicherry Land Reforms (Fixing of Ceiling on Land) Act, 1973. The Government had issued summons against our Promoter and treated the land owned by our Promoter as agricultural land instead of treating the lands as falling under the industrial zone. The Madras High Court granted a stay order against the Proceedings. The matter is currently pending.
3. Our Promoter has filed a writ petition against the resumption order passed by the Collector, Sundargarh before the Orissa High Court challenging the applicability of the Orissa Land Reforms Act, 1973. The Orissa High Court has granted a stay order against any further action of the Government of Orissa in relation to resumption of land. The matter is currently pending.
4. Our Promoter has filed a special civil application against an order passed by the Special Revenue Secretary, Gujarat (the “Special Revenue Secretary”) before the Gujarat High Court. Our Promoter had entered into lease deeds with certain land owners for construction of units pertaining to the Kakrapar Atomic Power Project. The Collector, Tapi District (the “Collector”) had passed an order (the “Order”) (i) declaring the lease deeds to be void under Section 73(AA)(3)(a) of the Gujarat Land Revenue Code, 1879 (the “GLRC”), (ii) required restoration of possession of land leased by our Promoter and (iii) imposed a penalty of ₹ 20.74 million on our Promoter. Subsequently, our Promoter filed a revision application under Section 203 read with Section 211 of the GLRC with the Special Revenue Secretary challenging the Order. The Special Revenue Secretary upheld the Order, and subsequently our Promoter filed the aforesaid special civil application before the Gujarat High Court. The amount involved in the matter is ₹ 20.74 million. The matter is currently pending.

#### *Direct tax matters*

41 income tax related matters involving our Promoter have been filed before High Courts, Income Tax Appellate Tribunals and Commissioners of Income-Tax involving an aggregate amount of ₹ 19,108.37

million, in relation to matters including *inter alia* provision for foreseeable losses; provision for warranty expenses; deductions under Section 80-IA of the Income Tax Act; payments to clubs; estate maintenance expenses; disallowance under Section 14A; expenses on employee compensation cost; community welfare and rural development expenses; and provision for sales tax. The matters are currently pending.

#### *Indirect tax matters*

450 indirect tax cases involving our Promoter have been filed before various departmental authorities, tribunals, High Courts and Supreme Court, involving an aggregate amount of ₹ 43,153.01 million, in relation to matters *inter alia* consisting of denial of CENVAT credit, disallowance of exemptions claimed for sale in transit, sub-contractor turnover, labour and like charges, delay in submission of forms, disallowance of exemptions and demand of service tax on mobilisation advances under reverse charge mechanism on various services received from abroad, denial of various service tax exemptions claimed, penalty on differential excise duty paid against supplementary invoices, non-payment of service tax, disallowance of export rebate, non-submissions of entry permits and permits, non-payment of local area development tax and non-payment of customs duty. The matters are currently pending.

#### *Other matters involving an amount above ₹ 2,500 million*

1. Our Promoter has filed a writ petition against the demand made by the Collector and District Registrar, Hyderabad before High Court of Hyderabad for the State of Telangana and the State of Andhra Pradesh relating to alleged deficiency of ₹ 6,197.50 million in the payment of stamp duty. For further details, see “Outstanding Litigation and Material Developments - Litigation involving our Promoter – Actions by regulatory/ statutory authorities - Actions taken by authorities for stamp duty” on pages 331 to 332.
2. South City Group Housing Apartments Owners Association Bengaluru (“Sugruha”), an association in South City, Bengaluru filed a consumer complaint (the “Complaint”) against our Promoter before the National Consumer Disputes Redressal Commission, Delhi (the “NCDRC”), in relation to deficiency of services in construction by our Promoter in respect of the residential project built by our Promoter in Bengaluru. The amount involved in matter is ₹ 4,420 million. The matter is currently pending.

#### *Other matters involving an amount below ₹ 2,500 million*

In addition to the above, various litigation have been filed against our Promoter which are pending before various forums and which individually aggregates to less than ₹ 2,500 million and matters typically pertain to recovery of possession of property; arbitration with customers, business partners and employees; consumer cases; suits for recovery of money; suits for reinstatement of services and compensation in case of termination of employment; public interest litigation in relation to construction of dam; motor accidents’ claim; suits filed in relation to fixation of rateable value of land under construction; compensation suit for loss of business opportunities writ petitions filed by non-successful bidders under the tender where our Promoter is also impleaded as successful bidder; labour cases filed by workmen; winding up matter; alleged harassment against an employee; eviction proceedings and writ petition filed by an ex-employee of our Promoter against the State of Maharashtra and others, including our Promoter and L&T Realty Limited alleging utilisation of land, contrary to the provisions and certain requirements prescribed under the Urban Land (Ceiling and Regulation) Act 1976 (since repealed); civil suit for recovery filed against our Promoter, L&T Power Limited and Nabha Power Limited in relation to alleged non-payment of dues for construction work undertaken and completed at the Thermal Power Plant, Rajpura. The matters are currently pending.

#### **Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last five years**

There are no litigation or legal action pending or taken by any ministry or government department or statutory authority above ₹ 2,500 million against our Promoter during the last five years.

Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last five years include suit for eviction where our Promoter occupies the land as a tenant; payment of property tax in relation to land under construction; payment

of octroi on the license for use of the software supplied by SAP India Systems Applications and Products in data processing. For details in relation to actions taken by statutory or regulatory authorities against our Promoter which are outstanding as of date, see “Outstanding Litigation and Material Developments - Litigation involving our Promoter – Actions by regulatory/ statutory authorities” from pages 331 to 336.

### **Litigation filed by our Promoter**

#### *Criminal matters*

1. Our Promoter has filed a criminal complaint against Seshagiri Rao (the “Accused”), an ex-employee of our Promoter before the Alandur Court, Chennai in relation to cheating and misappropriation of funds by the Accused. Subsequently, the Accused filed a criminal writ petition before the Madras High Court, which was dismissed by the Madras High Court. The matter is currently pending.
2. Our Promoter filed a criminal case against Ramesh Bhatt, an ex-employee of our Promoter, before the Metropolitan Magistrate Court, Mumbai, for allegedly forging documents leading to misappropriation of funds from our Promoter. The matter is currently pending.
3. Our Promoter filed a criminal complaint against a group of persons before the Court of the Executive Magistrate, Rajgangpur for illegal trespass of approximately 17.72 acres of land of our Promoter near the stadium in Kansbahal Para campus. The land under consideration is under resumption and the matter of resumption is pending before the Orissa High Court. The matter is currently pending.
4. Our Promoter filed a criminal complaint against Sathish Kumar (the “Accused”), an assistant sales manager in the construction and equipment business of our Promoter, before the Metropolitan Magistrate Court, Coimbatore, in relation to diversion of funds and forging of documents by the Accused pertaining to the construction and equipment business of our Promoter. The matter is currently pending.
5. Our Promoter filed a criminal complaint against Manoj Mendon (the “Accused”), an ex-employee of our Promoter before the Metropolitan Magistrate Court, Mumbai for forgery and criminal breach of trust by the Accused for an amount of ₹ 2.9 million along with interest by the Accused. The matter is currently pending.
6. Our Promoter filed a criminal complaint against T. K. Bandopadhyay (the “Accused”), an ex-employee of our Promoter, before the Metropolitan Magistrate Court, Kolkata, for criminal conspiracy, falsifying the accounts of our Promoter and illegally collecting monies from various companies. The matter is currently pending.
7. Our Promoter filed a criminal revision petition before the Additional Chief Metropolitan Magistrate against an order passed by the Principal City Civil and Session Court, Bengaluru, dismissing a complaint for defamation filed by our Promoter against Rajagopalan under Section 499 read with Section 500 of IPC and Section 66A of the Information Technology Act, 2000. The matter is currently pending.
8. There are 18 criminal complaints filed by our Promoter before various forums in relation to dishonour of cheques under Section 138 of the Negotiable Instruments Act. The matters are currently pending. For details in relation to other criminal complaints filed by our Promoter, see “Outstanding Litigation and Material Developments - Litigation involving our Group Companies – Litigation involving L&T Technology Services Limited – Criminal matters” on pages 341 to 342.

#### *Other matters involving an amount above ₹ 2,500 million*

1. Our Promoter initiated arbitration proceedings against Visa Power Limited (“Visa Power”) in relation to the disputes arising out of contract entered into between Visa Power and our Promoter. Visa Power had awarded a contract to our Promoter for balance of plant package for setting up of a 2x600 MW Visa Raigarh Super Thermal Power Project at Devari and Dumarपाली villages in the Raigarh District of Chattisgarh. In terms of the contract, Visa Power was required to make

payments to our Promoter and our Promoter was required to furnish a bank guarantee in favour of Visa Power. The alleged failure of Visa Power to make timely payments to our Promoter, resulted in termination of the contract. Subsequently, Visa Power invoked the bank guarantee furnished by our Promoter. Therefore, our Promoter initiated arbitration proceedings against Visa Power and filed a statement of claim seeking for a total claim amount of ₹ 6,029.75 million along with interest of 18% per annum till realisation of the same. Visa Power filed a counter claim of ₹ 18,298.70 million consisting mainly consequential damages. The matter is currently pending.

2. Our Promoter initiated three arbitration proceedings against National Thermal Power Corporation (“NTPC”) in relation to construction of 12 kms underground tunnel and head race tunnel for Tapovan Vishnugad hydroelectric power project (the “Power Project”) of NTPC in Uttarakhand. L&T-AM JV, a joint venture of our Promoter and Alpine Bau GmbH was formed for the purpose of executing the Power Project. The claims involved in the three arbitration proceedings pertain to: (i) claims filed by our Promoter for a period from November 2006 to December 2009 pertaining to alleged delays and breaches committed by NTPC, including an amount aggregating to ₹ 2,510 million; (ii) claims filed by our Promoter for a period from January, 2010 to May, 2012 pertaining to alleged delays and breaches committed by NTPC, including an amount aggregating to ₹ 3,390 million; and (iii) claims filed by our Promoter including claims in relation to invocation and encashment of bank guarantees by NTPC, involving an aggregate amount of ₹ 9,126 million. In one of the arbitration proceedings, the arbitral tribunal has passed an interim award (the “Award”) directing NTPC *inter alia*, to furnish a bank guarantee of ₹500 million in favour of our Promoter. NTPC has preferred an appeal against the Award before the Delhi High Court which has been disposed off by the Delhi High Court. The matter is currently pending.
3. Our Promoter, along with its consortium member, Scomi Engineering BHD, Malaysia initiated two arbitration proceedings against the Mumbai Municipal Region Development Authority in relation to a monorail project in Mumbai being executed by the consortium. The claims in the two arbitration proceedings pertain to (i) interest on delayed payments aggregating to ₹2,236.50 million and (ii) price adjustment claims aggregating to ₹1,085.40 million. The matter is currently pending.
4. Our Promoter initiated an arbitration proceeding against the Standing Conference of Public Enterprise (the “SCOPE”) in relation to disputes arising out of contract entered into between SCOPE and our Promoter for construction of SCOPE Twin Tower in Delhi. Post completion of the aforesaid project, our Promoter had issued the bills, including the bills issued by the sub-contractor engaged by our Promoter to SCOPE. SCOPE had rejected certain bills of our Promoter and the sub-contractor. Accordingly, our Promoter initiated the aforesaid arbitration proceedings and filed a claim of ₹ 1,617.20 million before the arbitrator in relation to *inter alia* withheld amounts interest on delayed payments, cost escalation and extended stay cost for the personnel working on the project. SCOPE has filed a counter claim of ₹3,929.20 million for payment of damages by our Promoter. The amounts involved in the matter are claim of ₹ 1,617.20 million and counter claim of ₹3,929.20 million. The matter is currently pending.

*Other matters involving an amount below ₹ 2,500 million*

In addition to the above, our Promoter has initiated various litigation which are pending before various forums which pertain to *inter alia* claims arising out of breach of contractual terms by customers/ business partners; arbitration with customers, business partners and employees; suits including summary suits for recovery of money; winding up petitions filed by our Promoter against customer for non-payment; writ petition in relation to rejection to obtain mining lease; writ petition challenging the constitutional validity of the levy of extra water and sewerage charges by Brihan Mumbai Mahanagarpalika, Mumbai; suits for infringement of trademark of our Promoter; writ petition challenging the demand of octroi on license for use of software. The matters are currently pending.

#### **IV. Litigation involving our Group Companies**

*Our Group Companies operate in diverse sectors in India and overseas. Our Board has approved that given the nature and extent of operations of our Group Companies, the outstanding litigation involving our Group Companies which exceed the lower of one per cent of the consolidated revenue and five per cent of the consolidated net profit of our Promoter in the Financial Year 2015 (being lower than five percent of consolidated net profit of our Promoter in the Financial year 2016) would be considered material for our Group Companies.*

*On the basis of the above, the litigation involving our Group Companies has been disclosed in the following manner:*

- (i) all outstanding criminal proceedings and actions taken by regulatory or statutory authorities involving our Group Companies have been disclosed individually in this section, other than criminal proceedings initiated by our Group Companies under Section 138 of the Negotiable Instruments Act, which have been disclosed in a consolidated manner;*
- (ii) all claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount in this section;*
- (iii) all the litigation involving our Group Companies where the aggregate amount involved exceeds ₹ 2,500 million have been disclosed individually in this section and litigation below ₹ 2,500 million, if any, involving our Group Companies have been consolidated and disclosed in a summary and indicative manner in this section; and*
- (iv) any other case which is non-quantifiable but are considered material by our Group Companies.*

#### **Litigation involving L&T Kobelco Machinery Private Limited (“L&T KMPL”)**

##### *Indirect tax matters*

Three indirect tax matters involving L&T KMPL have been filed before forums such as Deputy Commissioner Commercial Tax and Assistant Commissioner Central Sales Tax involving an aggregate amount of ₹ 55.31 million in relation to various issues including reversal of input tax credit and levy of differential tax for non-submission of certain forms. The matters are currently pending.

#### **Litigation involving L&T Infrastructure Development Projects Limited (“L&T IDPL”)**

##### *Direct tax matters*

Six direct tax appeals involving L&T IDPL have been filed before the Commissioner of Income Tax (Appeals) and ITAT involving an aggregate amount of ₹ 261.20 million, in relation to various issues including disallowance of expenditure under Section 14A of the Income Tax Act. The matters are currently pending.

##### *Other matters*

There is no outstanding litigation involving L&T IDPL exceeding ₹ 2,500 million.

One special leave petition (the “SLP”) involving L&T IDPL has been filed before the Supreme Court by the Gujarat Maritime Board in relation to invocation of bank guarantee issued by L&T IDPL for development of port at Kacchigadh. The matter is currently pending.

#### **Litigation involving L&T Power Development Limited (“L&T PDL”)**

##### *Direct tax matters*

Four direct tax appeals involving L&T PDL have been filed before the ITAT and CIT (Appeals) involving an aggregate amount of ₹ 47.1 million, in relation to various issues including disallowance of revenue expenditure on account of non-commencement of business and disallowance under Section 14A of the Income Tax Act. The matters are currently pending.

##### *Other matters*

There is no outstanding litigation involving L&T PDL exceeding ₹ 2,500 million.

One matter involving L&T PDL relates to *inter alia* cancellation of over 50 memoranda of agreements executed by Government of Arunachal Pradesh with various power developers. The matter is currently pending.

#### **Litigation involving L&T Power Limited (“L&T Power”)**

#### *Other matters*

There is no outstanding litigation involving L&T Power exceeding ₹ 2,500 million.

A civil suit has been filed against L&T Power before the Additional Civil Judge, Senior Division, Rajpura for recovery in relation to alleged non-payment of dues for construction work undertaken and completed at the Thermal Power Plant, Rajpura. The matter is currently pending.

#### **Litigation involving L&T Sapura Shipping Private Limited (“L&T Sapura”)**

##### *Direct tax matters*

Two direct tax matters involving L&T Sapura has been filed before the CIT (Appeals), involving an aggregate amount of ₹ 65.34 million, relating to the assessment order issued by the assessing officer questioning the eligibility of L&T Sapura for computing income under the tonnage tax scheme despite L&T Sapura having obtained tonnage tax approval and the ship of L&T Sapura being registered under the Merchant Shipping Act, 1958 and denial of the benefits of tonnage tax. The matters are currently pending.

#### **Litigation involving L&T Seawoods Limited (“L&T Seawoods”)**

##### *Direct tax matters*

One direct tax appeal involving L&T Seawoods has been filed before the ITAT in relation to various issues including characterising the revenue expense as capital expense on the ground that L&T Seawoods has not conducted any business activity during the assessment year 2009-10. The matter is currently pending.

##### *Other matters involving an amount above ₹ 2,500 million*

City and Industrial Development Corporation of Maharashtra (“CIDCO”) has issued a notice to L&T Seawoods in relation to payments of certain amounts to be made by L&T Seawoods under a contract entered into between CIDCO and L&T Seawoods for execution of a project (the “Project”) at Maharashtra. CIDCO claimed an amount of ₹ 7,514 million towards alleged liquidated damages, additional premium and delayed payment charges for three instalment and delay in overall completion of the Project. L&T Seawoods, vide its reply dated September 23, 2014 (the “Reply”), has disputed amount claimed by CIDCO. There have been no further developments in the matter pursuant to the Reply. The amount involved in the matter is ₹ 7,514 million. The matter is currently pending.

##### *Other matters involving an amount below ₹ 2,500 million*

One matter involving L&T Seawoods relates to *inter alia* a civil suit filed against L&T Seawoods, CIDCO and others in relation to termination of contract for supply of machinery and materials for the project conducted by L&T Seawoods. The matter is currently pending.

#### **Litigation involving L&T Technology Services Limited (“LTTSL”)**

##### *Criminal matters*

LTTSL has filed two criminal complaints (the “Complaints”) against Rochem Green Energy Private Limited and Prayas Goel before the JMFC, Vadodara, under Section 138 of the Negotiable Instruments Act, in relation to dishonour of cheques. The Complaints have been returned for presentation to the proper court from 3<sup>rd</sup> Additional Chief Judicial Magistrate to the Metropolitan Magistrate, Mumbai and has been transferred back to the JMFC, Vadodara. The Complaints are filed in the name of our Promoter. Pursuant to the business transfer agreement dated March 15, 2014 entered into between our Promoter and LTTSL, the integrated engineering services business division of our Promoter has been transferred to LTTSL and accordingly, LTTSL is in the process of getting the Complaints transferred to itself. The matters are currently pending.

#### *Indirect tax matters*

Two indirect tax matters involving LTTSL have been filed before the Commissioner of Service Tax, involving an aggregate amount of ₹ 4.36 million in relation to rejection of service tax refunds. The matters are currently pending.

#### *Other matters*

There is no outstanding litigation involving LTTSL exceeding ₹ 2,500 million.

Other matters involving LTTSL relate to plaint filed by ex-landlord for recovery of arrears of rent and repair charges, complaint filed by an ex-employee of LTTSL for wrongful termination of employment by LTTSL and notices issued by LTTSL to its employees in relation to various matters, including breach of employment terms and conditions. The matters are currently pending.

#### **Litigation involving L&T Hydrocarbon Engineering Limited (“L&T HEL”)**

##### *Actions by regulatory/ statutory authorities*

A summons was issued to L&T HEL in relation to an enquiry instituted against Aditya Builders and Contractors, Musiri, for the failure of remittance of dues for employees under the EPF Act. The summons directed the authorised representative of L&T HEL to appear before the Assistant Provident Fund Commissioner at the Sub-Regional Office, Trichy along with relevant documents including details regarding payment made to Aditya Builders and Contractors. Subsequently, Assistant Provident Fund Commissioner made a demand for payment of ₹ 0.09 million towards employee provident fund dues. The amount involved in the matter is ₹ 0.09 million. The matter is currently pending.

#### *Direct tax matters*

Three direct tax matters involving L&T HEL have been filed before various forums such as ITAT, CIT (Appeals) and Director of Income Tax (International Taxation) involving an aggregate amount of ₹ 39.07 million, in relation to various issues including, tax not being deducted on bank guarantee charges and internet charges and difference in rate of tax deducted at source. The matters are currently pending.

#### *Indirect tax matters*

15 sales tax, customs and service tax related matters involving L&T HEL have been filed before various forums such as Sales Tax Tribunal, Commissioner of Customs, CESTAT, Deputy Commissioner of Sales Tax (Appeals), Additional Commissioner of Central Excise, High Court and Supreme Court, involving an aggregate amount of ₹ 4,991.75 million, in relation to various issues including disallowance of deemed inter state sales and non- submission of forms, disallowance of input tax credit, demand of excise duty on fabrication of tanks, platforms and ladders, demand of service tax on manpower recruitment, service of supply agency and software procurement and classification. The matters are currently pending.

#### *Other matters*

There is no outstanding litigation involving L&T HEL exceeding ₹ 2,500 million.

Other matters involving L&T HEL relate to *inter alia* recovery for alleged loss suffered or non-payment of invoices as well as interest thereon, recovery of payments made for supply of certain equipment, suit for declaration in relation to alleged payment of service tax, withholding of 10% of the total lump sum price on account of price adjustment relating to Naphtha Cracker Project due to delay in achieving mechanical completion and alleged illegal termination of an employee. The matters are currently pending.

#### **Litigation involving L&T Realty Limited (“L&T Realty”)**

##### *Direct tax matters*



Five direct tax matters involving L&T Realty have been filed before the ITAT involving an aggregate amount of ₹ 14.4 million, relating to disallowance of interest expenditure, cost of services paid to our Promoter and fees paid to the registrar of companies. The matters are currently pending.

*Other matters*

There is no outstanding litigation involving L&T Realty exceeding ₹ 2,500 million.

One writ petition by an ex-employee of our Promoter against the State of Maharashtra and others, including our Promoter and L&T Realty Limited alleging utilisation of land, contrary to the provisions and certain requirements prescribed under the Urban Land (Ceiling and Regulation) Act 1976 (since repealed). The matter is currently pending and is subjudice.

**Litigation involving L&T-Valdel Engineering Limited (“L&T Valdel”)**

*Direct tax matters*

Four direct tax matters involving L&T Valdel have been filed before various forums such as CIT (Appeals), ITAT Bengaluru and High Court of Karnataka, respectively involving an aggregate amount of ₹ 217.80 million, in relation to disallowances of the deduction under Section 10A of the Income Tax Act, loss on forward contract and other disallowance of revenue expenses. The matters are currently pending.

*Indirect tax matters*

One matter involving L&T Valdel has been filed before the Service Tax Department involving an aggregate amount of ₹ 1.62 million, in relation to exemption claimed by L&T Valdel from payment of service tax on the services rendered outside India. The matter is currently pending.

**Litigation involving L&T Sargent & Lundy Limited (“L&T SLL”)**

*Indirect tax matters*

One service tax related appeal involving L&T SLL has been filed before the CESTAT involving an amount of ₹ 0.36 million, in relation to classification of service tax and exemption. The matter is currently pending.

*Actions by regulatory/ statutory authorities*

L&T SSL has filed an appeal against the Collector and Superintendent of Stamps, Gandhinagar (the “Collector”) before the Chief Controlling Revenue Authority against the demand made by the Collector in relation to deficit payment of stamp duty by L&T SSL on the lease agreement executed between L&T SSL and the developer. The amount involved in the matter is ₹ 4.17 million. The matter is currently pending.

**Litigation involving L&T Construction Equipment Limited (“L&T CEL”)**

*Direct tax matters*

Five direct tax appeals involving L&T CEL have been filed before the ITAT involving an aggregate amount of ₹ 139.45 million, in relation to additions to income on account of disallowance of warranty provision, addition of CENVAT credit attributable to stock to income and disallowance of expenses incurred for scientific research. The matters are currently pending.

*Indirect tax matters*

24 indirect tax matters involving L&T CEL have been filed before various tribunals such as CESTAT, Joint Commissioner of Commercial Tax and Taxation Tribunal, West Bengal, involving an aggregate amount of ₹ 1,589.15 million, which relate to *inter alia* denial of CENVAT credit on service tax paid on sole selling agency commission, denial of CENVAT credit on input services, penalty on reversal of

CENVAT credit, denial of exemption of central excise duty, interest on short payment, addition of turnover, application of differential tax rate and differential tax levied for non-submission of declaration form. The matters are currently pending.

#### *Other matters*

There is no outstanding litigation involving L&T CEL exceeding ₹ 2,500 million.

Other matters involving L&T CEL relate to consumer complaints pertaining to defective equipment being supplied, failure of providing equipment compensation under the Consumer Protection Act, claim for replacement of certain equipment- hydraulic excavator machine and damages for the same. The matters are currently pending.

### **Litigation involving L&T Cutting Tools Limited (“L&T CTL”)**

#### *Direct tax matters*

Four direct tax appeals involving L&T CTL have been filed before the CIT (Appeals) and ITAT involving an aggregate amount of ₹ 1.3 million, in relation to *inter alia*, disallowance of commission expense and deduction under Section 35(1)(i) of the Income Tax Act. The matters are currently pending.

#### *Indirect tax matters*

10 matters involving L&T CTL have been filed before various forums such as Joint Commissioner of Sales Tax (Appeals), CESTAT, Commissioner of Central Excise and High Court involving an aggregate amount of ₹ 361.19 million in relation to non-receipt of certain forms required to be filed, disallowance of labour charges and input tax credit, incorrect availment and non-reversal of CENVAT credit and non-payment of octroi cess on material used for work done at L&T CTL’s plant at Navi Mumbai. The matters are currently pending.

### **Litigation involving L&T General Insurance Company Limited (“L&T GICL”)**

#### *Indirect tax matters*

Seven show cause notices have been issued by various authorities such as the Commissioner of Service Tax and the Assistant Commissioner of Service Tax to L&T GICL, involving an aggregate amount of ₹ 90.49 million in relation to *inter alia*, non-payment of service tax on expenses recovered from co-insurers, reversal of proportionate CENVAT credit for expenses pertaining to co-insurance premiums, availment of CENVAT credit on reinsurance premium and non-payment of service tax on amount collected as standard deductibles from the customers. The matters are currently pending.

#### *Other matters*

There is no outstanding litigation involving L&T GICL which exceed ₹ 2,500 million.

Other matters involving L&T GICL relate to consumer complaints filed against L&T GICL in relation to various alleged deficiencies of services, pertaining to *inter alia* motor insurance and health insurance provided by L&T GICL, appeals filed in relation to claims pertaining to matters under the Motor Accidents Compensation Act, 1999 and matters before the ombudsman in relation to demand of settlement of claim by the insured in respect of the insurance policies of L&T GICL availed by the insured. The matters are currently pending.

### **Litigation involving L&T-MHPS Boilers Private Limited (“L&T MHPS”)**

#### *Direct tax matters*

One direct tax matter involving L&T MHPS has been filed before the CIT (Appeals) involving an aggregate amount of ₹ 12.05 million, in relation to reassessment under Income Tax Act. The matter is currently pending.

#### *Indirect tax matters*

One matter involving L&T MHPS have been filed before the Deputy Commissioner (Appeals) involving an aggregate amount of ₹ 1.46 million, in relation to reversal of amount with respect to capital goods credit. The matters are currently pending.

#### **Litigation involving L&T-MHPS Turbine Generators Private Limited (“L&T MTGPL”)**

##### *Direct tax matters*

Three direct tax appeals involving L&T MTGPL have been filed before the CIT (Appeals) involving an aggregate amount of ₹ 0.02 million, in relation to disallowance of foreseeable loss. The matters are currently pending.

##### *Indirect tax matters*

Three matter involving L&T MTGPL has been filed before the Joint Commissioner of Customs (Appeals), Deputy Commissioner of Commercial Tax and Commissioner (Audit) of Central Excise, Customs and Service Tax involving an aggregate amount of ₹ 31.12 million, in relation to imports from related parties, the cost insurance freight loading on the imports, input tax credit on capital goods purchased and recovery of liquidated damages from supplier on account of late deliveries. The matters are currently pending.

##### *Other matters*

There is no outstanding litigation involving L&T MTGPL which exceed ₹ 2,500 million.

L&T MTGPL has received a notice in relation to alleged illegal termination of sweepers by the contractor, under the provisions of the Industrial Disputes Act and the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989. Our Promoter has replied to the aforesaid notice stating that our Promoter had entered into the contract with the contractor and denying the allegations contained in the aforesaid notice. The matter is currently pending.

#### **Litigation involving L&T BPP Tollway Limited (“L&T BTL”)**

##### *Direct tax matters*

One income tax matter involving L&T BTL is pending before the CIT (Appeals) involving an aggregate amount of ₹ 0.40 million in relation to treatment of income during construction period as a revenue receipt. The matter is currently pending.

##### *Other matters*

There is no outstanding litigation involving L&T BTL which exceed ₹ 2,500 million.

Four matters involving L&T BTL has been filed before the Rajasthan High Court and the District Court, Pali in relation to illegal construction of toll plaza, alleged construction of access road by L&T BTL in violation of the guidelines issued by the Ministry of Road Transport and Highways and enhancement of compensation for acquisition of land and demand of compensation for acquisition of land. The reliefs sought include amongst other things, directions from the court to stop construction of the toll plaza and enhancement of compensation. The matters are currently pending.

#### **Litigation involving Larsen & Toubro Electromech LLC (“L&T Electromech LLC”)**

##### *Direct tax matters*

Two direct tax matters involving L&T Electromech LLC have been filed with the Secretary General for Taxation, Ministry of Finance in relation to the tax assessment order passed for the year 2008 and the tax assessment order passed for the year 2009 disallowing exchange loss on forward contracts and staff

food expenses aggregating to USD 1.62 million (equivalent to ₹ 103.5 million as of the date of filing of objection). The aggregate amount involved in the matter is USD 0.19 million (equivalent to ₹ 12.4 million as of the date of filing of objection). The matter is currently pending.

#### *Other matters*

There is no outstanding litigation involving L&T Electromech LLC which exceed ₹ 2,500 million.

Other matters involving L&T Electromech LLC has been filed before the Court of Muscat in relation to termination of employment by L&T Electromech LLC of certain employees and default in payment of outstanding dues in relation to Salalah airport project. The matters are currently pending.

#### **Litigation involving L&T Devihalli Hassan Tollway Limited (“L&T DHTL”)**

##### *Direct tax matters*

One income tax matter involving L&T DHTL is pending before the CIT (Appeals) involving an aggregate amount of ₹ 7.79 million in relation to treatment of income during construction period as a revenue receipt. The matter is currently pending.

#### **Litigation involving L&T Metro Rail (Hyderabad) Limited (“L&T MRHL”)**

##### *Actions by regulatory/ statutory authorities*

One writ petition involving L&T MRHL has been filed before the Hyderabad High Court against the Greater Hyderabad Municipal Corporation (“GHMC”) for the demand of payment of property tax on Metro Rail Depots at Uppal and Miyapur and also on metro stations raised by GHMC from L&T MRHL. The Hyderabad High Court has directed GHMC to not take coercive actions against L&T MRHL till further orders as L&T MRHL being metro rail administration is exempt from payment of any tax in aid of funds of any local authority. The matter is currently pending.

##### *Other matters involving an amount above ₹ 2,500 million*

L&T MRHL has filed a writ petition against the demand made by the Collector and District Registrar, Hyderabad before High Court of Hyderabad for the State of Telangana and the State of Andhra Pradesh (“Hyderabad High Court”) relating to alleged deficiency of ₹ 6,197.50 million in the payment of stamp duty paid on the engineering, procurement and construction agreement entered into between L&T Metro Rail (Hyderabad) Limited and our Promoter. The Hyderabad High Court has granted an interim stay in the matter against the demand made by District Registrar, Hyderabad. The matter is currently pending. For further details and details in relation to writ petition filed by our Promoter in this regard, see “Outstanding Litigation and Material Developments- Litigation involving our Promoter – Litigation against our Promoter- Actions by regulatory/ statutory authorities – Actions taken by authorities for stamp duty” on page 332.

##### *Other matters involving an amount below ₹ 2,500 million*

One writ petition involving L&T MRHL has been filed before the Hyderabad High Court against the Principal Secretary, Labour Employment, Training and Factories Department, State of Telangana for demand to pay labour cess under BCW Act. The Hyderabad High Court has granted an injunction order in favour of L&T MRHL in this regard. The matter is currently pending.

#### **Litigation involving L&T Modular Fabrication Yard LLC (“L&T MFY LLC”)**

##### *Other matters*

There is no outstanding litigation involving L&T MFY LLC which exceed ₹ 2,500 million.

Other matters involving L&T MFY LLC, relate to *inter alia* alleged wrongful termination of employment and a matter of arbitration initiated against L&T MFY LLC by M/s. Lynemouth Drilling Limited (“Lynemouth”) in which Lynemouth has claimed loss of profits, delay in delivery, variation

orders and damages, costs and expenses in relation to refurbishment and redelivery of a jack up rig by L&T MFY LLC to Lynemouth. The matters are currently pending.

#### **Litigation involving Larsen & Toubro Saudi Arabia LLC (“L&T Saudi Arabia LLC”)**

##### *Direct tax matters*

An appeal has been filed involving L&T Saudi Arabia LLC against a notice of the Department of Zakat and Income Tax (DZIT) for payment of overdue taxes. L&T Saudi Arabia LLC has filed an appeal against the same before the DZIT. The aggregate amount involved in the matter is SAR 13.9 million (equivalent to ₹ 227.46 million as of the date of notice). The matter is currently pending.

#### **Litigation involving Nabha Power Limited (“Nabha Power”)**

##### **Litigation filed against Nabha Power**

##### *Actions by regulatory/ statutory authorities*

The Punjab & Haryana High court has on its own motion filed a civil writ petition to examine whether adequate and effective health delivery system are in place in coal fired thermal power plants operating in Punjab and whether there is any evaluation of occupational health status of the workers. The matter is currently pending.

##### *Indirect tax matters*

One indirect tax appeal involving Nabha Power has been filed before CESTAT, involving an aggregate amount of ₹ 85.20 million, for demand of service tax and penalty on codal charges paid to the Indian railways (the northern railway). The matter is currently pending.

There are no outstanding litigations against Nabha Power which exceed ₹ 2,500 million.

##### *Other matters*

There are no outstanding litigations against Nabha Power which exceed ₹ 2,500 million.

Other matters involving Nabha Power relate to *inter alia* land acquisition for railway siding, enhancement of compensation for acquisition of land, non payment of wages and non-payment of dues in relation to construction work. The matters are currently pending.

##### **Litigation filed by Nabha Power**

##### *Other matters involving an amount above ₹ 2,500 million*

Nabha Power has filed an appeal before the Appellate Tribunal for Electricity (“APTEL”) against an order passed by the Punjab State Electricity Regulatory Commission (“PSERC”) disallowing reimbursement of certain components of energy charges, such as surface transportation charges, costs incurred in washing of coal, coal GCV loss, yield loss, transit and handling losses and capacity charges for the period when capacity charge was claimed on alternate coal by Nabha Power from Punjab State Power Corporation Limited. The amount involved in the matter is ₹ 7,700 million. The matter is currently pending.

##### *Other matters*

Other matters filed by Nabha Power before various regulatory authorities and courts including, *inter alia*, PSERC, APTEL and the Supreme Court, relate to, *inter alia*, increase in capital cost for railway siding, appeal to claim adverse impact on station heat rate for Rajpura project, claim of fiscal benefits under foreign trade policy/mega power policy and arbitration for extension of time in scheduled commercial operation date. The matters are currently pending.

#### **Litigation involving L&T Finance Limited (“L&T Finance”)**

## Litigation filed against L&T Finance

### *Criminal matters*

1. Battula Mahalakshmi (the “Complainant”) filed an FIR against the employees of L&T Finance (the “Accused”), before the Kakinada police station in relation to *inter alia* allegedly threatening the wife of the Complainant by the Accused for non-payment of instalments which were due to be paid by the Complainant. Subsequently, a criminal case has been initiated before the JMFC, Kakinada. The matter is currently pending.
2. Dinesh Yadav (the “Complainant”) filed a criminal complaint against the officers of L&T Finance before the JMFC, Jamshedpur, in relation to *inter alia* alleged theft of documents and cash pertaining to the truck finance availed by the Complainant from L&T Finance. The matter is currently pending.
3. Gopal Gorai (the “Complainant”) filed an FIR against the employees of L&T Finance, before the Sonamukhi police station, West Bengal, in relation to *inter alia* alleged theft of property of the Complainant which was hypothecated by the Complainant to L&T Finance while availing loan from L&T Finance. Subsequently, a criminal case has been initiated before the Additional Chief Judicial Magistrate, Bishnupur. The matter is currently pending.
4. Madhumita Jaiswal (the “Complainant”) filed an FIR against certain persons before the Barrackpore Sub Division Police Station in relation to *inter alia* alleged criminal breach of trust by non-delivery of vehicle to the Complainant. The Complainant further alleged that the non-delivery of vehicle was according to the instructions of the employees of L&T Finance. The matter is currently pending.
5. Muttappa Hirekumbi filed an FIR against the employees of L&T Finance (the “Accused”), before the Golgumbaj police station, Bijapur, in relation to *inter alia* charging exorbitant interest under the Karnataka Prohibition of Excess Interest Act, 2004 by the Accused. Subsequently, a criminal case has been initiated before the JMFC, Bijapur. The matter is currently pending.
6. Nagji Suthar (the “Complainant”) filed an FIR against the employees of L&T Finance (the “Accused”), before the Kareda district police station in relation to *inter alia* alleged theft of the Complainant’s tractor by the Accused. Subsequently, a criminal case has been initiated before the Additional Chief Judicial Magistrate, Mandal. The matter is currently pending.
7. M/s. Riya Stone Crusher (the “Complainant”) filed a criminal case against an employee of L&T Finance (the “Accused”) before the Chief Judicial Magistrate Kamrup, Guwahati for alleged criminal breach of trust and criminal conspiracy in relation to illegal re-possession of the assets of the Complainant by the Accused. The matter is currently pending.
8. Sanjay Mishra (the “Complainant”) filed a criminal case against the managing director and officers of L&T Finance (the “Accused”) before the Chief Judicial Magistrate, Jamshedpur for alleged theft of the tractor of the Complainant by the Accused. The matter is currently pending.
9. Satish Kumar filed an FIR against the officers of L&T Finance, before the Torwa, Bilaspur police station in relation to *inter alia* alleged theft of asset financed through L&T Finance. Subsequently, a criminal case has been initiated before the JMFC, Bilaspur. The matter is currently pending.
10. L&T Finance filed a revision petition against M/s. Yashoda Constructions (the “Complainant”) before the Sessions Judge, Pune against the process orders issued by JMFC, Pune. The Complainant had filed a criminal case against the officers of L&T Finance before the JMFC, Pune in relation to re-possession of equipment by L&T Finance. The JMFC, Pune through its order issued process. The matter is currently pending.
11. Mohd. Junaid (the “Complainant”) filed a criminal case against an employee of L&T Finance before the Additional Chief Metropolitan Magistrate, Delhi for alleged cheating and forging of

loan documentation in relation to loan availed of by the Complainant from L&T Finance. The matter is currently pending.

12. Sk Nijamuddin filed a criminal case against the borrower (the “Accused”) of L&T Finance before the Kharagpur police station for sale of hypothecated property without requisite permissions. The Accused has filed a petition before the Calcutta High Court for quashing the drawing up of charge sheet against the Accused and stay has been granted by the Calcutta High Court. The matter is currently pending.
13. Madhuri Devi (the “Complainant”) filed an FIR against an officer (the “Accused”) of L&T Finance, before the Bhagwanpur Police Station in relation to *inter alia* alleged forcible re-possession of assets by the Accused. Subsequently, a criminal case has been initiated before the CJ Vaishali, Hajipur. The matter is currently pending.
14. M/s. Srikant Tractors filed a criminal case against the borrower (the “Accused”) of L&T Finance before the District Judge, Sagar, in relation to recovery of the margin amount towards the sale of the tractor by the Accused. The matter is currently pending.
15. The Electricity Department, Purnea filed a criminal case against L&T Finance before the Chief Judicial Magistrate, Purnea in relation to alleged theft of energy by L&T Finance. The matter is currently pending.
16. Babban Giri filed an FIR against certain officials (the “Accused”) of L&T Finance before the Ranhola, Delhi police station *inter alia* for alleged theft of vehicle and certain original documents of the Complainant. The matter is currently pending.
17. Pushpendra Singh filed an FIR against certain officials (the “Accused”) of L&T Finance before the Vidhayakpuri Police station *inter alia* for alleged forcible re-possession of assets by the Accused. The matter is currently pending.
18. Subhash Zende filed criminal case against L&T Finance before the District Court, Pune, in relation to non-issuance of RC. The matter is currently pending.
19. Santosh Kumar filed an FIR against certain officials (the “Accused”) of L&T Finance before the Harnaut police station *inter alia* for alleged forcible re-possession of assets by the Accused. Subsequently, a criminal case has been initiated before the Chief Judicial Magistrate Biharsharif at Nalanda. The matter is currently pending.
20. Sumith Kumar filed a criminal petition against L&T Finance before the Andhra Pradesh High Court, in relation to alleged forcible re-possession of assets by the Accused. The matter is currently pending.
21. Dheeraj Kumar (the “Complainant”) filed a criminal petition against L&T Finance before the District Court, Muzaffarpur in relation to alleged cheating and fraud committed by L&T Finance against the Complainant for recovery of dues. The matter is currently pending.
22. M/s Yash Tours and Travels (the “Complainant”) filed an FIR against L&T Finance before the Vishrantwadi police station under Sections 379 and 380 of the IPC in relation to alleged theft of the hypothecated asset belonging to the Complainant by L&T Finance. The Complainant, after having re-possessed the asset has alleged that L&T Finance had stolen the asset which was hypothecated to L&T Finance under the loan cum hypothecation agreement. The matter is currently pending.

#### *Direct tax matters*

26 direct tax matters involving L&T Finance have been filed before various tribunals such as ITAT, CIT (Appeals) and the Bombay High Court involving an aggregate amount of ₹ 259.82 million in relation to various issues including disallowance of expenses in relation to exempt dividend income under Section 14A of the Income Tax Act, disallowance of depreciation in respect of motor cars and other assets given under lease, short term capital gain on sale of equity shares being treated as business

income, taxation of securitisation gain and business income on sale of business of L&T trade.com being treated as slump sale. The matters are currently pending.

#### *Indirect tax matters*

47 indirect tax matters involving L&T Finance have been filed before various tribunals such as Commissioner (Appeal) - Service Tax, Deputy Commissioner of Sales Tax (Appeal), Joint Commissioner of Sales Tax (Appeal) and High Courts involving an aggregate amount of ₹ 181.09 million, in relation to service tax levied on receipt of interest on delayed payment and finance charges in case of hire purchase finance deals and foreclosure charges, inter-state exemption in case of deemed sale, claim of exemption for deemed sale by import and refusal of input tax credit by the authorities. The matters are currently pending.

#### *Other matters*

There is no outstanding litigation involving L&T Finance which exceed ₹ 2,500 million.

Other matters involving L&T Finance include petitions with regard to setting aside of awards, application for interim awards, consumer complaints, claims filed before motor accidents' claims tribunal and civil suits filed by certain customers of L&T Finance, including in relation to certain contractual disputes, alleged deficiency of services, insurance claims against properties hypothecated to L&T Finance and recovery of office rental arrears. The matters are currently pending.

### **Litigation filed by L&T Finance**

#### *Criminal matters*

There are various criminal complaints filed by L&T Finance before various forums in relation to dishonour of cheques under Section 138 of the Negotiable Instruments Act, criminal complaints in relation to cheating, fraud, quashing of warrants, challenging stay of bail applications against customers of L&T Finance who cause impediments in the recovery of loans financed by L&T Finance. The matters are currently pending.

#### *Other matters*

There is no outstanding litigation involving L&T Finance which exceed ₹ 2,500 million.

Other matters involving L&T Finance include petitions with regard to setting aside of awards and application for interim awards. The matters are currently pending.

### **Litigation involving L&T Infrastructure Finance Company Limited ("L&T IFCL")**

#### **Litigation filed against L&T IFCL**

#### *Criminal matters*

L&T IFCL has filed a criminal writ petition before the Delhi High Court seeking quashing of an FIR filed by Naresh Jaggi (the "Complainant") against *inter alia* L&T IFCL. The Complainant had filed a complaint with the Metropolitan Magistrate, Rohini alleging criminal conspiracy for usurping land (owned by the Complainant) by L&T IFCL. Due to disposal of the aforesaid complaint by the Metropolitan Magistrate, the Complainant filed an FIR before the Model Town police station, New Delhi, under Sections 409 and 420 of the Indian Penal Code. The matter is currently pending.

#### *Direct tax matters*

Five direct tax matters involving L&T IFCL have been filed before various tribunals such as ITAT and CIT (Appeals) involving an aggregate amount of ₹ 293.20 million, in relation to various issues including disallowance of share issue expenses, expenses pertaining to earning exempt income, expenditure in relation to issuance of debentures being treated as capital expenditure and disallowance of ESOP reimbursement expenses. The matters are currently pending.



#### *Indirect tax matters*

Two cases involving L&T IFCL have been filed before various tribunals such as Commissioner of Service Tax, Additional Commissioner of Service Tax involving an aggregate amount of ₹ 46.52 million, in relation to payment of service tax on upfront interest and for service tax proposed to be imposed on manpower supply for projects. The matters are currently pending.

#### *Other matters*

There is no outstanding litigation filed against L&T IFCL which exceed ₹ 2,500 million.

Other matters filed against L&T IFCL relate to various issues including *inter alia* testamentary petition filed against L&T IFCL, suit for declaration of right to passage of land filed against L&T IFCL. The matters are currently pending.

#### **Litigation filed by L&T IFCL**

##### *Criminal matters*

L&T IFCL has filed a criminal complaint against Supreme Infrastructure India Limited before the 9<sup>th</sup> Court of Metropolitan Magistrate, Bandra, Mumbai, alleging cheating, criminal breach of trust and misappropriation of property in relation to securities mortgaged in favour of L&T IFCL.

There are various criminal complaints filed by L&T IFCL before various forums in relation to dishonour of cheques under Section 138 of the Negotiable Instruments Act. The matters are currently pending.

##### *Other matters*

There is no outstanding litigation filed by L&T IFCL which exceed ₹ 2,500 million.

Other matters filed by L&T IFCL relate to various issues including, winding up petitions filed by L&T IFCL against Avarsekar Realty Private Limited before the Bombay High Court, Get Power Private Limited before the Madras High Court and VMC Systems Limited before the Hyderabad High Court, recovery of debt proceedings initiated by L&T IFCL against *inter alia* IDEB, Get Power Private Limited, Hanjer Biotech, Sujana Tower Limited, ICOMM Tele, C&C Western Expressway Limited and Unity Infra Projects Limited before various debt recovery tribunal, suits filed for specific performance of contract and testamentary petitions. The matters are currently pending.

#### **Litigation involving L&T Investment Management Limited (“L&T IML”)**

##### *Direct tax matters*

One direct tax matter involving L&T IML has been filed before the Deputy Commissioner of Income Tax, involving an aggregate amount of ₹ 1.20 million, in relation to rectification of error in computation of demand made by the income tax authority. The matter is currently pending.

##### *Indirect tax matters*

One appeal involving L&T IML has been filed against the demand order raised by the Commissioner of Service Tax to L&T IML, before the Commissioner of Appeals of Service Tax involving an aggregate amount of ₹ 0.7 million in relation to *inter alia* refusal to treat the services provided to M/s FIL Investment Management (Hong Kong) as export of services. The matter is currently pending.

##### *Other matters*

There is no outstanding litigation involving L&T IML exceeding ₹ 2,500 million.

Other matters involving L&T IML relate to *inter alia* consumer matters filed against L&T IML in

relation to claims pertaining to deficiency of services and certain matters in relation to transmission of units post death of the investors, wherein L&T IML has been made a proforma party for the purposes of submission of evidence. The matters are currently pending.

#### **Litigation involving L&T Valves Limited (“L&T Valves”)**

##### *Direct tax matters*

Four direct tax petitions involving L&T Valves have been filed before various ITAT, Commissioner of Income Tax and Assistant Commissioner of Income Tax involving an aggregate amount of ₹ 13.37 million, in relation to various issues including transfer pricing adjustments with respect to sales of valves to related parties and transactions not entered by L&T Valves appearing in Form 26AS. The matters are currently pending.

##### *Indirect tax matters*

18 matters in relation to central excise, sales tax and customs involving L&T Valves have been filed before various forums such as Commissioner of Excise (Appeals), CESTAT, Revisional Authority Delhi, Ministry of Revenue, Commissioner of Customs, Joint Commissioner of Sales Tax and High Courts, involving an aggregate amount of ₹ 30.67 million, in relation to various issues including availment of exemption, classification of central excise, excise duty rebate, refund of VAT, input credit on manufacture of exempted goods. The matters are currently pending.

##### *Other matters*

There is no outstanding litigation involving L&T Valves which exceed ₹ 2,500 million.

One matter involving L&T Valves related to recovery proceedings initiated by the Canara Bank against L&T Valves before the Debt Recovery Tribunal, Madurai in relation to discounting of bills by M/s. Valla Castings Limited. The matter is currently pending.

#### **Litigation involving L&T Howden Private Limited (“L&T HPL”)**

##### *Indirect tax matters*

Three matters involving L&T HPL has been filed before the Commissioner of Appeals, Central Excise & Customs, Assistant Commissioner, Central Excise & Customs and Superintendent of Service Tax (Surat), involving an aggregate amount of ₹ 1.02 million, in relation to non-reversal of service tax credit and delay in filing of forms. The matters are currently pending.

#### **Litigation involving L&T Thales Technology Services Private Limited (“L&T Thales”)**

##### *Direct tax matters*

Four matters involving L&T Thales have been filed before the ITAT, Chennai and Dispute Resolution Panel, involving an aggregate amount of ₹ 78.23 million, including in relation to upward adjustment being made on account of transfer pricing, tax demand raised by the transfer pricing officer after making adjustment to the arm’s length pricing and assessment proceeding under Section 143(2) of the Income Tax Act. The matter is currently pending.

##### *Indirect tax matters*

Four matters involving L&T Thales have been filed before the Commissioner of Central Excise, the Commissioner of Central Excise (Appeals) and the Principal Commissioner of Customs, involving an amount of ₹ 8.22 million (including interest and penalty, if any), including in relation to taxability of telecommunication services procured by Thales Service SAS, Thales Corporate Services SAS, Thales Global Service SAS, determination of assessable value of imports and rejection of service tax refunds. The matters are currently pending.

#### **Litigation involving Family Credit Limited (“Family Credit”)**

## **Litigation filed against Family Credit**

### *Criminal matters*

1. Manish Sukhwasiya (the “Complainant”) has filed a criminal complaint against Family Credit before the Indore police station under Section 379 of the Indian Penal Code, in relation to alleged re-possession of asset by Family Credit. The matter is currently pending.
2. A criminal case has been filed against Family Credit before the Chief Judicial Magistrate, Alipore, under Section 220(3) of the Companies Act, 1956, for violation of Section 220(1) of the Companies Act, 1956, for not attaching the audit report with the balance sheet of March 31, 2012. Subsequently, the prosecution has been filed with the Assistant Registrar of Companies, Kolkata. The matter is currently pending.
3. Asalam Shaikh has filed a criminal complaint against Family Credit before the Fouzdar Chowdi police station, Solapur, under Sections 378 and 379 of the Indian Penal Code, in relation to alleged re-possession of asset by Family Credit. The matter is currently pending.
4. Ankur Hapliya has filed a criminal complaint against Family Credit before the Rajkot police station, under Sections 378 and 379 of the Indian Penal Code, in relation to alleged re-possession of asset by Family Credit. The matter is currently pending.

### *Actions by regulatory/statutory authorities*

The Registrar of Companies, Kolkata had undertaken an inspection of Family Credit in the Financial Year 2010 and subsequently, Family Credit was found in violation of Section 372A(3) of the Companies Act, 1956 in relation to acceptance of inter corporate deposits. The matter is currently pending.

### *Direct tax matters*

Two direct tax matters involving Family Credit have been filed before CIT (Appeals), involving an aggregate amount of ₹ 40.77 million, which relate to disallowances of travelling and conveyance expenses, disallowances of foreign exchange loss, and business loss due to filing of revised return. The matters are currently pending.

### *Indirect tax matters*

Three indirect tax matters involving Family Credit have been filed before various forums such as the Supreme Court, the West Bengal Revision Board and the Senior Joint Commissioner for Service Tax involving an aggregate amount of ₹ 18.33 million, which relate to *inter alia* levy of VAT on disposal of seized and repossessed vehicles. The matters are currently pending.

### *Other matters*

There is no outstanding litigation filed against Family Credit which exceed ₹ 2,500 million.

Other matters involving Family Credit, relate to consumer matters in relation to deficiency of goods and services provided by Family Credit, allegations pertaining to collection pressure and issues relating to non issuance of NOC provided by Family Credit after completion of payments of all EMI and, arbitration proceedings in relation to default in payment of EMI. The matters are currently pending.

## **Litigation filed by Family Credit**

### *Criminal matters*

There are various criminal complaints filed by Family before various forums in relation to dishonour of cheques under Section 138 of the Negotiable Instruments Act. The matters are currently pending.

### *Other matters*

There is no outstanding litigation filed by Family Credit which exceed ₹ 2,500 million.

Other matters involving Family Credit, relate to arbitration proceedings in relation to default in payment of EMIs.

**Litigation involving Kuwait Construction General Contracting Company, With Limited Liability (“L&T Kuwait”)**

*Other matters*

There is no outstanding litigation involving L&T Kuwait which exceeds ₹ 2,500 million.

One matter involving L&T Kuwait has been filed before the Kuwait Court of First Instance, in relation to non-payment of increased costs incurred by L&T Kuwait due to delay in supply of material by one of the clients of L&T Kuwait. The matter is currently pending.

**Litigation involving Spectrum Infotech Private Limited (“SIPL”)**

*Direct tax matters*

Two direct tax matters involving SIPL have been filed before the Karnataka High Court, involving an aggregate amount of ₹ 9.20 million, which relate to non-deduction of tax deducted at source on payment of overheads to our Promoter. The matters are currently pending.

*Indirect tax matters*

Four indirect tax matters involving SIPL have been filed before various forums such as the CESTAT, Commissioner of Central Excise (Appeal) and Commissioner of Service Tax (Appeals), involving an aggregate amount of ₹ 13.98 million, which relate to *inter alia* denial of exemption claimed for payment of excise by SIPL and denial of service tax credit availed on invoice raised by our Promoter. The matters are currently pending.

**Litigation involving L&T Special Steels and Heavy Forgings Limited (“L&T Special Steels”)**

*Direct tax matters*

One direct tax matter involving L&T Special Steels has been filed before the CIT (Appeals), involving an aggregate amount of ₹ 145.32 million in relation to disallowance of expenses in relation to *inter alia* electricity expenses, professional fees, man power supply and job work due to non-confirmation of transactions by vendors. The matter is currently pending.

*Indirect tax matters*

Two indirect tax matters involving L&T Special Steels have been filed before the Commissioner of Central Excise, Customs and Service Tax (Appeals) involving an aggregate amount of ₹ 7.20 million, which relates to disallowances of CENVAT credit on input services. The matters are currently pending.

*Other Matters*

There is no outstanding litigation involving L&T Special Steels which exceeds ₹ 2,500 million.

One writ petition involving L&T Special Steels has been filed before the Gujarat High Court in relation to alleged wrongful demand for transmission charges pertaining to open access power purchased by L&T Special Steels. The matter is currently pending.

**Litigation involving L&T Housing Finance Limited (“L&T Housing Finance”)**

*Criminal matters*

Rafiq Khandelvi has filed an FIR against certain employees (the “Accused”) of L&T Housing Finance before the Jalupura police station, under Sections 464 and 465 of the Indian Penal Code, in relation to

alleged forgery by the Accused in collusion with third party. Subsequently, a criminal case has been initiated before the Chief Judicial Magistrate, Jaipur. The matter is currently pending

#### *Direct tax matters*

Five direct tax matters involving L&T Housing Finance have been filed before the CIT (Appeals) and the Madras High Court involving an aggregate amount of ₹ 9.46 million in relation to various issues including disallowance of inclusion of securitisation income, processing fees and administrative fees within the purview of income derived from the long term finance and disallowance of expenditure under Section 14A of the Income Tax Act, including disallowance of exempted income, syndication fees, brokerage charges and deduction of reversal of provision for non-performing assets. The matters are currently pending.

#### *Other matters*

There is no outstanding litigation involving L&T Housing Finance which exceeds ₹ 2,500 million.

Other matters involving L&T Housing Finance relate to *inter alia* proceedings for re-possession of assets under the SARFAESI Act and arbitration proceedings in relation to defaults committed by borrowers.

### **V. Litigation involving our Directors**

#### ***Disclosure of litigation involving our Directors:***

*We have disclosed all pending criminal litigation and actions taken by regulatory or statutory authorities involving our Directors individually in this section. We have disclosed claims related to direct and indirect taxes involving our Directors in a consolidated manner giving details of number of cases and total amount. We have disclosed details of inquiry or investigation conducted by SEBI against our Directors.*

*Our Board has approved that given the nature and extent of operations of our Company and our Subsidiaries, the outstanding litigation involving our Directors which exceed the lower of one per cent of the consolidated total income or five per cent of the consolidated net profit of our Company in the last audited financial year would be considered material for our Company. The consolidated total income of our Company for the Financial Year 2015 and the Financial Year 2016, was ₹ 50,695.3 million and ₹61,430.2 million, respectively, and the consolidated net profit of our Company was ₹ 7,685.3 million and ₹9,221.8 million, respectively. Accordingly, in addition to the above, we have disclosed all outstanding litigation involving our Directors where the aggregate amount involved exceeds ₹ 375 million (being approximately five percent of consolidated net profit of our Company in the Financial Year 2015 which is lower than five percent of consolidated net profit of our Company in the Financial year 2016) have been disclosed individually and the litigation below ₹ 375 million involving our Directors have been consolidated and disclosed in a summary and indicative manner in this section.*

#### ***Litigation against our Directors***

##### **1. Litigation involving A. M. Naik**

###### *Criminal matters*

1. One criminal complaint against our Promoter, A. M. Naik and others has been filed by the Inspector, under the BCW Act, before the Karkardooma Court, Delhi. For further details, see “Outstanding Litigation and Material Developments- Litigation involving our Promoter- Litigation against our Promoter- Criminal matters” on pages 329 and 330.
2. The Regional Officer, of Gujarat Pollution Control Board filed a criminal complaint on behalf of GPCB, against our Promoter and the directors of our Promoter, including A. M. Naik, S. N. Subrahmanyam and R. Shankar Raman, before the Chief Judicial Magistrate First Class, Vadodara. For further details, see “Outstanding Litigation and Material Developments- Litigation involving our Promoter- Litigation against our Promoter- Criminal matters” on pages 329 and 330.
3. Patekar, a retired workman of our Promoter filed a miscellaneous criminal complaint before the 66<sup>th</sup> Metropolitan Magistrate Court, Mumbai against our Promoter and A.M. Naik alleging criminal conspiracy and criminal intimidation when he was in

service. For further details, see “Outstanding Litigation and Material Developments - Litigation involving our Promoter – Criminal Matters” on page 330.

*Actions by regulatory/ statutory authorities*

SEBI has issued notices to our Promoter and A. M. Naik in relation to alleged violation of the SEBI Act and the SEBI Insider Trading Regulations for delay in reporting obligations in connection with certain trades in shares of our Promoter (the “Show Cause Notices”). A. M. Naik has filed a reply to SEBI indicating *inter alia* that other than in the case of certain trades where the delay was inadvertent or due to delays on account of a weekend or delivery by courier, the other trades were reported within the prescribed time. Our Promoter has filed its reply to SEBI indicating *inter alia*, that in case of certain trades undertaken by A. M. Naik there was one day delay in reporting primarily on account of certain technical issues in accessing exchange portals on that day and hence, the disclosure was filed on the next day. Our Promoter and A.M. Naik had filed a consent application with SEBI under the Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2014 for full and final settlement of the matter on amount to be mutually arrived at by the parties. Subsequently, our Promoter and A.M. Naik have filed letters with SEBI agreeing to make payment of amounts of ₹ 0.46 million and ₹0.92 million, respectively, towards full and final settlement of any proceedings in relation to the Show Cause Notices. The matter is currently pending before the SEBI High Powered Action Committee.

*Other matters*

There is no outstanding litigation involving A. M. Naik which exceed ₹ 375 million.

Other matters involving A. M. Naik where the aggregate amount involved is below ₹ 375 million include complaint and contempt petition filed against A. M. Naik in relation to transfer of employee, alleged unfair termination from employment of the employee and a consumer complaint.

**2. Litigation involving S. N. Subrahmanyam**

*Criminal matters*

1. Two criminal complaints against our Promoter, S. N. Subrahmanyam and others have been filed by the Inspector, under the BCW Act, before the Karkardooma Court, Delhi. For further details, see “Outstanding Litigation and Material Developments- Litigation involving our Promoter- Litigation against our Promoter- Criminal matters” on page 329.
2. The Regional Officer, of Gujarat Pollution Control Board (the “GPCB”) filed a criminal complaint on behalf of GPCB, against our Promoter and the directors of our Promoter, including A. M. Naik, S. N. Subrahmanyam and R. Shankar Raman, before the Chief Judicial Magistrate First Class, Vadodara. For further details, see “Outstanding Litigation and Material Developments- Litigation involving our Promoter- Litigation against our Promoter- Criminal matters” on page 330.

*Actions taken by SEBI*

SEBI issued summons to our Promoter and S. N. Subrahmanyam, in its capacity of director of our Promoter, in furtherance of the ongoing investigation proceedings initiated by SEBI against Sharepro Services (India) Private Limited. For further details, see “Outstanding Litigation and Material Developments- Litigation involving our Promoter- Actions taken by regulatory and statutory authorities – Actions taken by SEBI” on page 331.

**3. Litigation involving R. Shankar Raman**

*Criminal matters*

1. One criminal complaint against our Promoter, R. Shankar Raman, and others has been filed by the Inspector, under the BCW Act, before the Karkardooma Court, Delhi. For

further details, see “Outstanding Litigation and Material Developments- Litigation involving our Promoter- Litigation against our Promoter- Criminal matters” on pages 329 and 330.

2. The Regional Officer, of Gujarat Pollution Control Board filed a criminal complaint on behalf of GPCB, against our Promoter and the directors of our Promoter, including A. M. Naik, S. N. Subrahmanyam and R. Shankar Raman before the Chief Judicial Magistrate First Class, Vadodara. For further details, see “Outstanding Litigation and Material Developments- Litigation involving our Promoter- Litigation against our Promoter- Criminal matters” on page 330.

**Action initiated by SEBI against the Entities operating in the Securities Market with which Directors are associated**

1. SEBI has issued notices to our Promoter and A. M. Naik in relation to alleged violation of the SEBI Act and the SEBI Insider Trading Regulations for certain trade in shares of our Promoter. For further details, see “Outstanding Litigation and Material Developments- Litigation involving our Directors- Litigation against our Directors” on pages 355 to 356.
2. SEBI had initiated adjudicating proceedings against the Principal Mutual Fund, Principal PnB Asset Management Company Private Limited (the “AMC”) in which M. M. Chitale is an independent director and Principal Trustee Company Private Limited (the “Trustee”), to enquire and adjudge the alleged violations of certain circulars issued by SEBI. SEBI levied a penalty of ₹ 1.00 million each on the AMC and the Trustee, respectively under Section 15D(b) of the SEBI Act, which have been paid by the AMC and the Trustee.
3. SEBI had initiated adjudicating proceedings against L&T Investment Management Limited (“L&T IML”), in which R. Shankar Raman is a non-executive director, in relation to alleged violations of the SEBI Act, the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 by L&T IML as certain third parties were aware of the trading strategy of L&T IML. SEBI passed a consent order and levied a penalty of ₹ 1.00 million on L&T IML, which have been paid by L&T IML.
4. SEBI has informed our Company that SEBI has initiated adjudication proceedings against our Promoter, in which A. M. Naik, S. N. Subrahmanyam, M. M. Chitale and R. Shankar Raman are directors, in relation to alleged violation of continuous disclosure norms under Regulation 13(3) read with Regulation 13(5) of the SEBI Insider Trading Regulations, 1992, and Regulation 12(2) the SEBI Insider Trading Regulations, 2015. For further details, see “Outstanding Litigation and Material Developments- Litigation involving our Promoters- Actions taken by SEBI” on page 331.

**VI. Material Developments**

For details of material developments since last balance sheet date, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 294.

## GOVERNMENT AND OTHER APPROVALS

*We have set out below an indicative list of material approvals obtained by our Company and our Subsidiaries. The indicative approvals set out below are obtained by our Company and our Subsidiaries, as applicable (other than the Offer and incorporation related approvals), for the purposes of undertaking their business. In view of these approvals, our Company and our Subsidiaries can undertake this Offer and current business activities. We have disclosed below pending approvals which have been applied for by our Company and our Subsidiaries and approvals that are required but not obtained.*

### **Approval for the Offer**

For the approvals and authorisations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures- Authority for the Offer” on page 360.

### **Incorporation Details of our Company**

1. Certificate of incorporation dated December 23, 1996 issued by the RoC to our Company.
2. Certificate for commencement of business dated March 25, 1997 issued by the RoC to our Company.
3. Fresh certificate of incorporation consequent upon change in name dated June 25, 2001 issued by the RoC to our Company.

### **Business Related Approvals**

Our Company requires various approvals for us to carry on our business in India and overseas. The approvals that we require include the following:

#### **(a) General approvals and registrations in India**

1. Consent from the various pollution control boards in relation to consent in discharge of effluents under the Water Pollution Act and Air Pollution Act;
2. Licence in relation to importation and storage of petroleum issued by the Petroleum and Explosives Safety Organisation, Ministry of Commerce;
3. Shops and Establishments certificate issued under relevant laws of state we operate; and
4. Certificate of importer-exporter code issued by the Ministry of Commerce and Industry.

#### **(b) General approvals and registrations outside India**

We have several branches operating overseas and some of our Subsidiaries are incorporated outside India. Accordingly, we obtain various registrations, including certificate of registration of incorporation, commercial registrations to carry on business and registrations in the trade register with the local authorities.

#### **(c) Approvals related to STPI and SEZ units**

1. Letter of Permission from the Special Economic Zone, Office of the Development Commissioner, Government for extension of all the facilities and entitlements admissible to units in a special economic zone subject to the provisions of the Special Economic Zones Act, 2005 and rules made thereunder for establishment of a unit in a sector specific SEZ for *inter alia* IT/ITES, software development, consulting and training.
2. Letter of Permission from the STPI, Department of Electronic and Information Technology, Ministry of Communications & Information Technology, for setting up of an EOU under the STPI scheme of the GoI.
3. Approval from the Office of the Commissioner of Customs, Ministry of Finance, Government under the Customs Act, 1962 and Warehouse Regulations, 1966 for manufacture of software development and export of the same from the unit set up under the EOU scheme.



(d) **Employees and Labour related approval**

Registration certificate issued by the Assistant Commissioner of Labour for 'principal employer' under the Contract Labour Act, 1970.

(e) **Property related approvals**

Our Company has leased land and set-up an EOU unit in Mahape, Maharashtra and our Company has obtained various approvals in relation to the aforesaid building including *inter alia* occupancy certificate, building completion certificate and drainage certificate from the Maharashtra Industrial Development Corporation. Further, in relation to property occupied by us on leasehold basis from our Promoter and third parties, approvals are obtained by our Promoter and third parties, as applicable.

(f) **Tax Related Approvals and Other Registrations**

Our Company and our Subsidiaries have obtained various tax related approvals including, permanent account number, registration under the Central Excise Act, 1944, service tax registration issued by the Central Board of Excise and Customs, registration for local body tax under the Maharashtra Municipal Corporations Act, 1949, approvals and registrations, our Company also maintains registration for VAT and sales tax in the states where our Company operates.

***Pending approvals***

There are no pending approvals that our Company is yet to receive as on the date of this Prospectus.

***Approvals required but not obtained***

1. VAT registration is yet to be applied for by one of our recently incorporated Subsidiaries, L&T Infotech Austria.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Offer**

Our Board of Directors has approved the Offer pursuant to the resolution passed at their meeting held on June 16, 2015.

The Offer for Sale has been authorised by the Selling Shareholder pursuant to resolution passed by its board of directors on July 31, 2015.

The Selling Shareholder has confirmed that it has held the Equity Shares proposed to be offered and sold in the Offer for Sale for at least one year prior to the date of filing the Draft Red Herring Prospectus and the Equity Shares proposed to be offered and sold by the Selling Shareholder are free from any lien, charge, encumbrance or contractual transfer restrictions. The Selling Shareholder has also confirmed that it is the legal and beneficial owner of the Equity Shares being offered under the Offer for Sale.

Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated April 27, 2016 and April 28, 2016, respectively.

### **Prohibition by SEBI or other Governmental Authorities**

Our Company, our Promoter, Directors, Promoter Group, Group Companies and the Selling Shareholder have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoter or Directors are or were associated as promoter, directors or persons in control have not been debarred from accessing in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Other than M. M. Chitale and R. Shankar Raman, none of our Directors are associated with the securities market. Except as disclosed in "Outstanding Litigation and Material Developments" on page 357, there are no violations of securities laws committed by any of our Directors in the past or are pending against them.

### **Prohibition by RBI**

Neither our Company, nor our Promoter, Directors, Group Companies, or the Selling Shareholder are Wilful Defaulters.

### **Eligibility for the Offer**

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI Regulations as explained below:

- Our Company has had net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each). As the Offer has been made entirely through an offer for sale, the limit of not more than 50% of net tangible assets being monetary assets, is not applicable;
- Our Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a consolidated restated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 10.0 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same financial year is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of our Company for the year ended March 31, 2016; and
- Our Company has not changed its name within the last one year.

Our Company's pre-tax operating profit, as restated, net worth and net tangible assets derived from the Restated Financial Statements included in this Prospectus as at, and for the last five years ended March 31 are set forth below:

(In ₹ million, unless otherwise stated)

Particulars	Financial year ended March 31, 2016		Financial year ended March 31, 2015		Financial year ended March 31, 2014		Financial year ended March 31, 2013		Financial year ended March 31, 2012	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net tangible assets	2,649.90	2,791.89	2,617.02	2,749.82	2,610.36	2,794.65	2,225.54	2,449.87	2,170.15	2,263.44
Pre-tax Operating Profit	12,669.79	13,315.76	10,443.14	10,965.92	9,850.65	10,649.17	8,197.20	8,910.08	6,296.34	7,005.09
Net Worth	18,632.71	20,226.84	19,254.53	20,263.48	14,684.08	16,102.93	12,329.94	13,387.99	10,277.31	11,053.60

Notes:

- i) *Net Tangible Assets' means tangible fixed assets excluding capital work in progress.*
- ii) *'Pre – tax Operating Profits' means operating profit as restated for change in accounting policy.*
- iii) *'Net Worth' means shareholders funds.*

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application monies shall be refunded forthwith.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI Regulations, to the extent applicable.

#### DISCLAIMER CLAUSE OF SEBI

**AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND ICICI SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR THE EQUITY SHARES OFFERED BY IT BY WAY OF THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 12, 2016 WHICH READS AS FOLLOWS:**

**WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:**

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE OFFER;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDER, WE CONFIRM THAT:
  - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013, AS APPLICABLE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (“SEBI REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF EQUITY SHARES AS PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER’S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. – COMPLIED WITH AND NOTED FOR COMPLIANCE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER’S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT

AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY. NOT APPLICABLE.

AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
- (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
  - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE OFFER. - NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE,

**PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

- 16. WE ENCLOSE A STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY THE MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)’, AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR.**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, AS PER THE ACCOUNTING STANDARD 18 AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.**
- 18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI REGULATIONS (IF APPLICABLE) - NOT APPLICABLE.**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up, at any point of time, with the BRLMs any irregularities or lapses in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

The filing of this Prospectus does not absolve the Selling Shareholder from any liabilities to the extent of the statements made by it in respect of the Equity Shares offered by the Selling Shareholder, as part of the Offer for Sale, under Section 34 or Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer has been complied with at the time of filing of the Red Herring Prospectus Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

#### **Caution - Disclaimer from our Company, the Selling Shareholder and the BRLMs**

Our Company, the Directors, the Selling Shareholder and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information, including our Company’s website [www.Intinfotech.com](http://www.Intinfotech.com) or the respective websites of our Promoter, Promoter Group or Group Companies, would be doing so at his or her own risk.

The Selling Shareholder, its directors, affiliates (other than our Company), associates and officers accept/undertake no responsibility for any statements made other than those made in relation to the Selling Shareholder and to the Equity Shares offered by the Selling Shareholder, by way of the Offer for Sale.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriters, the Selling Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

None among our Company, the Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer are required to confirm and are deemed to have represented to our Company, the Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives

accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Our existing customers (including the largest customer and others among the top ten customers) include affiliates of certain of the BRLMs, comprising Citi and Kotak. In 2011, our Company also acquired shares of LTIFST pursuant to an agreement with Citigroup Fund Services Canada Inc. as part of a transaction where Citigroup Fund Services Canada Inc. transferred, *inter-alia*, assets to LTIFST pursuant to an asset purchase agreement (see the Notes to the Financial Statements in the section “Financial Statements” beginning on page 183 for additional information on this transaction). The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term ‘affiliate’ means any person or entity that controls or is controlled by or is under common control with another person or entity.

## Price information of past issues handled by the BRLMs

### A. Citi

**Table: 1 Price information of past issues handled by Citi**

Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	UFO Moviez India Ltd.	600.00	625.00	May 14, 2015	600.00	(-)11.68% [(-)2.93 %]	(-) 5.54% [+1.52%]	(-) 18.27% [(-)3.76%]
2.	Coffee Day Enterprise Limited	1,150.00	328.00	November 2, 2015	317.00	(-) 21.42% [(-)1.19%]	-19.73% [(-)6.05%]	-20.98% [(-)2.50%]
3.	InterGlobe Aviation Limited	3,008.50	765.00	November 10, 2015	855.80	+32.39% [(-)2.20%]	+7.76% [(-)5.09%]	+40.59% [-0.64%]
4.	Dr. Lal Pathlabs Limited	631.91	550.00	December 23, 2015	720.00	+32.54% [(-)7.49%]	+66.95% [(-)2.06%]	+63.13% [(+)3.87%]
5.	Mahanagar Gas Ltd. <sup>(3)</sup>	1,038.88	421.00	July 1, 2016	540.00	N/A	N/A	N/A

Source: www.nseindia.com

### Notes:

1. Nifty is considered as the benchmark index.
2. In case 30th/ 90th/180th day is not a trading day, closing price on the BSE of a trading day immediately prior to the 30th/ 90th/180th day, is considered
3. Since the listing date of Mahanagar Gas Ltd. was July 1, 2016, information relating to closing prices and benchmark index as on 30th / 90th / 180th calendar day from listing date is not available

**Table 2: Summary statement of disclosure**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	1	1038.88	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	4	5,390.41	-	-	2	-	2	-	-	-	2	1	1	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Since the listing date of Mahanagar Gas Ltd. was July 1, 2016, information relating to closing prices and benchmark index as on 30th / 90th / 180th calendar day from listing date is not available



**B. Kotak Mahindra Capital Company Limited**

**Table 1: Price information of past issues handled by Kotak**

Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Mahanagar Gas Limited <sup>(1)</sup>	1038.88	421	July 1, 2016	540	-	-	-
2.	Parag Milk Foods Limited <sup>(2)</sup>	750.54	215	May 19, 2016	217.50	+17.07% [+4.97%]	-	-
3.	Ujjivan Financial Services Limited	882.50	210	May 10, 2016	231.90	+72.38% [+4.88%]	-	-
4.	Healthcare Global Enterprises Limited	649.64	218	March 30, 2016	210.20	-15.32% [+1.45%]	-19.98% [+4.65%]	-
5.	Dr. Lal PathLabs Limited <sup>(3)</sup>	631.91	550	December 23, 2015	720.00	+32.54% [-7.49%]	+66.95% [-2.06%]	+63.13% [+3.87%]
6.	S H Kelkar and Company Limited	508.17	180	November 16, 2015	223.70	+21.69% [-1.35%]	+20.78% [-10.58%]	+24.97% [+0.11%]
7.	Interglobe Aviation Limited <sup>(4)</sup>	3,008.50	765	November 10, 2015	855.80	+32.39% [-2.20%]	+7.76% [-5.09%]	+40.59% [-0.64%]
8.	Coffee Day Enterprises Limited	1,150.00	328	November 2, 2015	317.00	-21.42% [-1.19%]	-19.73% [-6.05%]	-20.98% [-2.50%]
9.	Sadbhav Infrastructure Project Limited	491.66	103	September 16, 2015	111.00	-2.28% [+3.55%]	-5.63% [-3.15%]	-12.67% [-4.92%]
10.	Power Mech Projects Limited	273.22	640	August 26, 2015	600.00	-9.36% [+0.98%]	-4.63% [+0.74%]	-10.65% [-7.15%]
11.	Manpasand Beverages Limited	400.00	320	July 9, 2015	300.00	+23.20% [+2.83%]	+36.53% [-2.11%]	+58.34% [-6.45%]
12.	Adlabs Entertainment Limited <sup>(5)</sup>	374.59	180	April 6, 2015	162.20	-18.36% [-3.87%]	-12.08% [-2.02%]	-38.39% [-8.19%]
13.	Ortel Communications Limited	173.65	181	March 19, 2015	160.05	-3.67% [-0.33%]	-5.91% [-6.80%]	+12.21% [-8.83%]

Source: www.nseindia.com

Notes:

1. In Mahanagar Gas Limited, the issue price to employees was ₹383 per equity share after a discount of ₹38 per equity share. The Anchor Investor Issue price was ₹421 per equity share.
2. In Parag Milk Foods Limited, the issue price to retail individual investor and employees was ₹203 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was ₹227 per equity share.

3. In Dr. Lal PathLabs Limited, the issue price to retail individual investor was ₹ 535 per equity share after a discount of ₹ 15 per equity share. The Anchor Investor Issue price was ₹ 550 per equity share.
4. In Interglobe Aviation Limited, the issue price to employees was ₹ 688.50 per equity share after a discount of ₹ 76.5 per equity share. The Anchor Investor Issue price was ₹ 765 per equity share.
5. In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹ 168 per equity share after a discount of ₹ 12 per equity share. The Anchor Investor Issue price was ₹ 221 per equity share.
6. In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.
7. Nifty is considered as the benchmark index.

**Table 2: Summary statement of disclosure**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017*	3	2671.92	-	-	-	1	-	1	-	-	-	-	-	-
2015-2016	9	7487.69	-	-	5	-	2	2	-	1	3	2	1	1
2014-2015	1	173.65	-	-	1	-	-	-	-	-	-	-	-	1

**C. I- Sec**

**Table 1: Price information of past issues handled by I-Sec**

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Wonderla Holidays Limited	1,812.50	125.00	May 9, 2014	160.00	+72.92%, [+11.60%]	+78.96%, [+11.86%]	+162.32%, [+21.57%]
2	Shemaroo Entertainment Limited	1,200.00	170.00 <sup>(1)</sup>	October 1, 2014	180.00	-5.74%, [+2.81%]	-5.88%, [+3.79%]	+5.85%, [+6.88%]

3	VRL Logistics Limited	4,678.78	205.00	April 30, 2015	288.00	+50.90%, [+3.08%]	+85.49%, [+1.90%]	+100.90%, [+0.97%]
4	PNC Infratech Limited	4,884.41	378.00	May 26, 2015	387.00	+0.32%, [+0.26%]	+14.66%, [-6.36%]	+42.72%, [-5.88%]
5	Manpasand Beverages Limited	4,000.00	320.00	July 9, 2015	300.00	+23.20%, [+2.83%]	+36.53%, [-2.11%]	+58.34%, [-6.45%]
6	Sadbhav Infrastructure Project Limited	4,916.57	103.00	September 16, 2015	111.00	-2.28%, [+3.55%]	-5.63, [-3.15]	-14.56%, [-4.56%]
7	Teamlease Services Limited	4,236.77	850.00	February 12, 2016	860.00	+15.34%, [+7.99%]	+5.38, [+12.43]	-
8	Quick Heal Technologies Limited	4,512.53	321.00	February 18, 2016	305.00	-31.56%, [+5.74%]	-20.05%, [+9.72%]	-
9	Equitas Holdings Limited	21,766.85	110.00	April 21, 2016	145.10	+34.95%, [-1.63%]	-	-
10	Thyrocare Technologies Limited	4,792.14	446.00	May 9, 2016	665.00	+36.85%, [+5.09%]	-	-
11	Ujjivan Financial Services Limited	8,824.96	210.00	May 10, 2016	231.90	+72.38%, [+4.88%]	-	-
12	Quess Corp Limited	4,000.00	317	July 12, 2016	500.00	-	-	-

(1) Discount of Rs. 17 per equity share offered to retail investors. All calculations are based on Issue Price of Rs. 170.00 per equity share

**Notes:**

1. All data sourced from www.nseindia.com
2. Benchmark index considered is NIFTY
3. 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case we have considered the closing data of the next trading day

**Table 2: Summary statement of price information of past issues handled by I-Sec**

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%

2016-17	4	39,383.95	-	-	-	1	2	-	-	-	-	-	-	-
2015-16	6	27,229.06	-	1	1	1	-	3	-	-	1	2	1	-
2014-15	2	3,012.50	-	-	1	1	-	-	-	-	-	1	-	1

#### Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see websites of the BRLMs, as set out in the table below:

Sr. No	Name of the BRLM	Website
1.	Citi	<a href="http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm">http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm</a>
2.	Kotak	<a href="http://www.investmentbank.kotak.com">http://www.investmentbank.kotak.com</a>
3.	I-Sec	<a href="http://www.icicisecurities.com">http://www.icicisecurities.com</a>

## **Disclaimer in respect of Jurisdiction**

This Offer has been made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs, FPIs and other eligible foreign investors (viz. bilateral and multilateral development financial institution). The Red Herring Prospectus and this Prospectus does not, however, constitute an invitation to subscribe to shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus and this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus and this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Subsidiaries or the Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) pursuant to Rule 144A of the U.S. Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and applicable laws of the jurisdictions where such offers and sales occur.**

## **Disclaimer Clause of BSE**

BSE Limited ("the Exchange") has given vide its letter dated April 27, 2016, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner-

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## **Disclaimer Clause of the NSE**

As required, a copy of this Offer Document has been submitted to the NSE. NSE has given vide its letter Ref.: NSE/LIST/71132 dated April 28, 2016 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid 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 in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

## **Filing**

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 have been delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, 100, Everest, Marine Drive, Mumbai 400 002.

## **Listing**

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder shall forthwith repay, without interest, all moneys received from the Bidders / Applicants in pursuance of this Prospectus / the Prospectus. If such money is not repaid within the prescribed time after our Company and the Selling Shareholder become liable to repay it, then our Company and every Director of our Company who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest, as disclosed in the Red Herring Prospectus or this Prospectus.

Our Company and the Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six Working Days from the Bid/Offer Closing Date. Further, the Selling Shareholder confirms that it shall provide assistance to our Company and, the BRLMs, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

The Selling Shareholder confirms that it shall reimburse our Company for any interest payments made by our Company on behalf of the Selling Shareholder in this regard.

## **Consents**

Consents in writing of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisors, Banker/Lenders to our Company, and the BRLMs, the Syndicate Member, the Escrow Collection Banks, Refund Bank and the Registrar to the Offer to act in their respective capacities, have been obtained / will be obtained prior to filing of this Prospectus with the RoC and filed along with a copy of this Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI Regulations, our Statutory Auditors, Sharp & Tannan, Chartered Accountants have given their written consent to the inclusion of its audit reports dated May 25, 2016 on unconsolidated Restated Financial Statements and consolidated Restated Financial Statements and the statement of tax benefits dated May 26, 2016 included in this Prospectus and such consents have not been withdrawn as on the date of this Prospectus.

## **Experts to the Offer**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from our Statutory Auditors, Sharp & Tannan, Chartered Accountants, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the audit reports dated May 25, 2016 on unconsolidated Restated Financial Statements and consolidated Restated Financial Statements and the statement of tax benefits dated May 26, 2016 and such consents have not been withdrawn as on the date of this Prospectus. As the Equity Shares in the Offer will not be registered under the U.S. Securities Act, any references to the term "expert" herein and the Statutory Auditor's consent to be named as an "expert" to the Offer are not in the context of a U.S. registered offering of securities.

## **Offer Expenses**

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Offer expenses, see “Objects of the Offer” from pages 84 to 85.

The Offer related expenses will be paid by the Selling Shareholder.

## **Fees Payable to the Syndicate**

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter dated April 11, 2016 with the BRLMs and the Syndicate Agreement. For further details of Offer expenses, see “Objects of the Offer” from pages 84 to 85.

## **Commission payable to SCSBs, Registered Brokers, RTAs and CDPs**

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see “Objects of the Offer” from pages 84 to 85.

## **Fees Payable to the Registrar to the Offer**

The fees payable by our Company and the Selling Shareholder to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated April 9, 2016 entered into, between our Company, the Selling Shareholder and the Registrar to the Offer, a copy of which has been made available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds have been provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post.

## **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issues during the five years preceding the date of this Prospectus.

## **Previous issues of Equity Shares otherwise than for cash**

Our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **Commission and Brokerage paid on previous issues**

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

## **Previous capital issue during the previous three years by listed Group Companies and subsidiaries of our Company**

None of our Group Companies or Subsidiaries have their equity shares listed on any stock exchange.

## **Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies and associates of our Company**

Other than as disclosed in “Capital Structure”, on page 71, our Company has not undertaken any previous public or rights issue. None of our Group Companies or our Subsidiaries have undertaken any public or rights issue of their equity shares in the last ten years preceding the date of the Draft Red Herring Prospectus.

## **Outstanding Debentures or Bonds**

There are no outstanding debentures or bonds issued by our Company as of the date of filing this Prospectus.

## **Outstanding Preference Shares or other convertible instruments issued by our Company**

Other than employee stock options issued under the Existing Employee Stock Option Plans, our Company does not have any outstanding preference shares or other convertible instruments as on date of this Prospectus.

## **Partly Paid-up Shares**

Our Company does not have any partly paid-up Equity Shares as on the date of this Prospectus.

## Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

## Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholder dated April 9, 2016 provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

## Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders' Relationship Committee comprising of (i) S.N. Subrahmanyam (*Chairman*), (ii) Vedika Bhandarkar and (iii) Sanjay Jalona. For details, see "Our Management- Committees of the Board- Stakeholders' Relationship Committee" on pages 152 to 153.

Our Company has also appointed S. K. Bhatt, as the Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

### S. K. Bhatt

L&T Technology Center,  
Gate No.5, Saki Vihar Road  
Powai  
Mumbai 400 072  
Tel: (91 22) 6776 6776  
Fax: (91 22) 2858 1130  
E-mail: investor@lntinfotech.com

## Investor grievance mechanism and investor complaints for the listed companies (whose equity shares are listed on stock exchanges) under the same management within the meaning of section 370 (1B) of the Companies Act, 1956

L&T Finance Holdings Limited ("L&T Finance Holdings") has arrangements and mechanisms in place for redressal of investor grievance. L&T Finance Holdings received 34 investor complaints during the three financial years preceding this Prospectus. No investor complaint is pending as on the date of this Prospectus. The average time taken in resolving the complaints is seven to 10 working days.

## Investor grievance mechanism and investor complaints for our Promoter

Our Promoter has arrangements and mechanisms in place for redressal of investor grievance. The number of investor complaints received during the Financial Year 2017 and three financial years preceding this Prospectus and the number of complaints disposed off during that period are as follows:

Period	Complaints received	Complaints disposed off
During the Financial Year 2017	25	24
Financial Year 2016	50	50
Financial Year 2015	62	62
Financial Year 2014	91	91
<b>Total</b>	<b>228</b>	<b>227</b>



There is one investor complaint pending as on the date of this Prospectus. The average time taken in resolving the complaints is three Working Days.

**Changes in auditors**

There has been no change in our Auditors for the last three years.

**Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time during the last five years.

**Revaluation of Assets**

Except as disclosed in “Financial Statements” beginning on page 183, there has been no revaluation of assets by our Company.

## SECTION VII: OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being Offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, this Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities issued from time to time by SEBI, the Government, the FIPB, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Offer.

#### Offer for Sale

All expenses with respect to the Offer will be borne by the Selling Shareholder. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed by the Selling Shareholder to our Company.

#### Ranking of the Equity Shares

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act and the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights to receive dividend. The Allottees, upon Allotment, of the Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “Main Provisions of the Articles of Association” beginning on page 422.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and the Articles of Association and provisions of the Listing Regulations. For further details in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on pages 182 and 420, respectively.

#### Face Value and Offer Price

The face value of each Equity Share is ₹ 1 per Equity Share and the Offer Price is ₹ 710 per Equity Share. The Anchor Investor Offer Price is ₹ 710 per Equity Share.

The Price Band, Retail Discount and the minimum Bid Lot has been decided by our Company and the Selling Shareholder in consultation with the BRLMs and has been advertised in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta, and the Mumbai edition of the Marathi newspaper Navshakti (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation at least five Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price and such advertisement has been made available to the Stock Exchanges for the purpose of uploading the same on their websites.

At any given point of time, there shall be only one denomination of Equity Shares.

#### Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### Retail Discount

Our Company and the Selling Shareholder in consultation with the BRLMs, have offered a discount of ₹ 10 per Equity Share on the Offer Price to the Retail Individual Bidders (subject to Bid Amount being up to ₹200,000 net of Retail Discount).

#### Rights of our Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;

- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Regulations and the Memorandum of Association and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” beginning on page 422.

### **Option to Receive Securities in Dematerialised Form**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, our Company had entered into agreements with Sharepro Services (India) Private Limited (“Sharepro”) and each of NSDL and CDSL dated July 27, 2015 for dematerialization of the Equity Shares. The Equity Shares are currently admitted with NSDL and CDSL. Our Company has entered into a tripartite agreement dated April 8, 2016 and April 13, 2016 with CDSL and NSDL, respectively and the Registrar to the Offer.

### **Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 20 Equity Shares.

### **Nomination Facility to Bidders**

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may, thereafter, withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Bidders require changing of their nomination, they are requested to inform their respective depository participant.

### **Period of operation of subscription list**

See “Offer Structure – Bid/Offer Programme” from pages 381 to 382.

### **Minimum Subscription**

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI Regulations. However, if our Company does not make the minimum Allotment for at least 10% of the post-Offer equity share capital of our Company in terms of Rule 19(2)(b)(iii) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company and the Selling Shareholder shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Selling Shareholder shall pay interest prescribed under the applicable law.

Further, our Company and the Selling Shareholder shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI Regulations.

#### **Arrangement for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

#### **Restrictions on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Offer Equity Share capital of our Company, the minimum Promoter's contribution and the Anchor Investor lock-in of Equity Shares as detailed in "Capital Structure" from pages 72 to 73 and except as provided in the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "Main Provisions of the Articles of Association" beginning on page 422.

## OFFER STRUCTURE

Public Offer of 17,500,000 Equity Shares for cash at a price of ₹ 710 per Equity Share aggregating to ₹ 12,363.75\* million by way of the Offer of Sale by the Selling Shareholder. The Offer will constitute 10.30 % of the post-Offer paid-up Equity Share capital of our Company.

*\*Subject to finalisation of Basis of Allotment and adjusted for discount of ₹ 10 per Equity Share on the Offer Price to Retail Individual Bidders.*

The Offer has been made through the Book Building Process.

Particulars	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation <sup>(2)</sup>	Not more than 8,750,000 Equity Shares	Not less than 2,625,000 Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders has been made available for allocation	Not less than 6,125,000 Equity Shares or Offer less allocation to QIB Bidders and Non Institutional Bidders has been made available for allocation
Percentage of Offer Size available for Allotment/allocation <sup>(3)</sup>	<p>Not more than 50% of the Offer</p> <p>However at least 5% of the QIB Portion net of the Anchor Investor Portion (“<b>Net QIB Portion</b>”) has been made available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. Unsubscribed portion in the Mutual Fund Portion would be added to the Net QIB Portion.</p>	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders has been made available for allocation	Not less than 35% of the Offer or Offer less allocation to QIB Bidders and Non Institutional Bidders has been made available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed	<p>Proportionate as follows (excluding the Anchor Investor Portion): up to 175,000 Equity Shares has been made available for allocation on a proportionate basis to Mutual Funds only and 3,325,000 Equity Shares has been made available for allocation on a proportionate basis to all other QIBs.</p> <p>Up to 5,250,000 Equity Shares may be allocated on a discretionary basis to Anchor Investors</p>	Proportionate	Proportionate, subject to minimum Bid Lot. For details see, “Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIIs” on page 411.

Particulars	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of 20 Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of 20 Equity Shares thereafter	20 Equity Shares and in multiples of 20 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Offer size, subject to applicable limits	Such number of Equity Shares not exceeding the Offer size, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000 less Retail Discount
Bid Lot	20 Equity Shares and in multiples of 20 Equity Shares thereafter		
Mode of Allotment	Compulsorily in dematerialised form		
Allotment Lot	A minimum of 20 Equity Shares and thereafter in multiples of 20 Equity Share		
Trading Lot	One Equity Share		
Who can apply <sup>(4)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual fund registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law and National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, societies and trusts, Category III Foreign Portfolio Investors, sub-accounts of FIIs which are foreign corporate or foreign individuals	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form. <sup>(5)</sup>		

(1) Our Company and the Selling Shareholder in consultation with the BRLMs has allocated 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion has been reserved for domestic

*Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation has been made to other Anchor Investors. For details, see “Offer Procedure” beginning on page 383.*

- (2) *Subject to valid Bids being received at or above the Offer Price. In terms of Rule 19(2)(b)(iii) of the SCRR, this is an Offer for atleast 10% of the post Offer paid up equity share capital of our Company. The Offer has been made through the Book Building Process wherein not more than 50% of the Offer is available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder in consultation with the BRLMs has allocated 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) is available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category is available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer is available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer is available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.*
- (3) *Post allocation to Anchor Investors, the QIB Portion would be reduced by such number of Equity Shares.*
- (4) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*
- (5) *Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms. For details of terms of payment applicable to Anchor Investors, see “Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment” from pages 411 to 413.*

Under-subscription, if any, in any category except the QIB Category, is allowed to be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.

#### **Withdrawal of the Offer**

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and the Selling Shareholder withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a fresh issue and/or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

#### **Bid/Offer Programme**

<b>BID/OFFER OPENED ON</b>	July 11, 2016 (Monday)*
<b>BID/OFFER CLOSED ON</b>	July 13, 2016 (Wednesday)

\* The Anchor Investor Bid/Offer Date was July 8, 2016.

An indicative timetable in respect of the Offer is set out below:

<b>Event</b>	<b>Indicative Date</b>
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about July 18, 2016
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about July 19, 2016
Credit of Equity Shares to demat accounts of Allottees	On or about July 20, 2016
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about July 21, 2016

**The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholder or the BRLMs.**

While our Company and the Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date, the timetable may change due to various factors, such as any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.

**Bids (other than Bids from Anchor Investors):**

<b>Bid/Offer Period (except the Bid/Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
<b>Bid/Offer Closing Date</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time ("IST"))

**On the Bid/Offer Closing Date, the Bids have been uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Offer Closing Date. Bidders were cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids were accepted only on Business Days i.e. Monday to Friday (excluding any public/bank holiday). Our Company, the Selling Shareholder and the members of Syndicate are not liable for any failure in uploading Bids due to faults in any software/hardware system or otherwise. Any time mentioned in the Red Herring Prospectus and this Prospectus is Indian Standard Time.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the Registrar to the Offer shall ask for rectified data.



## OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/ 2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under “**Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*Our Company, the Selling Shareholder and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Red Herring Prospectus and this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.*

### PART A

#### Book Building Procedure

The Offer has been made through the Book Building Process wherein not more than 50% of the Offer was allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”), provided that our Company and the Selling Shareholder allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third was reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

#### Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus have been made available with the Designated Intermediaries at Bidding Centers and the Registered Office. An electronic copy of the ASBA Form have been made available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)), at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form have been made available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals Bidding under the QIB Category), FPI or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White

\* *Excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB or any Escrow Collection Bank.

#### **Participation by Promoter, Promoter Group, BRLMs, Syndicate Member and persons related to them**

The BRLMs and the Syndicate Member shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Member may Bid for Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs) and the Promoter, Promoter Group and any persons related to the Promoter and Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

#### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

#### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

#### **Bids by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FPI after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

The existing individual and aggregate investment limits for an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations and circulars issued in this regard, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

- (a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the foreign portfolio investor is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the foreign portfolio investor.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Direction-Reserve Bank of India (Financial Services provided by

Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services including overseas investments cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval and reserves of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof.

#### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form, as the case may be. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that any single**

**Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

## **General Instructions**

### ***Do's:***

1. Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;
6. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgment Slip;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

18. Bidders should note that in case the DP ID, Client ID and PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, matches with the DP ID, Client ID and PAN available in the Depository database;
19. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form; and

The Bid cum Application Form, is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cheques, demand drafts, by cash, money order, by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
8. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Prospectus;
9. Do not submit Bid for an amount more than funds available in your ASBA Account;
10. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
11. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
12. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
13. Do not submit more than five Bid cum Application Forms per ASBA Account;
14. Anchor Investors should not bid through the ASBA process; and
15. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries.
16. Do not Bid for more than specified number of shares for the respective categories by stock exchanges.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Payment into Escrow Accounts for Anchor Investors**

Our Company and the Selling Shareholder in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (a) In case of resident Anchor Investors: "LNTIL IPO – Anchor Investor – R";
- (b) In case of Non-Resident Anchor Investors: "LNTIL IPO – Anchor Investor – NR".

**Pre- Offer Advertisement**

Pursuant to Section 30 of the Companies Act, 2013, our Company has, on June 30, 2016, after registering the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta, and the Mumbai edition of the Marathi newspaper Navshakti (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation.

### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company, the Selling Shareholder and the Syndicate entered into an Underwriting Agreement dated July 14, 2016.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus is being filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

### **Impersonation**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:**

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Undertakings by our Company**

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date will be taken;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- intimation of the credit of securities/refund orders to Eligible NRIs shall be despatched within specified time;
- no further Issue of the Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Bid monies are refunded/unblocked in ASBA Account on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms by Bidders.

### **Undertakings by the Selling Shareholder**

The Selling Shareholder undertakes that:

- it deposited its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Offer at least one Working Day prior to the Bid/Offer Opening Date;
- it shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;
- it shall take all steps and provide all assistance to our Company and the BRLMs, as may be required for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date of the Offer, failing which it shall forthwith repay without interest all monies received from Bidders to the extent of the Offered Shares. In case of delay, interest as per applicable law shall be paid by the Selling Shareholder;
- it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Equity Shares held by it except the Equity Shares being offered in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI Regulations;
- it shall ensure that the Equity Shares being offered by it in the Offer, shall be transferred to the successful Bidders within the time specified under applicable law; and
- it shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law.

### **Utilisation of Offer Proceeds**

The Selling Shareholder along with our Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.



## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the issuer and the issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“**RHP**”)/Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “*Glossary and Abbreviations*”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “**SCRR**”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

## 2.4 Types of Public Offers – Fixed Price Offers and Book Built Offers

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## 2.5 ISSUE PERIOD

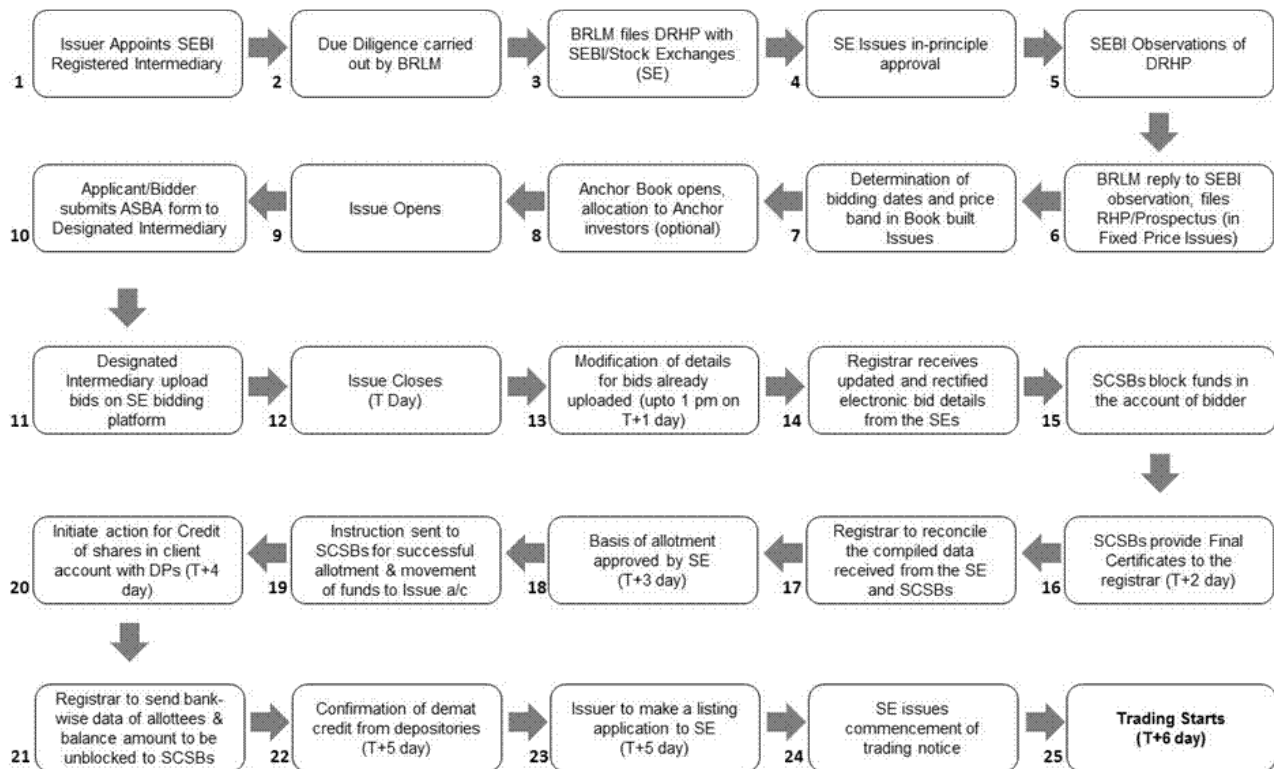
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

## 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7: Determination of Issue Date and Price
  - ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

***Each Bidder/Applicant should check whether it is eligible to apply under applicable law.*** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“**NIIs**”) category;
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;

- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders/Applicants should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of any of the Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centers and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders/Applicants may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

#### 4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below. The samples of the Bid cum Application Form for resident Bidders/Applicants and the Bid cum Application Form for non-resident Bidders/Applicants are reproduced below:

# Application Form – For Residents

<b>COMMON BID CUM APPLICATION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>	
Address : _____		Contact Details: _____		CIN No. _____	
TO, THE BOARD OF DIRECTORS XYZ LIMITED		<b>BOOK BUILT ISSUE</b> ISIN : _____		Bid cum Application Form No. _____ PAN of Sole / First Bidder _____	

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>		<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>		<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>	
				Mr. / Ms. _____	
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>		<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>		Address _____	
				Email _____	
<b>BANK BRANCH SERIAL NO.</b>		<b>SCSB SERIAL NO.</b>		Tel. No (with STD code) / Mobile _____	
				<b>2. PAN OF SOLE / FIRST BIDDER</b>	

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				<b>6. INVESTOR STATUS</b>	
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID				<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH	
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>				<b>5. CATEGORY</b>	
Bid Options:	No. of Equity Shares; Bid (In Figures) (Bid: must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)		<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Individual Bidder <input type="checkbox"/> QIB	
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>
OR) Option 2	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>
OR) Option 3	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>

<b>7. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>	
Amount paid (₹ in figures) _____ (₹ in words) _____			
ASBA Bank A/c No. _____			
Bank Name & Branch _____			
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBREVED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.			
<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>		<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	
Date : _____		I/We authorize the SCSB to do all acts as are necessary to make the Application in the line	
		<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>	

<b>XYZ LIMITED</b>		<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>		Bid cum Application Form No. _____ PAN of Sole / First Bidder _____	
<b>INITIAL PUBLIC ISSUE - R</b>		<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>		<b>Name of Sole / First Bidder</b>	
<b>DPID / CLID</b>		<b>Stamp &amp; Signature of SCSB Branch</b>		<b>Acknowledgement Slip for Bidder</b>	
Amount paid (₹ in figures) _____		Bank & Branch _____		<b>Bid cum Application Form No.</b>	
ASBA Bank A/c No. _____					
Received from Mr./Ms. _____				<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>	
Telephone / Mobile _____		Email _____			

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>		<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>		<b>Name of Sole / First Bidder</b>	
<b>Option 1</b>		<b>Option 2</b>		<b>Option 3</b>	
No. of Equity Shares		No. of Equity Shares		No. of Equity Shares	
Bid Price		Bid Price		Bid Price	
Amount Paid (₹)		Amount Paid (₹)		Amount Paid (₹)	
ASBA Bank A/c No. _____		ASBA Bank A/c No. _____		ASBA Bank A/c No. _____	
Bank & Branch _____		Bank & Branch _____		Bank & Branch _____	

# Application Form – For Non – Residents

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS</b>
	Address : _____ Contact Details: _____ CIN No. _____	
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : _____
		Bid cum Application Form No. _____

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>
		Mr. / Ms. _____
		Address _____
		Email _____
		Tel. No (with STD code) / Mobile _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	<b>2. PAN OF SOLE / FIRST BIDDER</b>
		_____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	<input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis)
	<input type="checkbox"/> FII FII or Sub-account not a Corporate/Foreign Individual
	<input type="checkbox"/> FIISA FI Sub-account Corporate/Individual
	<input type="checkbox"/> FVCI Foreign Venture Capital Investor
	<input type="checkbox"/> FPI Foreign Portfolio Investors
	<input type="checkbox"/> OTH Others (Please Specify) _____

<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>	<b>5. CATEGORY</b>																																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> <tr> <td></td> <td>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td></td> </tr> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </table>	Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price		8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1		Option 1					<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
Bid Options			No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)																											
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	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1																														
Option 1					<input type="checkbox"/>																													
(OR) Option 2					<input type="checkbox"/>																													
(OR) Option 3					<input type="checkbox"/>																													

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>
Amount paid (₹ in figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____	
Bank Name & Branch _____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABSTRACT PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the line:	
	1) _____	
	2) _____	
	3) _____	
Date : _____		

TEAR HERE

LOGO	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____
			PAN of Sole / First Bidder _____
DPID / CLID _____			
Amount paid (₹ in figures) _____ Bank & Branch _____			Stamp & Signature of SCSB Branch
ASBA Bank A/c No. _____			
Received from Mr./Ms. _____			
Telephone / Mobile _____ Email _____			

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No. _____</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bank &amp; Branch _____</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				ASBA Bank A/c No. _____				Bank & Branch _____				<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b> _____ <b>Name of Sole / First Bidder</b> _____ <b>Acknowledgement Slip for Bidder</b> Bid cum Application Form No. _____
	Option 1	Option 2	Option 3																							
No. of Equity Shares																										
Bid Price																										
Amount Paid (₹)																										
ASBA Bank A/c No. _____																										
Bank & Branch _____																										

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective CDP.

#### 4.1.2 FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

#### 4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk.

#### 4.1.4 **FIELD NUMBER 4: BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders/Applicants may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders/Applicants may Bid at Floor Price or any price above the Floor Price (For further details Bidders/Applicants may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders/Applicants may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

##### 4.1.4.1 **Maximum and Minimum Bid Size**

- (c) The Bidder/Applicant may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder/Applicant does not exceed ₹200,000.
- (d) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any), then such Bid may be rejected if it is at the Cut-off Price.



- (e) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (f) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.
- (g) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (h) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (i) A Bid cannot be submitted for more than the Issue size.
- (j) The maximum Bid by any Bidder/Applicant including QIB Bidder/Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (k) The price and quantity options submitted by the Bidder/Applicant in the Bid cum Application Form may be treated as optional bids from the Bidder/Applicant and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders/Applicants may refer to (Section 5.6 (e))

#### 4.1.4.2 Multiple Bids

- (a) Bidder/Applicant should submit only one Bid cum Application Form. Bidder/Applicant shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.  
  
Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders/Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders/Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder/Applicant and may be rejected.
  - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders/Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
  - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS/APPLICANTS**

- (a) The categories of Bidders/Applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders/Applicants may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicant are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicant should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder/Applicant. In case of Bidders/Applicant specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders/Applicant who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- (c) All Bidders/Applicants (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, through money order or through postal order.

##### **4.1.7.1 Instructions for Anchor Investors:**

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by RTGS, direct credit or NEFT.
- (c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

#### 4.1.7.2 Payment instructions for ASBA Bidders/Applicants:

- (a) Bidders/Applicants may submit the ASBA Form either
  - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- (b) Bidders/Applicants must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (c) Bidders/Applicants should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders/Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Bidders/Applicants should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) Bidders/Applicants bidding through a Registered Intermediary (other than an SCSB) should note that ASBA Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit ASBA Forms.
- (h) Bidders/Applicants bidding directly through the SCSBs should ensure that the ASBA is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

##### 4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

#### 4.1.7.3 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders/Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (c) The Bidders/Applicants entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorisation/undertaking box in the ASBA Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder and/or ASBA Account holder is liable to be rejected.

#### 4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders/Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids made in the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.
- (c) Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

## 4.2 **INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids or withdraw their Bids till the Bid/Issue Closing Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

- (d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : .....	Bid cum Application Form No. ....

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr./Ms. .... Address ..... Tel. No (with STD code) / Mobile ..... Email .....
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b> .....
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small>

PLEASE CHANGE MY BID												
4. FROM (AS PER LAST BID OR REVISION)												
Bid Options	No. of Equity Shares: Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")												
Bid Options	No. of Equity Shares: Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>
6. PAYMENT DETAILS												
Additional Amount Paid (₹ in figures) .....										PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>		
ASBA Bank A/c No. ....												
Bank Name & Branch .....												

<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b> Date : .....	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the line: 1) ..... 2) ..... 3) .....	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
-------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------

LOGO XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	Bid cum Application Form No. ....
DPID / CLID .....		PAN of Sole / First Bidder .....
Additional Amount Paid (₹) ..... Bank & Branch .....		Stamp & Signature of SCSB Branch .....
ASBA Bank A/c No. ....		
Received from Mr./Ms. .... Telephone / Mobile ..... Email .....		

<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="3"></td> </tr> <tr> <td>Bank &amp; Branch</td> <td colspan="3"></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Additional Amount Paid (₹)				ASBA Bank A/c No.				Bank & Branch				Stamp & Signature of Broker / SCSB / DP / RTA ..... Name of Sole / First Bidder ..... <b>Acknowledgement Slip for Bidder</b> Bid cum Application Form No. ....
	Option 1	Option 2	Option 3																							
No. of Equity Shares																										
Bid Price																										
Additional Amount Paid (₹)																										
ASBA Bank A/c No.																										
Bank & Branch																										

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### 4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalised.

#### 4.2.3 **FIELD 6: PAYMENT DETAILS**

- (a) All Bidders/Applicants are required to authorise blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- (d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after finalisation of Basis of Allotment.

#### 4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

#### **4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.
  - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.



- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### 4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### 4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue.
- (b) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### 4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraph 4.1.7.2

##### 4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1

##### 4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.2.3

#### 4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

### 4.4 **SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM**

#### 4.4.1 **Bidders may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location (b) To the Designated Branches of the SCSBs

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

## **5.1 SUBMISSION OF BIDS**

- (a) During the Bid/Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

## **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

## **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding Centers during the Bid/Issue Period.

## **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of Basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - i. the Bids accepted by the Designated Intermediary,
  - ii. the Bids uploaded by the Designated Intermediary, and
  - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.
- (b) The BRLMs and their affiliate Syndicate Member, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders/Applicants, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Member (only in the Specified Locations) have the right to

reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

- (e) All bids by QIBs, NIIs & RIIs can be rejected on technical grounds listed herein.

#### 5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account supported by guardian as per Demographic Details provided by Depositories);
- b. Bids by OCBs;
- c. In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;
- e. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
- g. PAN not mentioned in the Bid cum Application Form, except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- h. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- i. Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- j. Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- k. Bids at Cut-off Price by NIIs and QIBs;
- l. The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;
- m. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- n. Submission of more than five ASBA Forms as through a single ASBA Account;
- o. Bids for number of Equity Shares which are not in multiples of the number of Equity Shares specified in the RHP;
- p. Multiple Bids as defined in this GID and the RHP/Prospectus;
- q. Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- r. Where no confirmation is received from SCSB for blocking of funds;
- s. Bids by Bidders/Applicants (other than Anchor Investors) not submitted through ASBA process;
- t. Bids submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collection Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- u. Bids not uploaded on the terminals of the Stock Exchanges;

- v. Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form; and
- w. Bids not uploaded in the Stock Exchanges bidding system.

## 5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder may refer to the RHP/Prospectus.
- (b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

*Bidders/Applicants should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders/Applicants can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders/Applicants, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid quantity	Bid amount (₹)	Cumulative quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the issue price at or below such cut-off price, i.e., at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

- (e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder/Applicant with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder/Applicant is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders/Applicants is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder/Applicant, decide whether a Bidder/Applicant be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder/Applicant be allowed single or multiple bids.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be

available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### **7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
  - i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹100 million;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.
- (b) An Anchor Investor shall make an application of a value of atleast ₹ 100 million in the Issue.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (d) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (e) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders/Applicants may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders/Applicants in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders/Applicants may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder/Applicant in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder/Applicant, the Allotment may be made as follows: the successful Bidders/Applicants out of the total Bidders/Applicants for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder/Applicant may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder/Applicant is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders/Applicants in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders/Applicants in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders/Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders/Applicants applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders/Applicants applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.  
  
Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Issue Closing Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar

to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Issue Closing Date.

## **8.2 GROUND FOR REFUND**

### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue involving a Fresh Issue and the Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders/Applicants, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

## **8.3 MODE OF REFUND**

- (a) **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders'/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through



electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (b) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (c) **RTGS**—Anchor Investors having a bank account at any of the centres notified by SEBI where **clearing houses are managed by the RBI, may have the option to receive refunds, if any**, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum, if the Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors

<b>Term</b>	<b>Description</b>
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
ASBA Bidder/Applicant	All Bidders/Applicants except Anchor Investors
Banker(s) to the Issue/Escrow Collection Bank/Collecting Banker	Banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	Basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder/Applicants pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicants upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Closing Date
Bid/Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Period
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres/	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM

<b>Term</b>	<b>Description</b>
Business Day	Monday to Saturday (except 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of a month and public holidays)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidders'/Applicants' address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders/Applicants can submit the ASBA Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Members of the Syndicate, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders/Applicants, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders/Applicants can submit the ASBA Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT, direct credit or RTGS in respect of the Bid Amount when submitting a Bid

Term	Description
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Locations	Bidding centers where the syndicate shall accept ASBA Forms from Bidders/Applicants
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI

<b>Term</b>	<b>Description</b>
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders/Applicants other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	Date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTO	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009

<b>Term</b>	<b>Description</b>
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders/Applicants in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Bidding centers where the Syndicate shall accept Bid cum Application Forms
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Member
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy (as defined below) and FEMA. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued the consolidated FDI Policy by way of circular no. D/o IPP F. No. 5(1)/2016-FC-1 dated June 7, 2016 ("FDI Policy"), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 6, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) pursuant to Rule 144A of the U.S. Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Bidders/Applicants. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders/Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

### **Share Capital**

Article 3 provides that “The authorised share capital of the Company is or shall be such amount as stated in Clause V of the Memorandum of Association, for the time being or as may be varied from time to time with the power to increase or reduce such Capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the Capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions.”

Article 4 provides that “Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of Directors who may issue, allot or otherwise dispose of the same or any of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting. Board shall not issue any shares at a discount except issue of such class of shares as may be permitted by the Act.”

Article 5 provides that “The Company may issue equity shares with voting right and/or with differential voting rights as to dividend, voting or otherwise and preference shares in accordance with these Articles, the Act, the Rules and other applicable laws.”

### **Increase, reduction, alteration in capital and buy back of shares**

Article 62 provides that “Subject to the provisions of the Act, the Company may, by resolution prescribed under the Act, increase its Share Capital by such sum, to be divided into shares of such amount or such class, as may be specified in the resolution.”

Article 63 provides that “Subject to the provisions of the Act, the Company may, by resolution prescribed under the Act:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.”

Article 65 provides that “The Company may, by resolution prescribed under the Act reduce in any manner and with, and subject to, any incident authorized and such consent as may be required by law:-

- a) its share capital;
- b) any capital redemption reserve account;
- c) any share premium account; or
- d) any other reserve in the nature of capital.”

Article 71 provides that “Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.”

### **Payment of commission and brokerage**

Article 20 provides that “The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with subscription to its shares, debentures or debentures stock of the Company, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be in accordance with the provisions of the Act and the Rules and shall be disclosed in the manner required therein. The rate or amount of the commission shall not exceed the rate or amount as prescribed in the rules made under subsection (6) of section 40 of the Act. The commission may be satisfied by the



payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other. The Company may pay brokerage to the extent and in the manner prescribed under the Act in connection with subscription to its securities.”

## **Calls**

Article 27 provides that “The Board may, from time to time, make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Each member shall, subject to receiving at least fourteen days’ notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. A call may be revoked or postponed at the discretion of the Board.”

Article 28 provides that “A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.”

Article 29 provides that “All calls shall be made on a uniform basis on all shares falling under the same class.” Further, an explanation to Article 29 provides that “Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.”

Article 30 provides that “If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person, who for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.”

Article 31 provides that “The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.”

Article 32 provides that “Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

Article 33 provides that “If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate as may be fixed by the Board. The Board shall be at liberty to waive payment of any such interest wholly or in part.”

Article 34 provides that “Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any share either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.”

Article 35 provides that “The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.”

Article 36 provides that “The Board:-

- (a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the moneys so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the Member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.”

## **Forfeiture, surrender and lien**

Article 37 provides that “If any Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all the expenses that may have been incurred by the Company by reason of non-payment.”

Article 38 provides that “The notice aforesaid shall:-

- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.”

Article 39 provides that “If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.”

Article 40 provides that “Neither the receipt by the Company for a portion of any money which may from time to time be due from any Member in respect of his shares, nor any indulgence that may be granted by the Company, in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.”

Article 41 provides that “When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting Member and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Member but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.”

Article 42 provides that “A duly verified declaration in writing that the declarant is a director, the manager or secretary of the Company, and that share(s) in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share(s). The Company may receive the consideration, if any, given for the share(s) on any sale, re-allotment or disposal thereof and may execute a transfer of share in favour of the person to whom the share is/are sold or disposed of. The transferee shall thereupon be registered as the holder of the share. The transferee shall not be bound to see the application of the purchase money, if any, nor shall his title to the share(s) be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of share(s).”

Article 43 provides that “A forfeiture of share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.”

Article 44 provides that “A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. All such moneys payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the moneys due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.”

Article 45 provides that “The forfeiture of share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.”

Article 46 provides that “Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser’s name to be entered in the Register of Members in respect of the shares sold and after his name has been entered the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person.”

Article 47 provides that “Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the respective shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.”

Article 48 provides that “The Board, may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering the same on such terms as it may think fit.”

Articles 49 provides that “The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.”

Article 50 provides that “The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.”

Article 21 provides that “The Company shall have a first and paramount lien :-

- a) on every share (not being a fully paid share), for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- b) on all shares (not being fully paid shares) standing registered in the name of a Member, for all moneys presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The fully paid shares shall be free from all lien.

The Company’s lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company’s lien, if any, on such shares.”

Articles 22 provides that “The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien. Provided that no sale shall be made:

- a) unless a sum in respect of which the lien exists is presently payable; or
- b) until the expiration of 7 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.”

Article 23 provides that “To give effect to any such sale, the Board may authorize one of their Members or any other Officer of the Company to transfer the shares sold to the purchaser thereof. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.”

Article 24 provides that “The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares, at the date of the sale.”

Article 25 provides that “In exercising the lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by any statute) be bound to recognize any equitable or other claim to, or interest in such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company’s lien shall prevail notwithstanding that it has received notice of any such claim.”

Article 26 provides that “The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures issued by the Company from time to time.”

### **Transfer and transmission of shares**

Article 51 provides that “The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. The Company shall use a common form of transfer, subject to the provisions of the Act. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.”

Article 52 provides that “The Board may, subject to the right of appeal conferred by the Act and subject to the provisions of the Act, the Rules, Listing Agreement and any other applicable law decline to register:-

- a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve;

- b) any transfer of shares on which the Company has a lien;
- c) any transfer of shares where any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the shares out of the name of the transferor; or
- d) any transfer of shares where the transferor objects to the transfer provided he serves on the Company within a reasonable time a prohibitory order of a court of competent jurisdiction.”

Article 53 provides that “The Board may decline to recognize any instrument of transfer unless:-

- a) the instrument of transfer is in the form as prescribed in rules made under the Act;
- b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- c) the instrument of transfer is in respect of only one class of shares.

Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.”

In addition, Article 53(2) provides that “The Company shall send notice containing the reasons thereof within the time stipulated under the Act.”

Article 54 provides that “On giving not less than seven days’ previous notice in accordance with the Act, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.”

Article 57 provides that “On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees and in absence of nominees the legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. Nothing in this clause shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.”

Article 58 provides that “Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:-

- a) to be registered himself as holder of the share; or
- b) to make such transfer of the share as the deceased or insolvent Member could have made.

The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency. The Company shall be fully indemnified by such person from all liability, if any, by action taken by the Board to give effect to such registration or transfer.”

Article 60 provides that “A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by Membership in relation to meetings of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.”

### **Borrowing Powers**

Article 127 provides that “Subject to the provisions of the Act and the Rules, the Board of directors may, from time to time at its discretion by a resolution passed at a Meeting of the Board, accept deposits from Members, either in advance or calls or otherwise, and generally raise or borrow or secure the payment of any sum or sum of moneys for the purpose of the Company not exceeding the aggregate of the Paid-up capital of the Company and its reserves. Provided, however, where the moneys to be borrowed together with moneys already borrowed (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceed the aggregate of paid-up capital and free reserves as defined under the Act, the Directors shall not borrow such monies without the consent of the Company in general meeting by way of resolution prescribed under the Act.”

Article 128 provides that “The payment or re-payment of moneys borrowed aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular by a resolution passed at a meeting of the Board (and not by circular resolution).”

Article 129 provides that “The Board may, subject to and in accordance with the provisions of the Act and the Rules, issue debentures or debenture stocks or any other securities for borrowing moneys by the Company (secured or unsecured) and such debentures, debenture stocks and securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.”

Article 130 provides that “Subject to the provisions of the Act, any debenture, debenture stock may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as the Board may think fit including the terms related to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise. However, debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting or through Postal Ballot by a special resolution.”

### **Conversion of shares into stock**

Article 64 provides that “The directors, with the sanction of a Resolution of the Company in Ordinary General Meeting may convert any paid-up shares into stock and may re-convert any stock into paid-up shares of any denomination. Where shares are converted into stock:-

- a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- c) such of these Articles as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively unless the context otherwise requires.”

### **Convening General Meeting**

Article 72 provides that “Subject to the provisions of the Act, an Annual General Meeting of the Members of the Company shall be held every year within six months after the expiry of each financial year, provided that not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours, that is, between such time as prescribed in the Act, on any day that is not a National Holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated.”

Article 73 provides that “All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings.”

Article 74 provides that “The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting.”

Article 75 provides that “No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. No business shall be discussed or transacted at any General Meeting except election of Chairperson whilst the chair is vacant. Save as otherwise provided herein, the quorum for the General Meetings shall be as prescribed in the Act.”

### **Certain matters not to be included in Minutes**

Article 80 (2) provides that “There shall not be included in the minutes any matter which, in the opinion of the Chair person of the meeting-

- a) is, or could reasonably be regarded as defamatory of any person; or

- b) is irrelevant or immaterial to the proceedings; or
- c) is detrimental to the interests of the Company.”

### **Votes of Members**

Article 84 provides that “Subject to any rights or restrictions for the time being attached to any class or classes of shares:-

- a) on a show of hands, every Member present in person shall have one vote; and
- b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.”

Article 85 provides that “A Member may exercise his vote at a meeting by electronic means in accordance with the provisions of the Act and the Rules and shall vote only once.”

Article 86 provides that “In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.”

Article 90 provides that “No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.”

Article 79 provides that “On any business at any General Meeting, in case of equality of votes, whether on show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.”

### **Proxies**

Article 94 provides that “Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf for that meeting. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.”

Article 95 provides that “An instrument appointing a proxy shall be in the form as prescribed in the Act and the Rules.”

Article 96 provides that “A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.”

### **Directors**

Article 97 provides that “Unless otherwise determined by the Company in General Meeting, the number of directors shall not be less than 3(three) and shall not be more 15.”

Article 103 provides that “The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. The remuneration, if any, payable by the Company to each director including Non-Executive Director by way of fixed salary or commission on profits of the Company, etc., whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company or otherwise shall be determined in accordance with and subject to the provisions of the Act. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid sitting fees as may be decided by the Board of Directors within the limit prescribed under the Act and all travelling, hotel and other expenses properly incurred by them:-

- a) in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company;
- b) in connection with the business of the Company.

If any Director shall be called upon to perform extra services or to make any special exertion or efforts for any of the purposes of the Company or to give special attention to the business of the Company, which expression, shall include work done as a member of a Committee of the Board, the Board may, subject to the provisions of Sections 197 and 188 of the Act,

remunerate the Director so doing, either by a fixed sum or otherwise; and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.”

Article 104 provides that “Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.”

Article 105 provides that “The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. An alternate director shall not hold office for a period longer than the permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.”

### **Key Managerial Personnel/Managing Director/Whole-Time Director**

Article 124 provides that “In accordance with the provisions of the Act and the Rules, the Company shall have Key Managerial Personnel as mentioned in the Act. The appointment of Key Managerial Personnel shall be in accordance with the provisions of the Act and Rules, if any.

Article 125 provides that “Subject to the provisions of the Act:-

- a) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board;
- b) A director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
- c) A Key Managerial Personnel can be appointed as a director of any company, subject to compliance with the provisions of the Act.”

### **Proceedings of the Board**

Article 113 provides that “The Board shall meet together at least four times in a year in such manner that not more than One hundred and twenty days shall intervene between two consecutive meetings. Not less than seven days’ notice of every meeting of the Board shall be given in writing to every Director whether in or outside India. In the case of Directors residing outside India, notice shall be sent by electronic mode. A meeting of the Directors may be held after giving a shorter notice as per the provisions of the Act. Subject to the provisions of the Act, the Board of directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. The Chairperson or any other director with the previous consent of the Board may, and the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. The quorum for a Board Meeting shall be as provided in the Act. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Law.”

Article 121 provides that “Save as otherwise expressly provided in the Act, a resolution in writing, signed whether manually or by secure electronic mode, by a majority of the Members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.”

### **Dividends**

Article 131 provides that “The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in General Meeting may declare a lesser dividend.”

Article 134(1) provides that “Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.”

Article 133 provides that “The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be

invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.”

Article 132 provides that “Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.”

### **Capitalisation of Profits**

Article 69(1) provides that “The Company in general meeting may, upon recommendation of the Board, resolve:-

- a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend.”

In addition, Article 69(2) provides that “The sum aforesaid shall not be paid in cash but shall be applied subject to the provision as contained in the Act, either in or towards:-

- a) paying up any amounts for the time being unpaid on any shares held by such Members respectively;
- b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;
- c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
- d) issuing fully paid-up bonus shares;
- e) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of these Articles, be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares; and
- f) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.”

### **Winding up**

Article 151 provides that “Subject to the provisions of the Act and the Rules:-

- a) If the Company shall be wound up, the liquidator may, in accordance with the provisions of the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.”

### **Indemnity and Insurance**

Article 156 provides that “Subject to the provisions of the Act, every Director, Managing Director, Whole-time Director, Manager, Company Secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expenses) which such Director, Managing Director, Whole-time Director, Manager, Company Secretary and any other officer of the Company may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, Managing Director, Whole-time Director, Manager, Company Secretary or any other officer or in any way in the discharge of his duties in such capacity including expenses.

Subject as aforesaid, every Director, Managing Director, Whole-time Director, Manager, Company Secretary and other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.



The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and Key Managerial Personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.”

## **SECTION IX: OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, were provided for inspection at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

#### **A. Material Contracts for the Offer**

1. Offer Agreement dated April 12, 2016 between our Company, the Selling Shareholder and the BRLMs.
2. Agreement dated April 9, 2016 between our Company, the Selling Shareholder and the Registrar to the Offer.
3. Escrow Agreement dated June 23, 2016 between our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Member and the Escrow Collection Bank.
4. Share Escrow Agreement dated June 23, 2016 between the Selling Shareholder, the BRLMs, our Company and the Escrow Agent.
5. Syndicate Agreement dated July 2, 2016 between our Company, the Selling Shareholder, the BRLMs and the Syndicate Member.
6. Underwriting Agreement dated July 14, 2016 between our Company, the Selling Shareholder and the Underwriters.

#### **B. Material Documents**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated December 23, 1996.
3. Certificate for commencement of business dated March 25, 1997.
4. Fresh certificate of incorporation consequent upon change in name dated June 25, 2001.
5. Resolution of the Board of Directors dated June 16, 2015 in relation to the Offer.
6. Resolution of the board of directors of our Promoter dated July 31, 2015 approving the Offer for Sale.
7. Copies of the annual reports of our Company for the Financial Years 2016, 2015, 2014, 2013 and 2012.
8. The audit reports of the Statutory Auditors dated May 25, 2016 in relation to our Company's unconsolidated Restated Financial Statements and consolidated Restated Financial Statements, included in this Prospectus.
9. The Statement of Tax Benefits dated May 26, 2016 from the Statutory Auditors.
10. Consent of the Directors, the BRLMs, the Syndicate Member, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the BRLMs, International Legal Counsel to the BRLMs, Registrar to the Offer, Bankers to our Company, Banker to the Offer, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
11. Consent letter dated May 26, 2016 from the Statutory Auditors for inclusion of their name as experts.
12. Employment agreement dated August 26, 2015 entered into between our Company and Sanjay Jalona.
13. Scheme of amalgamation entered into between ISRC and our Company, and order dated September 4, 2015 of the Bombay High Court approving the Scheme of the Amalgamation.

14. Scheme of amalgamation entered into between GDA Technologies and our Company, which has been filed with the Bombay High Court and the Madras High Court on August 7, 2015 and August 26, 2015 respectively.
15. Share subscription and shareholders' agreement dated October 11, 2012, as amended, entered into amongst Befula Investments, L&T Infotech South Africa and our Company.
16. Business transfer agreement dated December 16, 2013 entered into between LTTSL and our Company, as amended by addendum dated March 31, 2014 and addendum no. 1 dated June 19, 2014.
17. Due Diligence Certificate dated April 12, 2016 addressed to SEBI from the BRLMs.
18. In principle listing approvals dated April 27, 2016 and April 28, 2016 issued by BSE and NSE respectively.
19. Tripartite agreement dated April 13, 2016 entered into our Company, NSDL and the Registrar to the Offer.
20. Tripartite agreement dated April 8, 2016 entered into between our Company, CDSL and the Registrar to the Offer.
21. List of Equity Shares allotted pursuant to conversion of employee stock options into Equity Shares under the Existing Employee Stock Option Plans.
22. SEBI observation letter no. CFD/DIL/NR/OW/14641/2016 dated May 20, 2016.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements made by the Selling Shareholder in this Prospectus about or in relation to itself in connection with the Offer for Sale, and the Equity Shares offered by it in the Offer for Sale, are true and correct.

**Signed by the Selling Shareholder**

**For Larsen & Toubro Limited**

Date: July 14, 2016

Place: Mumbai

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

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**A. M. Naik** (DIN: 00001514)  
(Chairman, Non-Executive Director)

**Sanjay Jalona** (DIN: 07256786)  
(Chief Executive Officer and Managing Director)

**S. N. Subrahmanyam** (DIN: 02255382)  
(Non-Executive Director)

**R. Shankar Raman** (DIN: 00019798)  
(Non-Executive Director)

**Samir Desai** (DIN: 01182256)  
(Independent Director)

**M. M. Chitale** (DIN: 00101004)  
(Independent Director)

**Vedika Bhandarkar** (DIN: 00033808)  
(Independent Director)

**Arjun Gupta** (DIN: 07320919)  
(Independent Director)

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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**A. K. Sonthalia**  
(Chief Financial Officer)

### SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY

\_\_\_\_\_

**S. K. Bhatt** (Membership No: F2125)  
(Company Secretary and Compliance Officer)

Date: July 14, 2016

Place: \_\_\_\_\_