



L&T TECHNOLOGY SERVICES LIMITED

Our Company was incorporated as L&T Technology and Engineering Services Company Limited on June 14, 2012 at Mumbai as a public limited company under the Companies Act, 1956. Our Company received the certificate of commencement of business on June 20, 2012. Subsequently, the name of our Company was changed to L&T Technology Services Limited and the Registrar of Companies, Maharashtra located at Mumbai (the "RoC") issued a fresh certificate of incorporation on July 25, 2012. For further details, see "History and Certain Corporate Matters" on page 122.

Registered Office: L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001; **Tel:** (91 22) 6752 5656; **Fax:** (91 22) 6752 5893

Corporate Office: 5th Floor, West Block-II, L&T Knowledge City (IT/ITES) SEZ, N.H. No. 8, Ajwa Waghodia Crossing, Vadodara 390 019; **Tel:** (91 265) 670 5000/ (91 265) 670 5001;

Fax: (91 265) 670 5955

Contact Person: Kapil Bhalla, Company Secretary and Compliance Officer

E-mail: investor@LntTechservices.com; **Website:** www.lnttechservices.com/

Corporate Identity Number: U72900MH2012PLC232169

OUR PROMOTER: LARSEN & TOUBRO LIMITED

PUBLIC OFFER OF UP TO 10,400,000 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH (THE "EQUITY SHARES") OF L&T TECHNOLOGY SERVICES LIMITED (OUR "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE BY OUR PROMOTER, LARSEN & TOUBRO LIMITED (THE "SELLING SHAREHOLDER"). THE OFFER WOULD CONSTITUTE [●] % OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 2 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMs") AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NEWSPAPER [●], [●] EDITIONS OF THE HINDI NEWSPAPER [●] AND [●] EDITIONS OF THE MARATHI NEWSPAPER [●] (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 SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members.

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 10.0% of the post-Offer paid-up equity share capital of our Company. The Offer is being 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 50.0% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company and the Selling Shareholder may allocate up to 60.0% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be 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. Post allocation to Anchor Investors, the QIB Portion will be reduced by such number of Equity Shares. 5.0% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be 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 15.0% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.0% of the Offer shall be 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, are 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 314.

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 ₹ 2 each and the Floor Price is [●] times the face value and the Cap Price is [●] 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 80) should not be taken to be indicative of the market price of the Equity Shares after the listing. 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 20.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring 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 [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be the [●].

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

Kotak Mahindra Capital Company Limited 1 st 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: lts.ipo@kotak.com Website: http://investmentbank.kotak.com Investor grievance e-mail: kmccredressal@kotak.com Contact person: Ganesh Rane SEBI Registration No.: INM000008704	DSP Merrill Lynch Limited Ground Floor, A Wing, One BKC G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Tel: (91 22) 6632 8000 Fax: (91 22) 2204 8518 E-mail: dg.lnttechnologyservices_ipo@baml.com Website: www.dspml.com Investor grievance e-mail: dg.india_merchantbanking@baml.com Contact person: Saransh Shringi SEBI Registration No.: INM000011625	JM Financial Institutional Securities Limited 7 th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Tel: (91 22) 6630 3030 Fax: (91 22) 6630 3330 E-mail: l&ttech.ipo@jmf.com Website: www.jmf.com Investor grievance e-mail: grievance.ibd@jmf.com Contact person: Lakshmi SEBI Registration No.: INM000010361	SBI Capital Markets Limited 202, Maker Tower 'E' Cuffe Parade, Mumbai 400 005 Tel: (91 22) 2217 8300 Fax: (91 22) 2218 8332 E-mail: lts.ipo@sbicaps.com Website: www.sbicaps.com Investor grievance e-mail: investor.relations@sbicaps.com Contact person: Nithin Kanuganti/ Nikhil Bhiwapurkar SEBI Registration No.: INM000003531	Karvy Computershare Private Limited Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 Tel: (91 40) 6716 2222 Fax: (91 40) 2343 1551 Email: einward.ris@karvy.com Website: https://karisma.karvy.com Investor Grievance e-mail: l&ttechnology.ipo@karvy.com Contact Person: M. Murali Krishna SEBI Registration No: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[●] *
BID/OFFER CLOSING ON	[●] **

*Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

** Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations.

TABLE OF CONTENTS

SECTION I: GENERAL	1
DEFINITIONS AND ABBREVIATIONS	1
CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	17
FORWARD-LOOKING STATEMENTS	19
SECTION II: RISK FACTORS	20
SECTION III: INTRODUCTION	44
SUMMARY OF INDUSTRY	44
SUMMARY OF OUR BUSINESS	47
SUMMARY OF FINANCIAL INFORMATION	55
THE OFFER	62
GENERAL INFORMATION	63
CAPITAL STRUCTURE	70
OBJECTS OF THE OFFER	79
BASIS FOR OFFER PRICE	80
STATEMENT OF TAX BENEFITS	84
SECTION IV: ABOUT OUR COMPANY	87
INDUSTRY OVERVIEW	87
OUR BUSINESS	98
REGULATIONS AND POLICIES	119
HISTORY AND CERTAIN CORPORATE MATTERS	122
OUR SUBSIDIARIES	126
OUR MANAGEMENT	128
OUR PROMOTER AND PROMOTER GROUP	143
GROUP COMPANIES	152
RELATED PARTY TRANSACTIONS	161
DIVIDEND POLICY	162
SECTION V: FINANCIAL INFORMATION	163
FINANCIAL STATEMENTS	163
SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS	238
FINANCIAL INDEBTEDNESS	246
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	248
SECTION VI: LEGAL AND OTHER INFORMATION	270
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	270
GOVERNMENT AND OTHER APPROVALS	290
OTHER REGULATORY AND STATUTORY DISCLOSURES	292
SECTION VII: OFFER INFORMATION	307
TERMS OF THE OFFER	307
OFFER STRUCTURE	311
OFFER PROCEDURE	313
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	350
SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	351
SECTION IX: OTHER INFORMATION	360
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	360
DECLARATION	362

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring 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 “LTTSL”, or “LTTS” or “the Company”	L&T Technology Services Limited, a company incorporated under the Companies Act, 1956 and having its registered office at L&T House, N.M. Marg, 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
Board/ Board of Directors	Board of directors of our Company or a duly constituted committee of our Board thereof
Corporate Office	5 th Floor, West Block-II, L&T Knowledge City (IT/ITES) SEZ, N.H. No. 8, Ajwa Waghodia Crossing, Vadodara 390 019
Dell India	Dell International Services India Private Limited
Dell USA	Dell Product and Process Innovation Services Corp.
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹ 2 each
ESOP Scheme, 2016	L&T Technology Services Limited Employee Stock Option Scheme 2016
GDA Technologies	GDA Technologies Limited
Group Companies	Companies which are covered under the applicable accounting standards and also other companies as considered material by our Board
IES	Integrated engineering services
IES Business	IES business unit which was acquired by our Company from our Promoter pursuant to the IES Business Transfer Agreement
IES Business Transfer Agreement	Business Transfer Agreement dated March 15, 2014 entered into between our Company and our Promoter
Indian Dell Asset Purchase Agreement	Asset Purchase Agreement dated July 22, 2014 and First Amendment to the Asset Purchase Agreement dated November 20, 2014 entered into between our Company and Dell India
ISRC	Information Systems Resource Centre Private Limited
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” from pages 136 to 137
L&T	Larsen & Toubro Limited
L&T Chiyoda	L&T Chiyoda Limited
L&T CEL	L&T Construction Equipment Limited

Term	Description
L&T CTL	L&T Cutting Tools Limited
L&T East Asia	Larsen & Toubro (East Asia) SDN. BHD
L&T Electromech LLC	Larsen & Toubro Electromech LLC
L&T HEL	L&T Hydrocarbon Engineering Limited
L&T IDPL	L&T Infrastructure Development Projects Limited
L&T LLC	Larsen & Toubro LLC
L&T Infotech Austria	Larsen & Toubro Infotech Austria GmbH
L&T Infotech Canada	Larsen & Toubro Infotech Canada Ltd.
L&T Infotech GmbH	Larsen & Toubro Infotech GmbH
L&T Infotech LLC	Larsen & Toubro Infotech LLC
L&T Infotech Shanghai	L&T Information Technology Services (Shanghai) Co. Limited
L&T Infotech Spain	L&T Information Technology Spain, Sociedad Limitada
L&T Infotech South Africa	Larsen & Toubro Infotech South Africa (Proprietary) Limited
L&T International FZE	Larsen & Toubro International FZE
L&T MBPL	L&T-MHPS Boilers Private Limited
L&T MRHL	L&T Metro Rail (Hyderabad) Limited
L&T SLL	L&T-Sargent & Lundy Limited
L&T Thales	L&T Thales Technology Services Private Limited
L&T Valdel	L&T-Valdel Engineering Limited
LTICL	Larsen & Toubro Infotech Canada Limited
LTIEL	L&T Infrastructure Engineering Limited
LTIFST	L&T Infotech Financial Services Technologies Inc.
LTIL	Larsen & Toubro Infotech Limited
LTTS LLC	L&T Technology Services LLC
MoA/ Memorandum of Association	Memorandum of Association of our Company, as amended
PES	Product engineering services
PES Business	PES business unit which was acquired by our Company from LTIL and L&T Infotech GmbH pursuant to the PES Business Transfer Agreements
PES Business Transfer Agreements	Business Transfer Agreement dated December 16, 2013 entered into between our Company and LTIL, as amended by Addendum dated March 31, 2014 and Addendum no. 1 dated June 19, 2014 and Business Transfer Agreement dated August 28, 2014 entered into between our Company and L&T Infotech GmbH
Preference Shares	Preference shares of our Company of face value of ₹ 10 each
Promoter	Promoter of our Company being Larsen & Toubro Limited. For details, see “Our Promoter and Promoter Group” from pages 143 to 147
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

Term	Description
	Promoter Group” from pages 147 to 151
PT. Tamco	PT. Tamco Indonesia
Registered Office	Registered office of our Company located at L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001
Registrar of Companies /RoC	The Registrar of Companies, Maharashtra located at Mumbai
Restated Financial Statements	Financial information prepared by the management of our Company from its audited financial statements (in accordance with (a) Indian GAAP and the requirements of 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 the Companies (Prospectus and Allotment of Securities) Rules, 2014; and (b) relevant provisions of the SEBI Regulations)
Scheme of Arrangement	Scheme of arrangement (under section 391 to 394 read with section 100 to 104 of the Companies Act, 1956) of L&T Technology Services Limited, its Shareholders and creditors sanctioned by the Bombay High Court by its order dated April 1, 2016
Shareholders	Shareholders of our Company
Subsidiaries	Subsidiaries of our Company, namely, L&T Thales Technology Services Private Limited and L&T Technology Services LLC
Thales SPA and SHA	Share Purchase and Shareholders’ Agreement dated April 28, 2014 entered into amongst our Company, TSIPL, Thales Services SAS, France, and Thales S A France
TSIPL	Thales Software India Private Limited
U.S. Dell Asset Purchase Agreement	Asset Purchase Agreement dated July 22, 2014 and First Amendment to the Asset Purchase Agreement dated November 20, 2014 entered into amongst LTTS LLC, Dell U.S.A. and Perot Systems Corporation

Offer Related Terms

Term	Description
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, applying under the Anchor Investor Portion, in accordance with the requirements specified in the SEBI Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be 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 the Prospectus
Anchor Investor Bid/ Offer Period	One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed

Term	Description
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs
Anchor Investor Portion	Up to 60.0% of the QIB Portion which may be 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 shall be 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 a 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 the Prospectus
Banker(s) to the Offer / Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
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 339 to 342
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
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●], and [●] editions of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation. Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●], and [●] editions of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with

Term	Description
	wide circulation
Bid/ Offer Period	Except in relation to any Bids received from Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Lot	[●]
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 Centres	Centres at which the Designated Intermediaries shall 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 of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges where 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 Kotak Mahindra Capital Company Limited, DSP Merrill Lynch Limited, JM Financial Institutional Securities Limited and SBI Capital Markets 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	Higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
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 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. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. 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 shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where 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

Term	Description
	www.nseindia.com)
Designated Date	Date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or by the SCSBs from the amounts blocked by the SCSBs in 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, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where 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	[●]
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus dated July 15, 2016 issued in accordance with the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
DSPML	DSP Merrill Lynch Limited
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 and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Escrow Account	Account opened with the Escrow Collection Bank(s) 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 to be entered into by our Company, the Selling Shareholder, the BRLMs, the Registrar to the Offer, the Escrow Collection Bank(s), the Public Offer Account Bank(s) and the Refund Bank(s) 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
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
General Information Document/ GID	General Information Document prepared and issued in accordance with the circular bearing number (CIR/CFD/DIL/12/2013) dated October 23, 2013, circular bearing number CIR/CFD/POLICYCELL/11/ 2015 dated November 10, 2015 and circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 notified by SEBI and suitably modified and included in “Offer Procedure” beginning on page 321
JM Financial	JM Financial Institutional 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	5.0% of the QIB Portion (excluding the Anchor Investor Portion), or 104,000 Equity Shares which shall be available for allocation to Mutual Funds only

Term	Description
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 Category	Portion of the Offer being not less than 15.0% of the Offer consisting of 1,560,000 Equity Shares which shall be 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 July 15, 2016 entered into 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 up to 10,400,000 Equity Shares by the Selling Shareholder at the Offer Price aggregating up to ₹ [●] million in terms of the Red Herring Prospectus
Offer Price	Final price at which the Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs on the Pricing Date
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof. Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholder in consultation with the BRLMs and will be advertised, at least five Working Days prior to the Bid/ Offer Opening Date, in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●], and [●] editions of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation
Pricing Date	Date on which our Company and the Selling Shareholder, in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC after the Pricing Date 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 Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	Account opened with the Public Offer Account Bank(s) to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Offer Account Bank	Bank(s) with whom the Public Offer Account for collection of Bid Amounts from Escrow Account and ASBA Accounts will be opened, in this case being [●]
QIB Category / QIB Portion	Portion of the Offer (including the Anchor Investor Portion) being 50.0% of the Offer consisting of 5,200,000 Equity Shares which shall be 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 to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto. The red herring prospectus will be registered with the RoC at least three Working

Term	Description
	Days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	Account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	[●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure 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 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	Karvy Computershare Private Limited
Registrar Agreement	Agreement dated July 15, 2016 between our Company, the Selling Shareholder and the Registrar to the Offer
Retail Individual Bidders/ RIBs	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs) and does not include NRIs other than Eligible NRIs)
Retail Category	Portion of the Offer being not less than 35.0% of the Offer consisting of 3,640,000 Equity Shares which shall be available for allocation to RIBs in accordance with the SEBI Regulations, subject to valid 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). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
SBICAP	SBI Capital Markets Limited
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 http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries 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 [●]
Share Escrow Agreement	Agreement to be 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 centres where the Syndicate shall accept ASBA Forms from ASBA Bidders
Syndicate Agreement	Agreement to be entered into amongst our Company, the Selling Shareholder, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely [●]
Syndicate or Members of the Syndicate	BRLMs and the Syndicate Members

Term	Description
Underwriters	[●]
Underwriting Agreement	Agreement to be entered into amongst our Company, the Selling Shareholder and the Underwriters 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/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
APAC	Asia-Pacific
APM	Applied physical metrology
ARC	ARC Advisory Group
ARC Reports	Reports titled “ARC View Report: Enabling Industrial Internet of Things and Smart Manufacturing with L&T Technology Services” and the “ARC Profile Report: L&T Technology Services”, both published in May 2016 by ARC
ASIC design	Application-specific integrated circuit design
ATV	All terrain vehicle
AUTOSAR	AUTomotive Open System ARchitecture
BEPS	Base Erosion and Profit Sharing
BIW	Body-in-white
BMS	Battery management system
BPM	Business Process Management
CAD	Computer-aided design
CAE	Computer-aided engineering
Calsonic Kansai	Calsonic Kansai Corporation
Caterpillar	Caterpillar India Private Limited
CIM	Common Information Model
CIS	Customer Interaction and Support
CMMI®	Capability Maturity Model® Integration
CoE	Centres of Excellence
CPG	Consumer packaged goods
CV	Commercial vehicle
Danaher	Danaher Corporation

Term	Description
Delivery Centres	The Company's delivery centres and proximity centres
Design Act	Design Act, 2000
DFT	Discrete Fourier transform
Eaton	Eaton Corporation
EMI/EMC	Electromagnetic inference/ electromagnetic compatibility
EOU	Export Oriented Unit
EPC	Engineering, Procurement and Construction
EPCM	Engineering Procurement and Construction Management
EPS	Engineering service providers
ER&D	Engineering, Research and Development
ER&R	Equipment Rental and Revolving
ESO	Engineering Services Outsourcing
FEA	Finite element analysis
FEED	Front-end engineering and design
FMCG	Fast moving consumer goods
FPGA design	Field-programmable gate array design
G500 ER&D spend	ER&D spend of the top 500 global ER&D spending companies
GaN FET	Gallium Nitride Field Effect Transistor
GIC	Global In-house Centres
GPS	Global Positioning System
HIL	Hardware in loop
HVAC	Heating, ventilation, and air-conditioning
iBEMST TM	Intelligent building energy management systems
ICT	Information and Communication Technology
Intel	Intel Corporation
IIoT	Industrial Internet of Things
IoT	Internet of Things
IP Policy	Intellectual Property Policy dated May 12, 2016 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India
ISA	IoT® Solution Alliance
IT-BPM	Information Technology and Business Process Management
John Deere	Deere & Company
LTE	Long Term Evolution

Term	Description
M2M	Machine-to-machine
mBloT	Microchip Bluetooth Internet of Things
Microsoft SCCM	Microsoft System Centre Configuration Manager
MSA	Master Service Agreement
NASSCOM Report	Report titled “The IT-BPM Sector in India: Strategic Review 2015”, published in February 2016 by NASSCOM
National Instruments	National Instruments Corporation
O&M	Operation and Maintenance
OEM	Original equipment manufacturer
OHE	Off-highway equipment
OPEX	Operational expenditure
OTT	Over-The-Top
Patents Act	The Patents Act, 1970
P&G	Procter & Gamble Company
POCs	Proofs of Concepts
POS	Point of sale
PRO-E	Pro-Engineer
RF design	Radio frequency design
Rockwell Automation	Rockwell Automation Inc.
ROW	Rest of the world
Scania	Scania CV AB
SDN	Software Defined Networking
SEI	Software Engineering Institute, Carnegie Mellon University
SEZ	Special Economic Zone
SEZ Act	The Special Economic Zones Act, 2005
SEZ Rules	Special Economic Zone Rules, 2006
Shell	Royal Dutch Shell plc
Sierra Wireless	Sierra Wireless, Inc.
SLM	Service level mangement
STPI	Software Technology Parks of India
STPI Scheme	Software Technology Parks of India Scheme
TCES	Telecom, consumer electronics and semiconductor
Tele2	Tele2 Sverige AB
Tier-1	Tier one companies are direct suppliers to OEMs

Term	Description
ToT	Transfer of technology
Trade Marks Act	Trade Marks Act, 1999
TRIPS Agreement	Agreement on Trade Related Aspects of Intellectual Property Rights, 1994
UAV	Unmanned aerial vehicle
USCIS	U.S. Citizenship and Immigration Services
UTC	United Technologies Corporation
V2X	Vehicle-to-vehicle and vehicle-to-infrastructure
VAVE	Value analysis/Value Engineering
VoD	Value optimized design
VoIP	Voice Over Internet Protocol
WebRTC-SIP gateway	Web Real Time Communication-Session Initiation Protocol gateway
Zinnov	Zinnov Management Consulting Private Limited
Zinnov Reports	Reports titled “Global R&D Service Provider Ratings 2015” published in November 2015 and “ER&D/Product Engineering Services – Zinnov Analyst Independent Rating of L&T Technology Service based on the Global Services Providers Rating 2015” published in May 2016 by Zinnov

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’ Welfare Cess Act, 1996
Bn/ bn	Billion
Bonus Act	Payment of Bonus Act, 1965
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CAPEX	Capital expenditure
Category I Foreign Portfolio Investors	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CCI	Competition Commission of India

Term	Description
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
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
Employees' Compensation Act	Employees' Compensation Act, 1923
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESOP	Employee stock option
ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
Eur	Euro
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 the June 7, 2016, effective from June 7, 2016

Term	Description
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
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FIR	First Information Report
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GIR	General Index Register
GoI or Government	Government of India
Gratuity Act	Payment of Gratuity Act, 1972
GST	Goods and Services Tax
Bombay High Court	High Court of Judicature at Bombay
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
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
IP	Intellectual property
IPR	Intellectual property rights
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

Term	Description
IT	Information technology
ITAT	Income Tax Appellate Tribunal
JMFC	Judicial Magistrate First Class
JPY	Japanese Yen
km	Kilometres
Legal Metrology Act	Legal Metrology Act, 2009
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 funds registered under the SEBI (Mutual Funds) Regulations, 1996
N.A./ NA	Not applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	Negotiable Instruments Act, 1881
NHAI	National Highways Authority of India
NHPC	National Hydroelectric Power Corporation
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	Non-resident ordinary
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 60.0% by NRIs including overseas trusts, in which not less than 60.0% 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
PAN	Permanent Account Number
PAT	Profit after tax
P/E Ratio	Price/ earnings ratio
R&D	Research and development
RBI	The Reserve Bank of India
RoNW	Return on net worth

Term	Description
₹/ 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 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
STT	Securities transaction tax
State Government	The government of a state in India
Stock Exchanges	BSE and the NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TDS	Tax deducted at source
UK	United Kingdom
U.S./ USA/ United States	United States of America
USD/ US\$	United States Dollars
US GAAP	Generally Accepted Accounting Principles in the United States of America
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

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 Draft Red Herring 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 Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our unconsolidated Restated Financial Statements as of and for the Financial Years ended March 31, 2016, 2015, 2014 and 2013 and consolidated Restated Financial Statements as of and for the Financial Years ended March 31, 2016 and 2015. These financial statements have been prepared in accordance with Indian GAAP and the Companies Act and restated under the SEBI Regulations. The audited unconsolidated and consolidated financial statements of our Company as of and for the Financial Year ended March 31, 2016 have been approved by our Board on April 26, 2016 and by our Shareholders at the AGM held on July 15, 2016.

In this Draft Red Herring 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 and all percentage figures have been rounded off to one decimal place and accordingly, there may be consequential changes in this Draft Red Herring Prospectus. In this Draft Red Herring 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 or fiscal year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

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 Draft Red Herring 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 40 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 238. The degree to which the financial information included in this Draft Red Herring 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 Draft Red Herring 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 20, 98 and 248, respectively, and elsewhere in this Draft Red Herring 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:

- “Eur” or “€” are to Euro, the official currency of Eurozone;
- “Rupees” or “₹” or “INR” or “Rs.” or “Re” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” are to United States Dollar, the official currency of the United States; and
- “Yen” or “JPY” are to Japanese Yen, the official currency of Japan.

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

Exchange Rates

This Draft Red Herring 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 ⁽¹⁾	As on March 31, 2013 ⁽²⁾
1 USD*	66.3	62.6	60.1	54.4
1 EUR*	75.1	67.5	82.6	69.5
100 JPY*	59.1	52.1	58.8	57.8

*Source: RBI reference rate

- (1) 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.
- (2) 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.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources including the Zinnov Reports, the NASSCOM Report, and the ARC Reports.

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 Draft Red Herring 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 Draft Red Herring 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 351, defined terms have the meaning given to such terms in the Articles of Association. In "Statement of Tax Benefits" beginning on page 84, defined terms have the meaning given to such terms in the Statement of Tax Benefits. In "Financial Statements" beginning on page 163, defined terms have the meaning given to such terms in the Financial Statements.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring 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 develop new services and solutions or enhance existing services and solutions or failure to make changes to our pricing model to keep up with customer expectations;
- inability to manage growth;
- failure to attract, retain, train and optimally utilise our management team and other skilled engineering professionals;
- reduction in the R&D budgets of our existing and prospective customers and reduction in our volume of work due to setting up of captive research and development centres by our customers;
- inability of the investors to assess our prospects on the basis of historical results due to our limited operating history;
- our revenues dependence to a large extent on a limited number of customers and concentration of our customers in certain segments or geographical regions; and
- inability to extend our arrangements with our customers may require renegotiation of the terms of our contracts from time to time.

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” on pages 20, 98 and 248, 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 Draft Red Herring 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 the Red Herring 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 Red Herring 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 Draft Red Herring 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 98 and 248, respectively, as well as the other financial and statistical information contained in this Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus. For further details, see “Forward-Looking Statements” beginning on page 19.

In this section, unless the context otherwise requires, a reference to our “Company” or to “we”, “us” and “our” refers to L&T Technology Services 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.

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 ₹200 million.

Litigation against our Company

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Criminal matters	Nil	Nil
Direct tax matters	Nil	Nil
Indirect tax matters	2	4.4
Action by regulatory/ statutory authorities	Nil	Nil
Other matters exceeding ₹ 200 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	4	78.2
Indirect tax matters	4	8.2
Action by regulatory/ statutory authorities	Nil	Nil
Other matters exceeding ₹ 200 million	Nil	Nil

Litigation against our Directors

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Criminal matters	13	Nil
Direct tax matters	Nil	Nil
Indirect tax matters	1	Not quantifiable
Action by regulatory/ statutory authorities	4	Not quantifiable
Other matters exceeding ₹ 200 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	19,108.4
Indirect tax matters	450	43,153.0
Action by regulatory/ statutory authorities	45	9,430.7
Other matters exceeding ₹ 2,500 million	2	10,617.5

Litigation against our Group Companies

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ million)
Criminal matters	2	Not quantifiable
Direct tax matters	45	1,424.8
Indirect tax matters	105	7,466.7
Action by regulatory/ statutory authorities	5	5.8
Other matters exceeding ₹ 2,500 million	1	6,197.5

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

For further details, see “Outstanding Litigation and Material Developments” beginning on page 270.

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 success depends on our ability to innovate, and our business will be adversely affected if we fail to develop new services and solutions or enhance existing services and solutions or if we fail to make changes to our pricing model to keep up with customer expectations.***

The engineering research and development (“ER&D”) industry is characterized by rapid technological changes, evolving industry standards, changing customer preferences and new product and service introductions that could result in product obsolescence and short product life cycles. The success of our business depends on our ability to innovate and continuously provide services and solutions that address the varied and expanding requirements of our customers. Our future success will depend on our ability to enhance our existing offerings or develop new services and solutions to meet customer needs, in each case, in a timely manner. Further, our pricing models may undergo a change as customers continue to look for solution-based offering from service providers with different risk-reward mechanisms. We may not be successful in anticipating or responding to our customers' requirements on a timely and cost efficient basis, or at all. We may also be unsuccessful in stimulating customer demand for new and upgraded services and solutions, or seamlessly managing new service or solution introductions or transitions.

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 changes to our business model. 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. For example, using automation techniques or artificial intelligence in delivering services may create risk in terms of reducing the volume of work outsourced to service providers and cause disruption in our delivery model. We cannot guarantee that any change in technology will become successful or be more successful than our current technology.

Further, the development of some of our services and solutions may require significant upfront investments and the failure of these services and solutions may result in our inability to recover these investments, in part or in full.

Further, services or solutions that are developed by our competitors may render our services and solutions non-competitive or obsolete.

Our failure to address the demands of our customers and the rapidly evolving technology 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.

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

Our business has grown over the years and so 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 and 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 unforeseeable business risks;
- adhering to and further improving our service standards;
- maintaining high levels of customer satisfaction;
- recruiting, training and retaining sufficient skilled technical, marketing and management personnel;
- making significant investments in recent years 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);
- managing our procurement, supply chain and vendor management processes;
- 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;
- co-activating work among off-shore and on-site project teams and maintaining high resource utilization rates; and
- integration of any acquisition made by us.

Any inability to execute these steps in a timely and efficient manner could adversely affect our business and reduce our profitability.

4. *Our success depends in large part upon the strength of our management team and other skilled engineering professionals. If we fail to attract, retain, train and optimally utilise these personnel, our business may be unable to grow and our revenue and profitability could decline.*

The continued efforts of the senior members of our management team and other skilled professionals are critical to our success. Further, our ability to create innovative service offerings and execute our project engagements depends in large part on our ability to attract, train, motivate and retain skilled engineering professionals, especially project managers and mid-level professionals.

For FY 2016 and FY 2015, the attrition rates of our employees globally were 12.1% and 14.3%, respectively. If we cannot hire and retain qualified personnel, our ability to bid on and obtain new projects and to continue to expand our service offerings will be impaired and our revenue could decline. We believe that there is significant competition within our industry for engineering and technology 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 professionals/employees to meet our own business requirements and to replace those who leave. Changes in government policies may also affect our ability to attract, hire and retain personnel. Additionally, we may not be able to reassign or train our employees to keep pace with continuing changes in technology, evolving standards and changing customer preferences. Furthermore, our ability to attract and retain skilled professionals is dependent on the compensation we offer them. If we are unable to offer them adequate 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, certain of our customer contracts do not permit us to assign our employees who have worked on a certain projects to perform similar services for any other customer for a specified period after the completion of these contracts. If we cannot hire and retain additional personnel qualified to perform such services, our ability to bid for and execute new projects may be adversely affected.

5. *A reduction in the R&D budgets of our existing and prospective customers could affect our pricing and volume of work.*

The growth of the ER&D industry is linked to the outsourced R&D expenditures and budgets of the customers. Trends in R&D budgets are exposed to general macroeconomic factors and also to demand and production trends in industrial sectors. In the recent past, companies in certain sectors (such as oil and gas) have reduced their R&D budgets due to unfavourable macroeconomic and production trends that have exerted pressure on their margins.

A reduction in the R&D budgets of our existing or prospective customers, on account of macro-economic or other factors may have a material adverse effect on our business, financial condition and results of operations.

6. *Our customers may set up captive research and development centres, which may result in a reduction in our volumes of work.*

Over the past few years, many corporations have adopted a policy of rationalising their use of external ER&D service providers and performing R&D functions in-house and this trend may continue going forward. Moreover, from time to time, negative experiences associated with offshore outsourcing, such as theft and misappropriation of sensitive customer data, have been publicized, including reports involving service providers based in India. Our current or prospective customers may elect to perform certain services themselves or may be discouraged from transferring services from onshore to offshore service providers including 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 customers operate.

If our existing or prospective customers decide to use their captive research and development centres for their ER&D services and reduce their budgets for external ER&D service providers, it could lead to a reduction in our volumes of work and adversely affect our business, financial condition and results of operations.

7. *We are a company with limited operating history, and therefore investors may not be able to assess our prospects on the basis of historical results.*

We were incorporated as a public limited company in June 2012. We acquired the PES Business of our Promoter Group entity, LTIL in January 2014 and the IES Business of our Promoter in April 2014. In addition, during FY 2015, we also acquired the PES Business (unit in Germany) from L&T Infotech GmbH, equity shares in TSIPL and certain assets and liabilities of Dell India and Dell U.S.A. For details, see “History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets” and “Financial Statements - Annexure IVC: Other Notes on Accounts” to our consolidated Restated Financial Statements on pages 124 and 219, respectively.

For FY 2014, we only had three months of operations in a single segment (telecom and hi-tech). Accordingly, we only have two financial years of comparable results of operations (FY 2015 and FY 2016). For details, see “Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Year 2015 (consolidated) Compared to Financial Year 2014 (unconsolidated) - Note Regarding Non – Comparability of Results of Operations” on page 259. As we do not have significant operating and financial history, it may be difficult to evaluate our current or future prospects on the basis of historical results. Our past performance should not be construed as an indication of our future performance.

8. *Our revenues are highly dependent on customers primarily located in North America and Europe as well as on customers concentrated in certain segments, notably industrial products, transportation, telecom and hi-tech, process industry and medical devices. An economic slowdown or factors affecting these geographies or segments could materially adversely affect our business, financial condition and results of operations.*

In FY 2016 and FY 2015, 60.4% and 56.1%, respectively of our total revenue from operations were derived from our operations in North America. In FY 2016 and FY 2015, 19.8% and 20.4%, respectively of our total revenue from operations were derived from our operations in Europe. If the economy in North America or Europe is or becomes volatile or uncertain or conditions in the global financial market were to deteriorate, or 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 favourable for us and our customers located in these geographies may reduce or postpone their technology spending significantly. Reduced spending on ER&D services may lower the demand for our services and negatively affect our revenues and profitability. Further, on June 23, 2016, the UK by way of referendum voted to leave the European Union (“Brexit”). Although we do not have significant business in the UK, some of our customers do, and we cannot predict the impact that Brexit will have on our operations, including those in Europe, or on our customers.

Further, we are exposed to certain risks due to concentration of customers in certain key industry segments, notably, transportation, industrial products, telecom and hi-tech, process industry and medical devices which represented 29.9%, 25.2%, 19.8%, 18.7% and 6.3%, respectively, of our revenue from operations in FY 2016 and 27.4%, 27.8%, 21.3%, 18.3% and 5.3%, respectively, of our revenue from operations in FY 2015. Any significant decrease in the revenues or revenue growth of any one of these segments, or widespread changes in any such segments, 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 customers operate may consequently affect our customers' ability in that industry to continue using our services.

9. *Our revenue depends to a large extent on a limited number of customers, and our revenue could decline if we lose a major customer.*

We currently derive a significant portion of our revenue from a limited number of corporate customers. The loss of a major customer or a significant reduction in the services performed for a major customer could result in a significant reduction of our revenue. Significant pricing or margin pressure exerted by our large customers would also adversely affect our business, financial condition and results of operations. Our top 10 customers accounted for 36.2% and 37.0% of our total revenue from operations in FY 2016 and FY 2015, respectively. The volume of work we perform for specific customers may vary from year to year, particularly since we typically are not the exclusive external ER&D service provider for these customers. Thus, any major customer during one year may not provide the same level of revenue in a subsequent year. Our large customers may terminate their work orders with us, with or without cause, and with or without notice, at any time, and our other major customers may terminate their contracts with us at their discretion, with or without notice. If any one or more of our work orders or customer contracts are terminated, our revenue and profitability could be materially and adversely affected.

The contribution of revenue from new customers to our total revenue from 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 and any failure to do so may adversely affect our return on resources utilised in the development of such customer relationships. For FY 2016 and FY 2015, revenue from new customers contributed 5.4% and 1.3% to our total revenue from operations, respectively.

Further, our customer agreements do not provide for any minimum purchase requirements from our major customers. Some of our customers may view our profit margins as high and demand a reduction in our pricing terms. These factors may not be predictable or under our control. If we were to lose one of our major customers or have a significantly lower volume of business from them, our revenue and profitability could be reduced. Existing customers may also engage in consolidation exercises that impact their arrangements with us and may cause us to lose our approved supplier status with major customers. We cannot assure you that our large customers 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.

10. *We may not be able to extend our arrangements with our customers and may need to renegotiate the terms of our contracts from time to time.*

We enter into fixed-price contracts or time-and-material contracts with our customers. For FY 2016 and FY 2015, fixed-price contracts accounted for 31.9% and 31.9%, respectively of our total revenues, and time-and-material contracts accounted for 68.1% and 68.1%, respectively of our total revenues. We may be unable to renew some or all of these contracts on satisfactory terms or at all for various reasons. Any such contract renegotiations may result in new contract terms that are less favourable to us. For example, the ER&D industry has recently seen increased use of performance obligations and minimum indemnity clauses. Such provisions could significantly increase our costs and risks and adversely affect our business.

11. *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. For details of our historic acquisitions, see "History and certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets" and "Financial Statements - Annexure IVC: Other Notes on Accounts" to our consolidated Restated Financial Information on pages 124 and 220, respectively. 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 or 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 customers. We could also have difficulty in integrating the acquired products, services, solutions, technologies, management and employees into our operations. 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 acquire unidentified liabilities or fail to discover liabilities that are not properly disclosed to us or inadequately assess in our due diligence efforts liabilities that may arise out of such acquisitions. 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 adversely affected.

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 favourable terms or a liquidity event such as an initial public offering, which may not be completed as anticipated. We may record impairment charges in relation to our 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 and the transfer of the PES business from LTIL and L&T Infotech GmbH. Goodwill as well as acquisition-related intangibles is 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.

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

Many of our contracts involve projects that are critical to the operations of our customers' businesses and provide benefits to our customers that may be difficult to quantify. Any failure in a customer'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 customer data. We face a number of threats to our data centres 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.

Breaches of our security measures or any 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, some of our customer agreements do not limit our potential liability for breaches of confidentiality, intentional infringement of intellectual property rights of third parties, non-compliance with applicable laws, fraud, breaches due to gross negligence or wilful misconduct, damages connected to or arising from design defects, safety recall or compliance recall, death or personal injury caused as a result of our negligence 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 sub-contractors, penetrates our network security or misappropriates sensitive data, we could be subject to significant liability from our customers or from our customers' customers for breaching contractual confidentiality provisions or privacy laws. Unauthorized disclosure of sensitive or confidential 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 customers for damages, damage our reputation and cause us to lose customers.

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 or claims for which we have not obtained insurance, could adversely affect our revenues and results of operations. We may also be liable to our customers 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 customers' information security policies and procedures, which may adversely affect our business and results of operations.

13. *We may be unsuccessful in protecting our intellectual property rights. Unauthorized use of our intellectual property may result in the development of technology, products or services which compete with our services. We may also be subject to customer and/or 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 services or solutions. Unauthorized parties may infringe upon or misappropriate our services, solutions 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 and a favourable outcome cannot be guaranteed. 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 the intellectual property rights of any other party, we cannot assure you that infringement claims will not be asserted against us in the future. If we become liable to our customers or 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, services or solutions 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 customers for third-party breaches of intellectual property pursuant to our contracts with such parties. Our inability to prevent violation or misuse of the intellectual property of our customers or that of third parties could cause significant damage to our reputation and adversely affect our business, financial condition and results of operations. For details of our intellectual property rights, see “Our Business – Intellectual Property” on page 116.

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 services and solutions. 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.

14. *Intense competition in the market for ER&D services could affect our pricing and have a material adverse effect on our business, financial condition and results of operations.*

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 ER&D consulting and technology firms globally, divisions of large multinational information technology firms and in-house ER&D departments of large corporations, in addition to numerous smaller local competitors in the various geographic markets in which we operate.

The ER&D 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 services and solutions and a larger portfolio of services on offer, in each case, relative to previous offerings by such independent vendors. Our access to such services and solutions 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 recognize impairments on our assets.

If our competitors develop and implement methodologies that yield greater efficiency and productivity, they may be able to offer services and solutions similar to ours at lower prices without adversely affecting their profit margins. Even if our offerings address industry and customer needs, our competitors may be more successful at selling their services and solutions. If we are unable to provide our customers with superior services and solutions at competitive prices or successfully market those services to current and prospective customers, 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. 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 ER&D firms with operations in other countries and regions, such as China, Vietnam, Ireland, Morocco, 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 customer relationships and technology partners and have greater international brand recognition than we do. Further, some of our competitors that provide both IT and ER&D services may be able to provide bundled services that may be cost-effective for our customers. We may be unable to compete successfully against these competitors, or may lose customers 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 customers' needs.

15. *Our revenues, expenses and profitability may be subject to significant fluctuation and hence may be difficult to predict, increasing the likelihood that our results of operations could fall below market expectations, 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 profitability include:

- the size, complexity, timing, pricing terms and profitability of contracts, as well as changes in the corporate decision-making processes of our customers;
- the business or financial condition of our customers or the economy generally, or any developments in the ER&D sector in macro-economic factors, which may affect the rate of growth of ER&D in business, type of ER&D spending by our customers and the demand for our services;
- the high concentration of orders in a limited number of regions, particularly North America and the concentration of orders in certain industries;
- the seasonal changes that may affect the mix of services we provide to our customers or the relative proportion of revenue;
- any ESOP allotments in the future;
- fluctuations in exchange rates;
- changes in immigration laws leading to reduction in visas granted to our employees;
- 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 customers' 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 technology/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 customers' 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 customers reorganizing their operations, or unanticipated variations in the number and timing of projects or employee utilization 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 changes 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. While our pricing remains competitive and customers remain focused on cost reduction and capital conservation, our cost management limitations may not be sufficient to negate such pressure on pricing and utilization rates, which may adversely affect our profitability.

Therefore, period-to-period comparisons of our results of operations may not necessarily be meaningful and investors should exercise caution in relying upon such comparisons as indications of future performance, especially given our short operating history. 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.

16. *We face regulatory and litigation related risks from our employees located in various countries.*

As of March 31, 2016, we had a total of 9,406 employees, of which more than 2,000 employees were located outside India. We are subject to risks relating to compliance with a variety of national and local laws including multiple tax regimes, labour laws, and employee health, safety, wages and benefits laws. Our failure to comply with applicable regulatory requirements could have a material adverse effect on our business, results of operations and financial condition.

Further, in the past, we have been and in the future we may 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, discrimination, misclassification or other violations of labour law or other alleged conduct. From time to time, we may enter into settlement agreements with employees in relation to such litigation. We may also, from time to time, be subject to litigation resulting from claims against us by third parties, including for non-adherence to the code of conduct or employment terms by our employees including 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. In the past, we have had occurrences where our former employees joined a competitor or customer's competitor and we cannot assure you that such incidents may not occur again.

If the courts or tribunals rule against us in any such matters, we may face monetary losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. Any adverse publicity associated with such cases may also harm our reputation.

17. *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 customers across 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 labour relations and certain regulatory requirements that are specific to our customers' industries. Non-compliance with these regulations in the conduct of our business could result in termination of customer contracts, 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 customers could also result in exposure to monetary damages, fines and/or criminal prosecution, unfavourable publicity, restrictions on our ability to process information and allegations by our customers 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 outside of India. We are subject to risks relating to complexities of assimilating varying work cultures, compliance with a variety of national and local laws, including multiple tax regimes, labour laws, and employee health, safety, wages and benefits laws. Our failure to comply with applicable regulatory requirements could have a material adverse effect on our business, financial condition and results of operations.

18. *Challenges in relation to immigration laws, rules and policies may affect our ability to compete for, and provide services to, customers in the United States and 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 and delays in, or losses of, customer engagements. 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 customer 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 for our employees, our ability to compete for and provide services to

our customers in the United States could be impaired. For instance, in December 2015, the United States substantially increased the visa fees for certain visas, which has increased our costs. 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 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 measures, which may have a substantial impact on our business model and practices, costs, hiring practices or capacity to complete customer projects and which may result in an increase in the cost of our doing business in the United States as a result of having to recruit more local U.S. 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 U.S. visas for our employees, either at all or in the same timeframe as we currently do.

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 could result in penalties and also delay or prevent our fulfillment of customer projects, which could hamper our growth and cause our revenue and/or profits to decline.

Similarly, certain countries and organizations 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 and may be introduced again in the future, including due to ongoing political developments. 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.

To the extent we experience delays due to immigration restrictions, we may encounter customer 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 profitability.

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

Our reporting currency is in Rupees, we transact a significant portion of our business in several other currencies, primarily USD and Euro. Revenues denominated in USD and in Euro amounted to 76.2% and 11.3% of our revenues from operations in FY 2016 and 78.3% and 11.1% of our revenues from operations in FY 2015, respectively. Approximately 91.7% and 90.0% of our revenue from operations in FY 2016 and FY 2015, respectively, were derived from sales outside of India. However, a large portion of our costs are in Rupees. Approximately 41.6% and 47.2% of our total expenses in the FY 2016 and FY 2015, 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 customers generally demand that all risks associated with such fluctuations are borne by us.

Although we hedge certain of our foreign exchange exposures (see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies – Foreign Currency Transactions” on page 267 and “Financial Statements - Annexure IVB: Significant Accounting Policies – 11. Foreign Currency Transactions” on page 214 in our consolidated Restated Financial Statements), we do not hedge against all foreign exchange risks. As of March 31, 2016, we had outstanding unhedged foreign currency receivables, including firm commitments and highly probable forecast transactions, of ₹7,251.6 million, and outstanding unhedged foreign currency payables, including firm commitments and highly probable forecast transactions, of ₹941.1 million. Further, we have incurred indebtedness in USD, including in the form of export packing credit in foreign currency, and may incur further such indebtedness in the future, which creates foreign currency exposure in respect of our cash flows and our ability to service such debt. If the value of the Rupee declines, the amount 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, but 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.

20. *Our pricing structures and scope of offerings may 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. Further, our strategy to shift to an annuity based revenue model may not be successful.*

We negotiate pricing terms with our customers 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 customers. 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 FY 2016 and FY 2015, 68.1% and 68.1%, respectively of our revenue from operations were on a time-and-materials basis. In FY 2016 and FY 2015, 31.9% and 31.9%, respectively of our revenue from 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 digitalization and deployment of tools, control over subcontracting costs 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 customers are not satisfied 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 customers, which might be based on limited data and could be inaccurate. We use our specified engineering processes and rely on our past project experience for estimating, planning and performing fixed-price projects, which may not be accurate and we may bear the risks of cost overruns, completion delays and wage inflation in connection with these projects. We cannot assure you that our cost-management efforts will be successful, that our efficiency will be enhanced, or that we will achieve desired levels of profitability. We may also enter into engineered solutions contracts with our customers that may necessitate the supply of prototypes or products, besides engineering services, which may reduce our 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 profits.

One of our strategies is to structure large annuity deals with our customers, with defined time periods for execution and structured time based payments. There is no assurance that this pricing model would be acceptable to our customers or that such revenue model would be profitable. Our inability to shift to such a pricing model may lead to our customers evaluating competitors for implementation of their ER&D requirements, or result in customers seeking other benefits. These events may lead to reduction in our revenues and adversely impact our business, financial condition and results of operations.

21. *Our failure to understand and successfully implement our customers' requirements, which may include industry and country-specific laws and regulations which govern the services and solutions that we provide could adversely impact our business, financial condition and results of operations. We may also be required to pay damages for deficient services.*

As we increase the breadth of our service offerings, we will engage in larger and more complex projects with our customers. This requires us to establish closer relationships with our customers, develop a thorough understanding of their operations, and take higher commercial risks in our contracts with such customers, including penalty and potentially onerous clauses in the agreements and larger upfront investments. Our ability to establish such relationships will depend on a number of factors, including the proficiency of our technology professionals and our management personnel. Our failure to understand and successfully implement our customers' requirements, which may include industry and country-specific laws and regulations, which govern the services and solutions that we provide could result in termination of customer contracts, reputational harm and/or imposition of penalties or the payment of damages pursuant to litigation against us for deficient services. Our inability to provide services at contractually-agreed service levels could cause significant damage to our reputation and adversely affect our business, financial condition and results of operations. Many of our contracts also require us to indemnify the customers if the services levels set out in the contracts are not met or maintained. In some cases, the indemnity also extends to the customer's parent, affiliates, and subsidiaries as well as for third party claims against the customer if we are the breaching party. Indemnity in certain cases covers consequential or indirect claims too. Additionally, all of our contracts with our major customers 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 customers due to dependence on alliance partners, subcontractors or third party vendors.

22. *If we are not successful in managing increasingly large and complex projects, we may not meet our customers' expectations, which could adversely affect our reputation, or financial condition and results of operations.*

Our larger and more complex projects may involve multiple engagements, stakeholders, components or stages, and there is a risk that a customer may choose not to retain us for subsequent stages or may cancel or delay subsequent planned engagements. Dissatisfied customers 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. Some of our customer contracts can also be terminated if prior consent is not taken for change in management control or ownership of our Company. This may further damage our business by affecting our ability to compete for new contracts with current and prospective customers. We may also experience terminations, cancellations or delays as a result of the business or financial condition of our customers 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.

23. *Wage increases in India or any other countries where we have employees may diminish our competitive advantage against companies located in the United States and Europe and may reduce our profits.*

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 profits. 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 profits. Furthermore, increases in the proportion of employees with less experience, or sources of talent from other high cost locations could also negatively affect our profits.

An increase in wage costs in the United States and any other countries where our employees are located would also have an adverse impact on our profits.

24. *Our profitability could suffer if we are not able to maintain optimum employee utilization.*

Our profitability and the cost of providing our services are affected by the utilization of our employees. We define utilization as an individual's total billed hours divided by total available/billable hours. In FY 2016 and FY 2015, the utilization of our employees (including trainees) was 71.4% and 69.5%, respectively. If we are not able to maintain high employee utilization, our profit margin and profitability may suffer. Our utilization rates are affected by a number of factors, including:

- loss or reduction of business from customers;
- our ability to manage our contract execution schedule and transition employees from completed projects to new assignments and to hire and integrate new employees;
- maintaining effective oversight over personnel and offices;
- adequate discipline in our employees regarding recording time diligently;
- 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 overall employee satisfaction;
- 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 customers.

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

Our business depends on our ability to successfully obtain payment from our customers of the amounts they owe us for work performed. We evaluate the financial condition of our customers and usually bill and collect on relatively short cycles. Our average debtor cycle was 81 days and 92 days in FY 2016 and FY 2015 respectively. We maintain provisions against receivables and unbilled services. Actual losses on customer 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 customers. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause customers 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 customer 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 customer 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.

26. ***We claim deductions under special tax holidays for units set up in special economic zones in India, and any change in these tax holidays or in other tax laws and regulations could materially and adversely affect our financial position and results of operations.***

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 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 materially and 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 IT enabled 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 100.0% 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 50.0% of profits from the export of services for a subsequent period of five years, and 50.0% 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 April 1, 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 10 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, it is currently pending approval of the parliament. 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 April 1, 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. Further, 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 2016, which came into force in May 2016, introduced certain changes in relation to existing tax legislation. The changes introduced include an increase 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 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.

27. *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 materially and 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 approvals are required but have not been obtained by us as of the date of this Draft Red Herring Prospectus: application dated May 3, 2016 filed by our Company with the Central Board of Excise and Customs for change in address of centralised service tax registration of our Company with respect to the unit in Vadodara and consents pending for renewal under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 for one of our facilities in Tamil Nadu. For further details and for details in relation to pending approvals, see "Government and Other Approvals" beginning on page 290. 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.

28. *Our business is based on the trust and confidence of our customers in our brand name 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.

29. *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 such as Intel, Sierra Wireless, National Instruments and Tele2. 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 customers may be negatively affected, and our revenues and results of operations could be adversely affected.

30. *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 customers on a regional and global basis and the ability to provide services to our customers 24 hours a day, seven days a week. Part of our service model is to maintain active voice and data communications between our offices in, our customers' offices, and our 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 customer projects on time. This, in turn, could lead to a material adverse effect on our business results of operations or financial condition.

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

Some of our customer 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 for delivered contract services against the comparable services provided by other similar 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 to be performed, for the remainder of the contract term, which could have an adverse impact on our revenues and results. Further, in certain cases, our customer has the right to terminate its agreement with us, based on the benchmarking study, if the demonstrated market price is 10.0% below the respective most recently agreed price. 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, which limits our ability to freely enter into agreements and could have an adverse impact on our revenues and results.

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

Our operations are subject to various risks inherent in the ER&D industry as well as fire, theft, earthquake, flood, acts of terrorism and other *force majeure* events. We maintain global insurance cover through Tata AIG General Insurance Company Limited. Our insurance cover includes, among others, protection from corporate crime, cyber risk, professional liability, employment practice liability and general commercial liability. We maintain insurance for our operations in India through The Oriental Insurance Company Limited and Bajaj Allianz General Insurance Company Limited. Our insurance cover includes, among others, protection from group personal accident, workmen's compensation policy and industrial all risk policy. We maintain insurance cover for our operations in the U.S. through Liberty Mutual Insurance Company and Hartford Insurance Company. Our insurance cover includes, among others, umbrella liability policy and protection from electronic vandalism coverage and denial of service. None of our insurance policies are assigned in favor of any customer. However, some of customers require their name to be jointly insured, for which suitable endorsements are passed in some of our insurance policies. We have 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 honoured 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.

33. *We may be unsuccessful in expanding into new and emerging markets, which may limit our ability to grow.*

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 are subject to greater risks than more developed markets. 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.

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.

34. *Our risk management policies and procedures may not adequately address unidentified or unanticipated risks.*

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 materially and adversely impact our business, financial condition and results of operations" on page 29.

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.

35. *Compliance with and changes in labour laws and regulations could materially and adversely affect our business, future financial performance and results of operations, while we face further labour risks, such as the risk of our employees joining a labour 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 9,406 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” from pages 116 to 117.

We are subject to various labour 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 labour and work permits.

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 may create potentially liability for us. We cannot assure you that we will be in compliance with current and future health and safety and labour laws and regulations at all times and any failure to comply with such laws and regulations could materially and adversely affect our business, future financial performance and results of operations.

Currently, our employees are not members of a labour union, but we can give you no assurance that they will not, in the future, join or form a labour union, or eventually wish to engage in collective bargaining. The government of Tamil Nadu has recently clarified that information technology will be covered under the Industrial Disputes Act, 1947 and accordingly our workers can form labour unions. In the event of a labour dispute, protracted negotiations and 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.

36. *We do not own our Registered Office or other office premises from which we operate.*

We do not own the premises in which our Registered Office and other office premises are situated. The registered, corporate and other 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 118.

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.

37. *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 this Draft Red Herring 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 161. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable 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.

38. *Some of our Promoter Group entities operate in a similar line of business as we do, which may lead to competition with these entities and could potentially result in a loss of business opportunity for our Company.*

Our Promoter Group entities, LTIL (and its subsidiaries), L&T SLL, L&T Chiyoda, L&T Valdel and LTIEL, operate in a similar line of business. LTIL and its subsidiaries are involved in the IT services and solutions business and offers an extensive range of IT services to its customers in diverse industries. We bought LTIL’s PES Business in FY 2014. For further details, see “History and certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets” on page 124. L&T SLL is a joint venture company of our Promoter and provides power plant engineering services. L&T Chiyoda is a joint venture of our Promoter which delivers engineering services to refinery, petro-chemical and oil and gas sectors. L&T Valdel provides engineering services for oil and gas projects spanning diverse lines of business. LTIEL is an engineering consulting company providing consulting services for all transportation infrastructure projects. Some of our competitors provide, under a single company and with the same management, the IT and engineering services that are currently separately provided by LTIL and its subsidiaries, L&T SLL, L&T Chiyoda, L&T Valdel and LTIEL.

and us. While we currently do not provide the IT services provided by LTIL, we may in the future decide to provide such IT services and may have to compete with LTIL for business, services and employees. Our Promoter may have conflicts of interest with our interests or the interests of our shareholders and favour these companies in certain situations, or not direct opportunities to us. For example, our Promoter has announced that it seeks to list certain of its subsidiaries. It has taken steps to list LTIL, which has filed a prospectus with the Registrar of Companies. The valuation and trading price of the entities could differ from our valuation and trading price materially. Further, changes in their valuation and trading price may impact our valuation and trading price, directly or indirectly since we are part of the same Promoter Group. Any of the above may impact the trading price of our equity shares, our business, financial condition and results of operations.

39. *We do not own the “L&T” trademark and logo. Our Trademark License Agreement may be terminated under certain circumstances.*

The “L&T” trademark is registered in favour of our Promoter. Pursuant to the Trademark License Agreement entered into 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 of 0.15% of turnover or 1.5% of profit after tax (in the first year); 0.15% of turnover or 3.0% of profit after tax (in the second year) or 0.15% of turnover or 5.0% of profit after tax (from the third year onwards); in each case, 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 the date of listing of shares. 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 51.0% 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.

40. *Our Promoter, directors and key managerial personnel have certain transactions with our Company that could result in a conflict of interest.*

We have entered into certain transactions with our Promoter, including its licensing of the “L&T” trademark, recovering remuneration from our Company paid to deputed employees, leasing of certain properties to us and the provision of certain other services in the ordinary course of business, such as business support services in respect of infrastructure facilities and human resources’ services and shared services in respect of employees’ pay roll. For details, see “Management’s Discussion and Analysis of Financial Condition and Results of Operation – Related Party Transactions” on page 263. 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.

41. *We will continue to be controlled by our Promoter after the completion of the Offer, and our Promoter's interest may differ from those of other Shareholders.*

As of the date of this Draft Red Herring Prospectus, our Promoter holds our entire pre-Offer share capital. Furthermore, after the completion of this Offer, our Promoter will control, directly or indirectly, more than [•]% 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), coverage under L&T insurance policies, 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 customer 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.

42. *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 of our loss making Group Companies, see “Group Companies – Loss making Group Companies” from pages 159 to 160. We cannot assure you that our Group Companies will not incur losses in the future.

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

As of March 31, 2016, our total outstanding debt was ₹1,954.5 million. Certain working capital 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 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 financing agreements also require us to maintain certain financial covenants including in relation to maintenance of financial ratios. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lenders for, amongst others:

- refraining from changing our capital structure;
- refraining from reducing our promoter’s shareholding to below 51.0%;
- 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 installments 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 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 financing agreements may also trigger cross-default or cross-acceleration provisions under our other financing agreements. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such 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.

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

Our Company, Promoter and certain Group Companies currently have availed unsecured loans which may be called 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. If we are unable to procure such financing, we may not have adequate working capital to undertake new projects or complete our 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” beginning on page 246.

45. *We are not able to guarantee the accuracy of third-party information.*

This Draft Red Herring Prospectus contains certain statistical information relating to the ER&D industry that is sourced from third parties. This information includes general market and industry data that is derived from both public and private sources, including market research, publicly available information and industry publications. Investors should exercise caution when relying upon such third-party information.

46. *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, which may be at a price lower than the Offer Price. For further details, see “Capital Structure” on page 77. Our Company may continue to issue Equity Shares at a price below the market price of Equity Shares including under the Employee Stock Option Scheme at a price below the market price of Equity Shares at the time of issuance.

47. ***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 up to 10,400,000 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 79, respectively.

EXTERNAL RISK FACTORS

48. ***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 centres 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 customer 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, customers 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 services or solutions from us or even terminate the contract entered into with us by giving notice and paying for the portion of the work done and any non-recoverable investments made pursuant to the contract by 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

49. ***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 and other jurisdictions where we operate 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, we have not completed any income tax assessments for the previous years and we run the risk of the Income Tax Department assessing our tax liability that may be materially different from the provision that we carry in our books for the past periods.

50. ***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:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- 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 neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its ER&D sector;
- 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;
- logistical and communications challenges;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis; and
- 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.

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.

51. *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 March 4, 2011, the Indian central government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 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 May 11, 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.

52. *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.

53. *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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus should accordingly be limited.

54. *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 February 16, 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 April 1, 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 April 1, 2016 may not be comparable to our historical financial statements.

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.

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 is applicable from FY 2017 onwards and will have impact on computation of taxable income for FY 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. See also “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation – FY 2016 compared to FY 2015 – Tax Expenses” beginning on page 163 and on page 258, respectively. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

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

We are a limited liability company incorporated under the laws of India. A majority of our directors and executive officers are residents of India and a majority 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 favour 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

56. *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.

57. *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 17.

58. *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 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.

59. *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.

60. *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.

61. *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 350.

62. *We cannot assure payment of dividends on the Equity Shares in the future.*

Our Company has no formal dividend policy. The amount of future dividend payments by us, 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. We may decide to retain all of our Company's earnings to finance the development and expansion of our Company's business and therefore, our Company may not declare dividends on the Equity Shares. Further, 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. For details of amounts paid as dividends in the past, see "Dividend Policy" on page 162.

Prominent Notes:

1. Public offer of up to 10,400,000 Equity Shares for cash at a price of ₹ [•] per Equity Share aggregating up to ₹ [•] million through an Offer for Sale by the Selling Shareholder. The Offer would constitute [•]% of our post-Offer paid-up Equity Share capital.
2. As of March 31, 2016, our Company's net worth was ₹11,162.48 million as per our Company's unconsolidated Restated Financial Statements and ₹10,925.29 million as per our Company's consolidated Restated Financial Statements.
3. As of March 31, 2016, the net asset value per Equity Share was ₹148.83 as per our Company's unconsolidated Restated Financial Statements. As of March 31, 2016, the net asset value per Equity Share on an unconsolidated basis is ₹ 109.77 after considering 26,690,392 potential equity shares.
4. As of March 31, 2016, the net asset value per Equity Share was ₹145.67 as per our Company's consolidated Restated Financial Statements. As on March 31, 2016, the net asset value per Equity Share on a consolidated basis is ₹ 107.44 after considering 26,690,392 potential equity shares.
5. The average cost of acquisition of Equity Shares (including potential equity shares) by our Promoter is ₹103.25. For details, see "Capital Structure" beginning on page 70. 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.
6. 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 161.
7. 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 this Draft Red Herring Prospectus.
8. Except as disclosed in the "Group Companies" and "Related Party Transactions" on pages 159 and 161, none of our Group Companies have business interest or other interests in our Company.
9. 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.

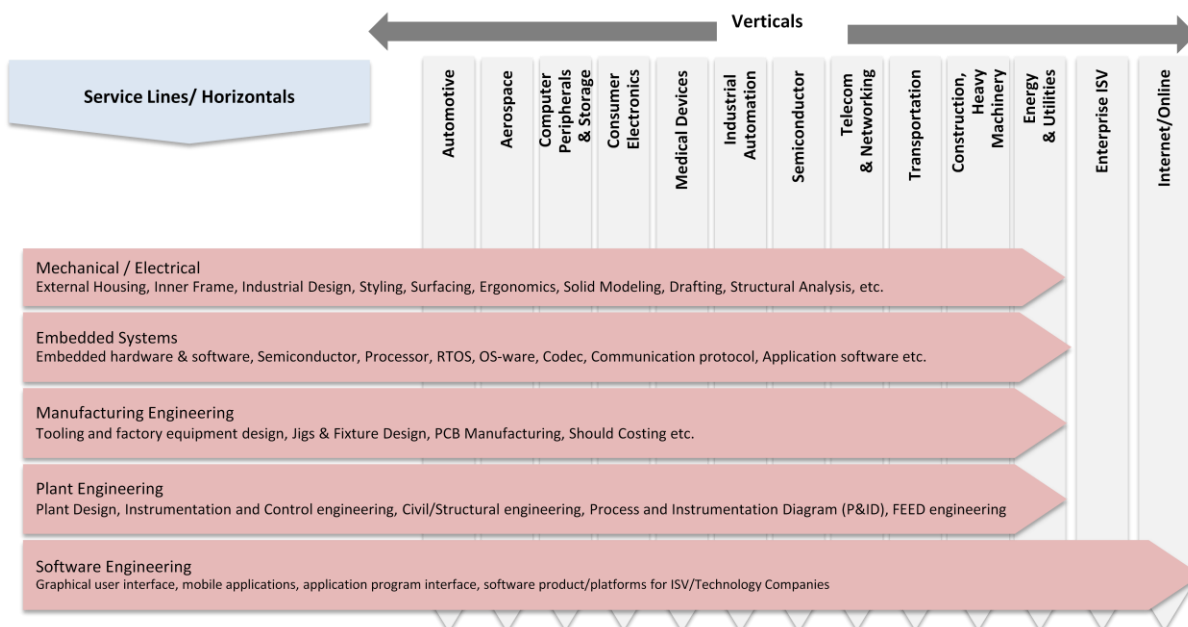
The data may have been re-classified by us for the purpose of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. 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.

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 Draft Red Herring Prospectus, including the information in “Risk Factors” and “Financial Statements” beginning on pages 20 and 163, 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 20.

The Global ER&D Services Industry

Engineering research and development (“ER&D”) services is defined as the set of services provided to product and process companies to help them develop and deliver their own products and services to their end customers. Players in this industry assist in the development of required products, processes and infrastructure for such product and process clients, which include manufacturers, technology and process engineering companies across a variety of service lines. The ER&D services industry is also referred to as the Product Engineering Services (“PES”) industry or the Engineering Services Outsourcing (“ESO”) industry. The below chart illustrates the various industry verticals and service lines of the ER&D services industry. (Source: ER&D and Product Engineering Services, Zinnov, May 2016 (the “Zinnov Report”))



(Source: Zinnov Report)

Players in the ER&D services industry typically focus on the design, development, testing, rollout and maintenance aspects of the product and process development chain and not on mass manufacturing. The ER&D services market is comprised of product engineering services and process engineering services. Product engineering services typically address the product development life cycle for companies which produce discrete products through services in areas such as mechanical engineering, embedded systems and software product engineering. Process engineering services involve services to assist process companies in the production of facilities and processes that produce value added outputs and components through plant design engineering, manufacturing engineering, industrial engineering and process control systems. The majority of services outsourced today are product engineering services. In the area of process engineering services, there exist very few third-party India-based ER&D service providers.

The demand for ER&D services are met by a combination of in-house ER&D teams and offshore in-house centres (also referred to as global in-house centres (“GICs”) or captives). The in-house centres are located mainly in countries such as India, China, Brazil, South Africa and to a much lesser extent Eastern Europe.

The demand for ER&D services are also met by offshore third-party ER&D service providers. The offshore third-party service providers are located mainly in countries like India and China and to a much lesser extent, Korea, South Africa as well as regions of South America and South East Asia. Offshore in-house centres typically adopt a co-sourcing model in the countries that they operate in, using resources and expertise from third-party service providers in those countries to help them address their requirements. This market is comprised of pure play ESO players who only engage in ESO as an end-to-end business, hybrid players who provide information technology (“IT”) services in addition to ESO and large ESO staffing players who engage in ESO work but not in end-to-end projects. Some of these third-party service providers service their clients from high employee cost locations in Europe and the US while others use an “offshore and global delivery model” by using a combination of resources in low cost countries locations like India and China. The latter are typically called offshore third-party ER&D service providers.

According to Zinnov, global in-house R&D centres grew by 7.6% in FY2015 over FY2014 whereas global third-party ER&D service providers grew by 8.7% in FY2015 over FY2014. The growth of global in-house R&D centres also benefit third-party ER&D service provider growth as in-house R&D centres tend to use a co-sourcing model, which uses talent and expertise from third-party ER&D service providers. *(Source: Zinnov Report)*

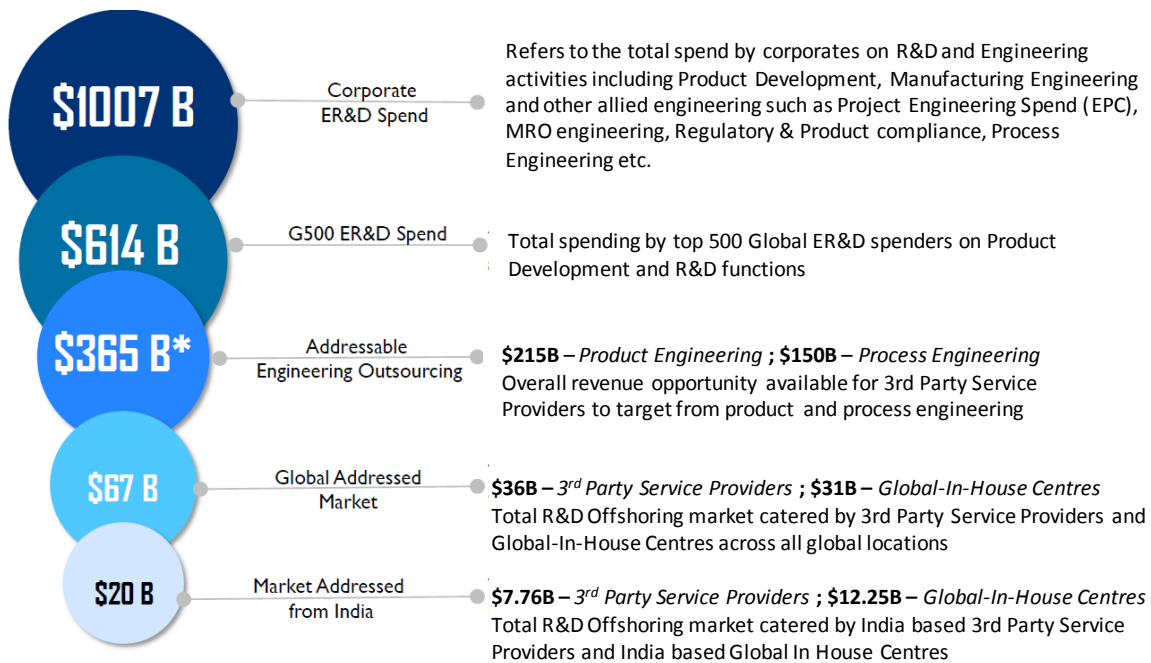
Global ER&D Spend

Players in the ER&D services industry cater to product and process companies comprising of manufacturers, technology, process engineering and engineering companies. According to Zinnov, corporations spent a total of USD 1,007 billion on research and development and engineering activities such as product and process development, manufacturing engineering and other allied engineering in 2015. Of this amount, the 500 biggest corporate spenders in ER&D globally (the “G500 ER&D spend”) contributed USD 614 billion or nearly 61%. *(Source: Zinnov Report)* Further, within the G500 ER&D spend, the top 100 spenders account for 66% of G500 ER&D spend. According to NASSCOM, global ER&D spend has grown at a CAGR of over 7% since 2009 and the growth rate in global sourcing of ER&D services is more than double of the growth in global ER&D spend. *(Source: NASSCOM, The IT-BPM Sector in India: Strategic Review 2015, February 2015 (the “NASSCOM Report”))*

Addressable and Addressed ER&D Services Markets

The third-party ER&D service providers market enables product and process companies to utilize the product-building, process-development know-how and worldwide talent pools that are associated with independent third-party vendors of such services. According to Zinnov, of the USD 614 billion of G500 ER&D spend, the overall revenue opportunity available to third-party ER&D service providers and in-house R&D centres to service in 2015 (the “Addressable Engineering Outsourcing Market”) was USD 365 billion, of which product engineering services comprised USD 215 billion and process engineering services comprised USD 150 billion. The addressable market is a subset of the total ER&D spend, and is typically computed by removing parts of the total ER&D spend which cannot be outsourced such as investments in heavy capex items such as buildings, centres, equipment, and retaining only those areas of spend which can be outsourced such as employee spend. *(Source: Zinnov Report)*

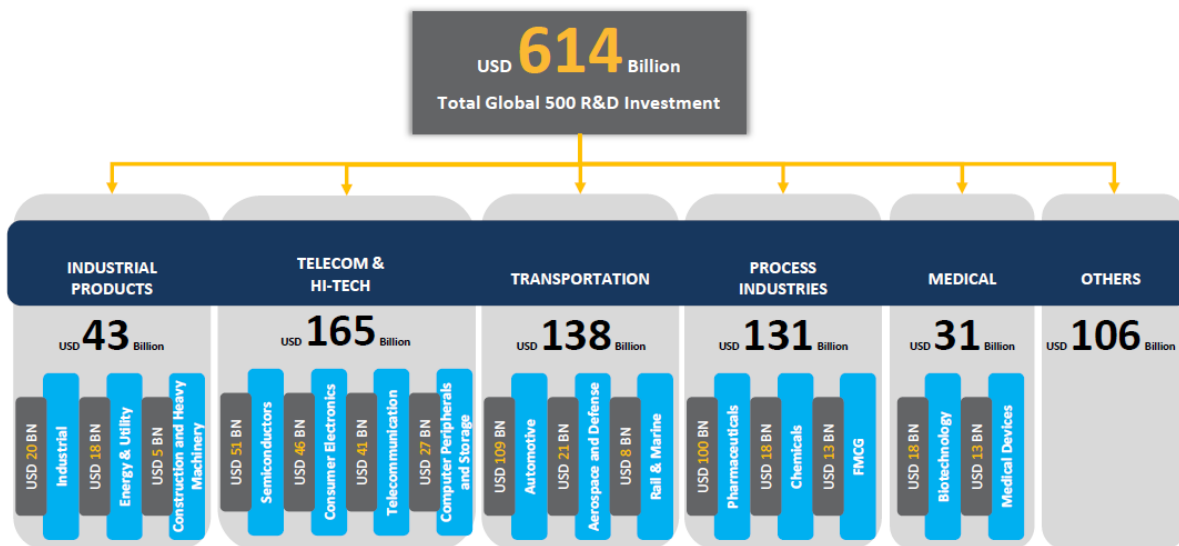
With respect to the total ER&D offshoring market for product engineering services as addressed by offshore third-party service providers and global in-house centres (the “Global Addressed Market”), the overall revenue was USD 67 billion in 2015, of which offshore in-house R&D centres and offshore third-party service providers contributed USD 31 billion and USD 36 billion, respectively. The total R&D offshoring market revenue generated by both India-based third-party service providers and India-based in-house centres to global clients in 2015 was USD 20 billion. Of this, the third-party service providers and in-house ER&D centres contributed USD 7.76 billion and USD 12.25 billion of revenue in 2015, respectively. *(Source: Zinnov Report)*



(Source: Zinnov Report)

Key Segments in Global ER&D Spend

The chart below shows the break-up of the amounts spent by the biggest 500 spenders in ER&D according to segment and verticals in 2015. Zinnov has identified the industrial products, telecom and hi-tech, transportation, process industries and medical segments as the main segments of G500 ER&D spend.



(Source: Zinnov Report)

In 2015, the G500 ER&D spend in the telecom and hi-tech segment (comprising of the semiconductor, consumer electronics, telecommunications and computer peripherals and storage verticals) and the transportation segment (defined as the automotive, aerospace and defense, and rail and marine verticals) was USD 165 billion and USD 138 billion, respectively, contributing 26.87% and 22.47% of the G500 ER&D spend, respectively. Other key segments include process industries (defined as pharmaceuticals, chemicals and fast moving consumer goods (“FMCG”) verticals with a G500 ER&D spend of USD 131 billion), industrial products segment (defined as industrial, energy and utility and construction and heavy machinery verticals with a G500 ER&D spend of USD 43 billion) and medical segment (defined as medical devices and biotechnology verticals with a G500 R&D spend of USD 31 billion). (Source: Zinnov Report).

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 entire Draft Red Herring Prospectus, including the information in “Risk Factors” and “Financial Statements” beginning on pages 20 and 163, 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 20.

Overview

We are the leading global pure-play ER&D services company. (Source: Zinnov Report) We provide ER&D services, which is defined as the set of services provided to manufacturing, technology and process engineering companies, to help them develop and build products, processes and infrastructure required to deliver products and services to their end customers.

We operate in a large and growing global market derived from a global corporate ER&D spend of US\$1,007 billion in 2015, of which the ER&D spend of the top 500 global ER&D spending companies (“G500 ER&D spend”) was US\$614 billion in 2015. (Source: Zinnov Report) The estimated addressable ER&D outsourcing opportunity for ER&D service providers was US\$365 billion of the G500 ER&D spend in 2015. (Source: Zinnov Report) US\$67 billion of the corporate ER&D spend of US\$1,007 billion is currently addressed, which represents a penetration of 6.7% and offers potential growth opportunities. (Source: Zinnov Report)

By region, we derive 80.2% of our revenues from customers in North America and Europe, which are the two largest regions of corporate ER&D spend and represented over 73% of the US\$1,007 billion corporate ER&D services spend in 2015. (Source: Zinnov Report) The top 100 spenders in the G500 ER&D spend contribute 66.3% of the G500 ER&D spend and our key global customers include 43 of the top 100 global ER&D spenders, which offers significant growth opportunities for existing customer accounts. (Source: Zinnov Report)

We operate in five industry segments (transportation, industrial products, telecom and hi-tech, process industry and medical devices, each of which represent a significant component of G500 ER&D spend. 50.3% of our revenue in FY 2016 was derived from the three segments of industrial products, process industry and medical devices. These three segments represent US\$205 billion of G500 ER&D spend and have low penetration by India based third-party ER&D service providers, which gives us a competitive advantage. (Source: Zinnov Report)

We offer design and development solutions throughout the product development chain and provide solutions in the areas of mechanical and manufacturing engineering, embedded systems, software engineering and process engineering. For “new” technologies, we provide services and solutions in the areas of product lifecycle management, engineering analytics, power electronics, M2M, connectivity and IoT. We focus on innovation driven technology leadership and have set up research and test laboratories that are specific to particular industry verticals and that seek to replicate our customer’s work environment, enabling us to work very closely with the customers’ research and development teams on product innovation through leveraging our technology. We have invested in IoT, digital technologies (smart products, smart services, smart manufacturing and smart operations) and lab infrastructure to strengthen our position in these areas. Our ER&D services help customers reduce time-to-market for their end products and services, innovate to create new products and solutions, reduce cost of development and meet increasing regulatory requirements more effectively.

The key decision makers at our customers belong to the engineering or product development or R&D departments, which tend to have distinct budgets, where industry domain knowledge and focus on R&D is highly critical in the choice of an outsourcing ER&D service provider. As a result, we believe our customers value our focus as a pure-play services provider focused solely on ER&D services, giving us a competitive advantage over generalist IT service providers who also provide ER&D services.

We have been recognised by Zinnov in the “leadership zone” in eight industry verticals (industrial automation, construction and heavy machinery, medical devices, aerospace, automotive, rail and marine, telecom, energy and utilities) and two horizontal service offerings (embedded systems and mechanical) in Zinnov’s GSPR Ratings 2015). See “Industry Overview” on page 87. We are ranked “high” by ARC Advisory Group for our deep capabilities in consumer IoT, industrial-internet-of-things, and smart manufacturing. We have also won a number of industry accolades.

We deliver our services through a network of delivery centres located across the U.S. and India and from our customers’ locations. The majority of our work is executed by employees based out of delivery centres in India using an offshore delivery model, giving us a competitive advantage in terms of talent pool availability and lower costs compared to our US and European competitors.

Established through a group restructuring exercise, we leverage the strengths of our parent company, L&T, a leading Indian conglomerate in technology, engineering, construction, manufacturing and finance, which has provided us with a broad engineering and design heritage. Prior to January 1, 2014, our business was conducted as a division (called Integrated Engineering Services (“IES”)) of L&T and as a sub-segment (called Product Engineering Services (“PES”)) of L&T’s subsidiary, LTIL. As part of a business restructuring exercise, the PES business from LTIL, (except its unit in Germany, which was transferred with effect from September 1, 2014), and the IES business from L&T was transferred to our Company with effect from January 1, 2014 and April 1, 2014, respectively. As part of the restructuring, we brought together engineers

with domain expertise in product and process industry from IES and PES to create a specialised talent pool in ER&D services to deliver higher value to our customers. During FY 2015, our Company also acquired a majority of the equity share capital of TSIPL, a company engaged in the business of, among others, software development, IT consulting, software evaluation, design, implementation, research and training in relation to computer software. Further, during FY 2015, we also acquired certain of the assets and liabilities of Dell Product and Process Innovation Services, the engineering services division of Dell, U.S.A. and also acquired its operations in India from Dell India. For further details, see “History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets” beginning on page 122.

As of the date of this Draft Red Herring Prospectus, we have 12 global delivery centres in India and overseas, 27 sales offices in India, North America, Europe, the Middle East and Asia and 31 labs in India. As of the date of this Draft Red Herring Prospectus, we have filed 34 proprietary patents and 134 patents have been filed by our customers along with our employees. As of March 31, 2016, we have more than 8,000 engineers from nine nationalities serving over 200 customers, including more than 50 Fortune 500 customers. The average age of our employees is 31 years.

Our business is classified into the following five broad segments:

Transportation

The transportation segment is our largest segment by revenue and contributed 29.9% of our consolidated revenue from operations for FY 2016.

The industry verticals classified under our transportation segment primarily consist of automotive, off-highway equipment (“OHE”), aerospace and commercial vehicles (“CVs”). In the automotive and aerospace verticals, we have been ranked in the “leadership zone” by Zinnov's GSPR rating 2015. (*Source: Zinnov Report*)

For automotive manufacturers, we deliver ER&D mechanical, embedded and software engineering services (computer software for machinery or devices), including in the areas of body control modules, automated driver assistance systems, telematics and infotainment.

For OHE manufacturers, we engage in new product development, value engineering and M2M connectivity. We work on excavators, harvesters, combine and headers, planters, balers, backhoe loaders and all terrain vehicles (“ATVs”).

In the aerospace vertical, we work in the areas of structural design, electrical and avionics systems, including both flight control systems and display systems, in the commercial segment. In India, we work in the defence segment in areas such as avionics and unmanned aerial vehicles (“UAVs”).

For CV manufacturers, we engage in design and development work for body design and product localisation, which includes field support.

Industrial Products

The industrial products segment contributed 25.3% of our consolidated revenue from operations for FY 2016. We have been ranked in the “leadership zone” by Zinnov's GSPR rating 2015 (*Source: Zinnov Report*) for energy and utilities, industrial automation (which includes building automation, power electronics and machinery) and construction and heavy machinery verticals. According to Zinnov, there are only a few ER&D service providers in this segment, which have high potential for growth as a result of low penetration levels and limited competition. (*Source: Zinnov Report*)

The industry verticals classified under the industrial products segment primarily consist of power, electrical, drives and utilities, building automation, home and office products and machinery.

We offer product design, development, verification, validation and certification services. Our services also include sustenance, maintenance and value engineering of existing products.

In the power, electrical, drives and utilities verticals, we focus on conventional and non-conventional power generation, transmission, distribution equipment and utilities equipment.

In the building automation vertical, we cover intelligent building energy management systems (“iBEMSTM”), lighting and accessories, heating, ventilation, and air conditioning (“HVAC”), safety, security and access control solutions, and elevators and escalators.

Our home and office products vertical include white goods such as kitchen appliances and office equipment.

In the machinery vertical, we provide services to machines and equipment manufacturers in the area of precision, processing, packaging and power and tool machines. This includes semiconductor equipment, oil and gas equipment and industrial devices such as pumps, valves, compressors and measurement devices. We have technological expertise in the area of M2M connectivity, predictive machine health monitoring, diagnostics, machine performance analysis, asset/inventory tracking and digital oil fields.

Telecom and Hi-tech

The telecom and hi-tech segment contributed 19.8% of our consolidated revenue from operations for FY 2016.

The industry verticals classified under our telecom and hi-tech segment primarily consist of consumer electronics, semiconductors and telecom.

In the telecom industry vertical, we have been ranked in the “leadership zone” by Zinnov's GSPR rating 2015. (Source: Zinnov Report)

In the consumer electronics industry vertical, we work mainly with mobile device and tablet manufacturers, set top box and gateway manufacturers, and smart home and wearable device manufacturers.

In the semiconductor industry vertical, we work mainly in the areas of application-specific integrated circuit (“ASIC”) design and verification, embedded software for chip and related validation services, reference board design and radio-frequency (“RF”) design.

In the telecom industry vertical, we work with network equipment manufacturers across the product development life cycle including development of protocol stacks and network management systems along with their maintenance and support.

Process Industry

The process industry segment contributed 18.7% of our consolidated revenue from operations for FY 2016. According to Zinnov, there are only a few India-based ER&D service providers in this segment, which has an addressable end-market of US\$150 billion, with potential for growth as a result of low penetration levels and limited competition. (Source: Zinnov Report)

The industry verticals classified under our process industry segment primarily consist of fast moving consumer goods (“FMCG”)/consumer packaged goods (“CPG”), speciality chemicals and oil and gas.

For FMCG/CPG companies, we have large, multi-year relationships with some of the world’s biggest FMCG/CPG companies. Our services include process design, basic and detailed design, development, refurbishment and support services, smart factory solutions, capex cost engineering, mechanical, civil, electrical engineering services, for brownfield as well as greenfield manufacturing plants.

For speciality chemical companies, we provide process design and development services, basic and detailed design services mainly for brownfield projects.

For oil and gas companies, we provide asset optimization, performance management and sustenance services to our customers.

Medical Devices

The medical devices segment contributed 6.3% of our consolidated revenue from operations for FY 2016. In the medical devices segment, we have been ranked in the “leadership zone” by Zinnov's GSPR rating 2015. (Source: Zinnov Report) According to Zinnov, there are only a few ER&D service providers represented in this segment, which provides the segment with potential for growth as a result of low penetration levels and limited competition. (Source: Zinnov Report)

We provide end-to-end product development for class I, II and III devices in industry verticals such as patient mobility, surgical, diagnostics, therapeutics, musculoskeletal and life sciences. Our services include certification support and regulatory compliances of medical devices, manufacturing support, product maintenance and aftermarket support. We leverage our technology expertise in emerging trends such as image enhancement, connectivity and data analytics.

For FY 2015 and FY 2016, our consolidated revenue from operations were ₹26,186.3 million and ₹30,665.1 million, respectively and our consolidated profit after tax was ₹3,109.0 million and ₹4,166.5 million, respectively. For FY 2016, our revenue contributions by geographic location of our customers were 60.4% for North America, 19.8% for Europe, 8.3% for India and 11.5% for rest of the world (“ROW”).

Our key customers and partners across different segments include Calsonic Kansai, Caterpillar, Danaher, Eaton, Intel, John Deere, P&G, Rockwell Automation, Scania, Shell and UTC.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

Leading global pure-play ER&D services company

We are the leading global pure-play ER&D services company. (Source: Zinnov report) We have been recognised by Zinnov, in the “leadership zone”, Zinnov's highest-ranking category in eight industry verticals (industrial automation, construction and

heavy machinery, medical devices, aerospace, automotive, rail and marine, telecom, energy and utilities), and two horizontal service offerings (embedded systems and mechanical). See “Industry Overview” beginning on page 87.

As a pure-play ER&D services company, we have developed a comprehensive range of service offerings in order to address the varied and expanding requirements of our customers. We act as a “one-stop shop” for our customers and we cover phases from conceptualisation to implementation within the product and manufacturing engineering life cycles, including consulting, design, development, testing, maintenance, go-to-market and after-market services. We also foster a culture of innovation that enables us to successfully achieve product innovation and process and productivity improvement for our customers. Decision makers for our end customers are generally based in engineering, product development and R&D departments. These departments tend to have distinct spending budgets, with comprehensive industry domain knowledge and a strong R&D focus being key determinants in selecting their preferred outsourcing ER&D service providers.

As a pure-play ER&D player, we believe we have an advantage over general IT services companies that also provide ER&D services, whilst targeting the ER&D business. This is because of our focus on engineering services and our end-to-end service offering, which we believe appeals to ER&D spend decision makers. We have developed several innovative and complex products and services. For example, we developed a nuclear grade power supply for a leading player in the European nuclear industry. The development of this power supply was highly complex due to compliance constraints, the operational environment and the safety standards of the nuclear industry. We were able to deliver this project successfully where the power rack has been installed in nuclear power plants in France.

We believe that our size and scale, multi-domain presence, specialisation, practice maturity, and focus on innovation and IP, combined with our ability to handle innovative and complex projects, provides us with a competitive advantage over other players in the ER&D space. Our end-to-end services and delivery through delivery centres in India also differentiate us from competitors in key markets where our competitors are either staffing companies with higher costs or are not pure-play and end-to-end service providers.

Well-diversified player with multi-vertical industry expertise and long-standing customer relationships

We possess multi-vertical industry expertise and target a broad spectrum of services in all the segments of our business. We have achieved a market leadership position in eight industry verticals and have developed capabilities in areas such as plant engineering. Our customers benefit from our experience in multiple technologies, our industry knowledge, and our multi-site project management expertise and cutting edge engineering tools.

We believe that our success in our customer engagements in various segments has enhanced our recognition in the global ER&D market. We cross-leverage our experience across our segments to deliver ER&D services and solutions to our customers. We actively pursue cross-selling opportunities across verticals to derive value for our existing and prospective customers. This not only helps us in solving complex customer problems that require multi-domain expertise but also helps us in penetrating customers’ different business verticals. Further, this approach helps us mitigate risks due to adverse market conditions in specific verticals. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Segmental Reporting” beginning on page 253.

We have long-standing relationships with our customers, which include more than 50 leading Fortune 500 companies and technology leaders in their industry including P&G, UTC, Danaher, Eaton, Rockwell Automation and Calsonic Kansei. We have been doing business with some of our customers for more than 10 years. We focus on customers with large ER&D budgets, and 43 of our customers are amongst the top 100 global ER&D spenders, representing 66.3% of the G500 ER&D corporate spending budget, according to Zinnov. Our track record of delivering quality and innovative solutions across verticals and our engineering expertise help us to maintain these relationships and increase our business from our existing customers. We are in regular communication with our customers through dedicated customer teams that include sales and engineering personnel, and this helps us in working on an ongoing basis to provide them with the end-to-end services. As a result, we have a history of customer retention and derive a significant proportion of revenues from existing customer accounts that have continued to grow. In FY 2016, 50.3% of our revenues were derived from the three segments that have lower competition (as per Zinnov report), industrial products, process industry and medical devices, and 53.8% of our revenues were derived from our top 20 customers, based on consolidated net sales. 94.6% of our customers in FY 2016 were repeat business customers from existing accounts.

From time to time, we also enter into relationships and alliances in our business to bring new technologies and greater cooperative work with our OEM and industrial customers. For example, in January 2015, we joined the Intel Network Builders Program through which we have worked with a variety of companies to bring innovative network and business digitalization capabilities to market more quickly.

Focused on driving innovation through in-house R&D, IP and strategic alliances

We are focused on driving innovation and adopting solutions in line with technological trends. Our culture of innovation since our establishment has enabled us to expand the range of our offerings to customers and improve the delivery of our solutions and products. We have initiated Proofs of Concepts (“POCs”), which are to demonstrate the viability of a design concept, set up labs and developed new centres of excellence, where we have invested in new technologies such as engineering analytics, power electronics, IoT and M2M, which has allowed us to capitalise on key growth areas and trends.

We have a dedicated team of skilled individuals with technical background and domain experience in each of our verticals with a focus on evolving technologies. These teams follow a structured applied innovation and solutions development process and work with delivery functions to identify the key concerns of our customers and generate solutions, ideas and concepts to address the concerns.

We have a proven track record of product innovation to meet the needs of our customers, changing industry trends, evolving technology and emerging competition. For example, in 2015 we co-developed a new innovative product, “Gyro”, a motion-activated screwdriver, and also built an end-to-end software platform for dual-touch screen smartphones, which includes an E-ink display, with our customers. As of the date of this Draft Red Herring Prospectus, we have filed 34 proprietary patents, and 134 patents have been filed by our customers along with our employees. We also have one published trademark and 11 pending trademark applications.

Further, we have labs in Mysore, Bengaluru, Chennai, Mumbai and Vadodara, as well as access to L&T infrastructure. We also work with our customers to support their R&D initiatives. In November 2015, we jointly launched a global IoT solutions centre on our campus in Bengaluru with a global major network solution provider. For some of our customers, we also partner with their in-house captive research centres across different verticals. We believe that such partnerships have enhanced our product platform and service offerings given to our global customers.

We work closely with international and national scientific institutions in order to continually source ideas for engineering solutions. We also encourage our engineers to share ideas through our innovation portal, which allows our employees to submit ideas that can be reviewed and assessed by other employees globally. A number of our solutions have emerged through this innovation portal. We promote annual technology events such as Tech Panorama, which is an initiative by the Technology Solutions and Innovation Centre to within our Company to serve as a platform for our employees to participate in technical events and forums to showcase their skill and demonstrate their ideas.

We also engage with the government and technology partners from various key business verticals to explore solutions. For example, we have become a strategic partner in the IoT CoE for start-ups, and we are leading the initiative created by NASSCOM in association with the Indian government. Our other alliances and industry partnerships include Intel, Sierra Wireless, National Instruments and Tele2.

We believe that our culture of innovation has enabled us to grow and retain our customer relationships and successfully achieve process and productivity improvement for customers. This has enabled us to continuously expand and diversify our services offering, as well as to maintain our competitiveness in the ER&D industry.

Strong L&T parentage and long history of engineering expertise

We have benefitted from the engineering expertise of L&T, which was recognised as the eighth most valuable brand in India in 2015 (*Source:Brand Finance*) and is a brand associated with strong global engineering capabilities, quality of service and reliability.

As part of our group corporate restructuring exercise, we brought together engineers with deep domain expertise in product and process engineering from IES and PES to create a specialised talent pool in ER&D services in our Company.

Our association with the L&T brand provides us with a competitive advantage in attracting talent, benefiting from our Promoter's global network, exploring potential business opportunities, corporate governance practices and acquiring direct access to senior decision makers in potential end customers.

Our end-to-end engineering expertise backed by our parent's engineering heritage of over 75 years provides us a competitive edge over other ER&D players. We believe this combination of our heritage, our concentrated focus on ER&D services and our pool of talent distinguishes us from other service providers in this space.

Qualified and experienced personnel in an entrepreneurial culture

We believe that our senior management has pioneered our growth and fostered a culture of innovation, entrepreneurship and teamwork. A majority of our leadership council members have been with us for over five years.

As of March 31, 2016, we employed more than 8,000 engineers across multiple engineering disciplines, such as mechanical engineering, electrical engineering, electronic engineering, aeronautical engineering, computer science, telecommunications and instrumentation. The breadth of this range of engineering expertise provides us with a competitive advantage over our competitors. As of March 31, 2016, the average age of our employees was 31 years of age, and we employ engineers from nine nationalities, which we believe fosters our innovation culture.

Our employees are spread globally and are instrumental in establishing and maintaining relationships either directly or indirectly with our customers. We invest in our employees through training and development programs under our performance oriented development plan that includes induction programs, technical training, leadership development and executive education programs. This allows us to identify and develop future leadership, build company allegiance and excellence in delivery through our “customer first” motto and to promote talent within our Company. We believe that our

strong management team, engaging working environment and corporate culture are the reasons we have had low attrition rates of 14.3% and 12.1% for FY 2015 and FY 2016, respectively.

Our Strategy

As the leader in the ER&D space, as ranked by Zinnov, we endeavour to expand our share in the market through our growth strategies as set forth below, which include enhancing our competencies, capabilities and infrastructure, expanding our customer relationships, growth through selective acquisitions and participating in various industry events and market forums to continue establishing our presence and brand. We believe that these initiatives will give us a competitive edge amongst our peers.

Drive higher growth in key segments, verticals and geographies

We aim to pursue growth strategies to expand our market share across key segments and verticals, geographies and solutions.

In relation to verticals, our key priority areas are currently automotive (which forms part of our transportation segment), all verticals categorised under the industrial products segment, consumer electronics and product software (both of which forms part of our telecom and hi-tech segment). In the automotive vertical, we aim to focus on software-based engineering solutions, which we believe will supplement our traditional strengths in auto-mechanics. For example, we intend to expand our offerings in new technologies and software in automotive, such as telematics, advance driver assist systems and V2X communication (which includes vehicle-to-vehicle and vehicle-to-infrastructure intelligent control and connectivity systems) and intend to also focus on green technologies (hybrid vehicles and battery management systems), infotainment and body electronics. We are working on enhancing our capacity in AUTOSAR, functional safety, hardware in loop (“HIL”) and cyber security. In the industrial products segment, we intend to expand our offerings in IoT-enabled smart products and the renewable energy space with a focus on storage and grid connectivity and energy efficiency for buildings. In the customer electronics vertical, we intend to focus on wearables, connected homes (smart homes), and camera and security devices. Lastly, we intend to pursue both organic and inorganic strategies to enhance our service offerings in the product software space. In relation to solutions, we intend to focus on developing and strengthening our digital engineering services and solutions. We aim to strengthen our position in digital engineering through investments in IoT and smart manufacturing technologies or through acquisitions in product software, embedded software and computing.

With respect to our geographic operations, North America and Europe have traditionally been the largest contributor to our revenues, contributing 56.1% and 20.4%, respectively, of our revenues in FY 2015 and 60.4% and 19.8% in FY 2016. We intend to continue our focus on North America and Europe, in particular with regard to setting up proximity centres, which are labs or development centres located in close proximity to our customers' offices. We also intend to focus on Austria, Switzerland and establishing delivery centres in Eastern Europe as part of our European operations. Further, in addition to the United States and Europe, we also intend to expand our operations in Japan, as a number of our existing and prospective automotive customers are based in Japan.

Grow our revenues from existing customers and develop new customer relationships

Our top 20 customers contributed 53.8% of our revenues in FY 2016 and 56.3% in FY 2015. Our customers include 43 of the top 100 global ER&D spenders, representing 66.3% of the G500 ER&D corporate spending budget. (Source: Zinnov Report) These top 100 ER&D spending represent a large market opportunity for us to grow and develop. We aim to further penetrate the business of our existing customers by expanding the nature and scope of our services. This will involve increasing the size and number of projects and extending the breadth of our service offerings through our design, innovation and delivery expertise. By focusing our efforts on growing the existing accounts through cross-selling of our services, solutions and expertise and generating repeat business, we believe that we can consolidate our relationships with our long-standing customers and enhance our reputation as the leading pure-play ER&D player. We will focus on driving these initiatives through our “T30:A3” model, whereby we prioritise our top customer accounts, which we have identified under our T30 model and develop relationships with adjacent customers, which we have identified under our A3 model. We aim to leverage our employee domain expertise in different services to offer our customers multiple services and solutions under a single engagement. For example, one of our strategies is to structure large, long term deals with customers, with defined time periods for execution. These deals would help us improve our productivity and provide predictable revenues.

Furthermore, we plan to develop new customer relationships by identifying potential customers that operate within the same verticals and engage in cross-selling of our solutions. For these new customers, we seek to provide value-added solutions by leveraging our in-depth industry expertise and then expanding the breadth of services offered to them beyond those in the initial engagement.

We will continue to improve our business generation capabilities and focus on enhancing our company's global delivery model with onshore centres within proximity to our large customers and offshore centres at strategic locations. By securing and managing new, large and long-term customer engagements, we believe that we will diversify our customer base and generate opportunities to explore further alliances within our verticals.

Focus on driving solutions-oriented engineering services that are applicable across verticals

We focus on building a portfolio of solutions-oriented engineering services that can be applied across verticals. As part of this strategy, we closely follow the technology trends in the ER&D industry and have focused on key technology areas that we believe will impact the various verticals in which we operate. These key technology areas include digital engineering, mobile internet, IoT (IIoT, mBIIoT), automation of knowledge, advanced robotics, autonomous and near-autonomous vehicles, energy efficiency and imaging and video. We intend to focus on solutions in these areas and build cross-domain solutions that can be applied to the businesses of our existing and prospective customers across verticals that could help drive non-linear revenue growth for the company. In order to execute this strategy, we are also building and strengthening our alliances with technology companies. We aim to develop industry-specific use cases for such solutions and then customise these solutions as per the specific requirements of our customers.

We have developed mature solutions such as UbiqWeise™ and iBEMS™ in emerging technology areas to support our customers. For example, one of our construction industry customers, who has various types of construction equipment and machinery spread across global project sites, collects operational data on a near real-time basis, which is then sent to a cloud platform. The data is then processed using applied analytics on our UbiqWeise™ platform to provide insights on information such as operational efficiency and preventive maintenance schedules. For another customer, we provide smart services solutions in process improvement, waste reduction and improvement in yields. Our solutions are aimed at addressing specific problems by introducing advanced sensors and analytics technologies to detect anomalies at an early stage of production. As a result, our solutions enable reduction of the rejection rates of the products.

Increased investment in innovation labs

We have made investments in innovation labs since our establishment, and we currently have 31 labs, located in Bengaluru, Mumbai, Mysore, Vadodara and Chennai. We will continue to focus on using more economical and efficient energy sources and continue to explore ways to increase our use of green energy solutions in building our R&D efforts. We also intend to increase the scope of our existing labs by adding space or equipment in our existing labs to broaden our capabilities and address customer needs.

As a part of our growth strategy, we started with selective innovation with customers in growing economies and further expanded to creating products for developed economies. We plan to continue driving our growth by moving our focus towards digital transformation. Accordingly, we have invested significantly in smart manufacturing infrastructure to align our existing areas of expertise with new business trends. For example, our smart manufacturing lab in Vadodara displays a wide range of technologies in the areas of smart control and automation, IoT-enabled mobility solutions supporting operations and maintenance of plants. We will continue to pursue these initiatives by further investing in multiple labs for emerging trends such as IoT, power electronics and engineering analytics.

We believe that these investments will allow us to stay competitive and help us provide our customers a competitive edge.

Expand our business and geographical footprint through selective acquisitions

We intend to augment our organic growth by continuing to pursue selective acquisitions and strategic alliances that provide us access to better infrastructure, industry knowledge, technology expertise and geographical reach and allow us to expand our vertical offerings and customer base. We have historically expanded our business through a combination of organic growth, acquisitions and strategic alliances in targeted areas of verticals or products with our customers. For example, we broadened our expertise in the transportation segment in June 2014, particularly in embedded avionics, by purchasing a 74% equity interest in TSIPL, the Indian subsidiary of Thales, a global aerospace, transportation and defence and security company. Further, in July 2014, we acquired certain of the assets and liabilities of Dell India and in November 2014, we acquired certain of the assets and liabilities of Dell U.S.A., which added three delivery centres in the U.S. to our portfolio. These acquisitions strengthened our global ER&D position in the transportation segment, widened our reach through the local delivery centres and further enhanced our talent pool with the addition of more than 200 engineers to our workforce.

We may consider other acquisition opportunities acquiring divisions of existing companies to selectively expand in our verticals. We believe these acquisitions will support our long-term strategy, strengthen our competitive position, particularly in acquiring expertise in smart technologies such as IoT, reduce time to market for customer products and provide greater scale to grow our earnings and increase shareholder value. We also intend to pursue acquisitions of companies outside India to expand our global footprint by leveraging our low cost offshore delivery model to move a greater portion of the work offshore to India.

Attract, develop and retain highly-skilled employees

Our employees are one of our most important assets. We focus the quality and level of service that our professionals deliver by investing in recruiting, development, retention, maintaining an innovation culture, and creating both a challenging and rewarding work environment.

Our talent development strategy focuses on engaging, motivating and developing a high performing workforce and our “Great places to Work” initiative aims to create and sustain a great workplace culture for our employees as well as to benchmark ourselves against our peer organisations. We also have a competency training framework that has been designed for new employees to be “project-ready” and seamlessly integrated into our business.

We also encourage employees in the technical field to pursue a long-term career path in technology. Our career progression framework provides an opportunity for employees to develop their skills and experience within a specific project or technical stream. We also run a GLOCAL initiative, which encourages our employees to learn foreign languages in order to create a greater business impact with the ability to interact fluently with our global customers.

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

The financial statements referred to above are presented under “Financial Statements” beginning on page 163. 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 163 and 248, respectively.

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

				₹ million
Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
EQUITY AND LIABILITIES				
<u>Shareholders' funds</u>				
Share capital	10,500.00	10,500.00	5,025.00	0.50
Advance towards equity commitment	-	-	2.20	-
Reserves and surplus	662.48	67.43	(178.16)	(0.03)
Total equity	11,162.48	10,567.43	4,849.04	0.47
<u>Non-current liabilities</u>				
Long-term provisions	132.03	397.37	9.27	-
Other long term liabilities	60.05	49.67	11.03	-
Deferred tax liabilities (Net)	-	-	0.56	-
	192.08	447.04	20.86	-
<u>Current liabilities</u>				
Short-term borrowings	1,126.34	1,553.71	486.87	-
Trade payables	1,616.43	1,645.52	502.89	0.03
Other current liabilities	1,029.36	699.90	186.61	-
Short-term provisions	3,100.58	2,231.22	322.64	-
	6,872.71	6,130.35	1,499.01	0.03
TOTAL EQUITY AND LIABILITIES	18,227.27	17,144.82	6,368.91	0.50
ASSETS				
<u>Non-current assets</u>				
Fixed assets				
Tangible assets	1,059.43	827.72	85.30	-
Intangible assets	4,544.67	4,409.93	3,961.58	-
Capital work-in-progress	142.64	2.50	-	-
	5,746.74	5,240.15	4,046.88	-
Deferred tax assets (net)	334.90	339.87	-	-
Non-current investments	60.97	60.97	-	-
Long-term loans and advances	305.73	624.45	155.29	-
	6,448.34	6,265.44	4,202.17	-
<u>Current assets</u>				
Current investments	555.30	-	-	-
Trade receivable	7,127.46	6,673.33	1,499.90	-
Unbilled revenue	1,302.65	1,592.66	239.63	-
Cash and bank	840.38	1,122.01	294.97	0.50
Short-term loans and advances	1,953.14	1,491.38	132.24	-
	11,778.93	10,879.38	2,166.74	0.50
TOTAL ASSETS	18,227.27	17,144.82	6,368.91	0.50

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

₹ million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
INCOME				
Revenue from operations	28,940.38	25,605.87	1,261.70	-
Other income	753.66	250.35	(39.70)	-
Total Revenue	29,694.04	25,856.22	1,222.00	-
EXPENSES				
Employee benefit expenses	16,036.88	14,402.14	731.90	-
Operating expenses	2,353.43	2,210.71	94.74	-
Sales, administration and other expenses	5,226.00	4,950.01	239.35	0.03
	23,616.31	21,562.86	1,065.99	0.03
OPERATING PROFIT	6,077.73	4,293.36	156.01	(0.03)
Finance cost	16.23	31.43	29.25	-
Depreciation on tangible assets	368.10	332.48	6.86	-
Amortisation of intangible assets	173.33	138.46	4.38	-
	557.66	502.37	40.49	-
PROFIT BEFORE TAX	5,520.07	3,790.99	115.52	(0.03)
Provision for taxation				
Current tax	1,362.48	960.50	52.82	-
MAT credit	(249.27)	(197.40)	-	-
Deferred tax	64.50	(123.88)	0.56	-
	1,177.71	639.22	53.38	-
PROFIT AFTER TAX	4,342.36	3,151.77	62.14	(0.03)
Restatement adjustments	-	-	-	-
PROFIT AFTER TAX AS RESTATED	4,342.36	3,151.77	62.14	(0.03)

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

₹ million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
A. Cash flow from operating activities				
Net profit before tax	5,520.07	3,790.99	115.52	(0.03)
Adjustments for:				
Depreciation and amortisation	541.43	470.94	11.24	-
Interest (net)	(16.59)	19.72	29.03	-
Unrealised foreign exchange loss (gain)	(37.35)	(19.38)	-	-
(Profit)/loss on sale of fixed assets	0.35	(1.61)	-	-
Operating profit before working capital changes	6,007.91	4,260.66	155.79	(0.03)
Changes in working capital				
(Increase)/decrease in trade receivables	(504.65)	(1,047.83)	(721.22)	-
(Increase)/decrease in other receivables	336.71	(742.04)	(203.78)	-
Increase/(decrease) in trade & other payables	913.50	1,084.44	678.32	0.03
(Increase)/decrease in working capital	745.56	(705.43)	(246.68)	0.03
Cash generated from operations	6,753.47	3,555.23	(90.89)	-
Direct taxes paid	(1,447.87)	(668.90)	(45.85)	-
Net cash (used in) / from operating activities	5,305.60	2,886.33	(136.74)	-
B. Cash flow from investing activities				
Purchase of fixed assets	(1,063.22)	(538.42)	(158.06)	-
Sale of fixed assets	14.85	14.51	-	-
Consideration paid towards business purchased	-	(5,494.73)	(4,895.27)	-
Investment in subsidiary	-	(60.97)	-	-
(Purchase) / sale of current investments (net)	(555.30)	-	-	-
Interest received	32.82	12.37	0.21	-
Net cash (used in) / from investing activities	(1,570.85)	(6,067.24)	(5,053.12)	-
C. Cash flow from financing activities				
Share capital issued (net of advances refund)	-	5,472.80	5,024.50	0.50
Advance received towards equity commitment	-	-	2.20	-
Proceeds from/(repayment of) borrowings	(424.43)	1,066.84	486.87	-
Interest paid	(16.23)	(32.09)	(29.24)	-
Dividend paid	(3,020.01)	(2,199.34)	-	-
Dividend tax	(555.71)	(300.26)	-	-
Net cash (used in) / from financing activities	(4,016.38)	4,007.95	5,484.33	0.50
Net increase in cash and cash equivalents	(281.63)	827.04	294.47	0.50
Cash and cash equivalents at beginning of year	1,122.01	294.97	0.50	-
Cash and cash equivalents at end of year	840.38	1,122.01	294.97	0.50

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 between the beginning and end of the year.
- Cash and cash equivalents represent cash and bank balances.
- Bank balances include revaluation loss/(gain) as follows:

₹ million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Revaluation loss/ (gain)	(19.29)	29.48	(4.57)	-

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

₹ million

Particulars	As at 31-03-2016	As at 31-03-2015
EQUITY AND LIABILITIES		
<u>Shareholders' funds</u>		
Share capital	10,500.00	10,500.00
Reserves and surplus	425.29	21.13
Total equity	10,925.29	10,521.13
Minority interest	-	-
<u>Non-current liabilities</u>		
Long-term provisions	132.03	19.59
Other long term liabilities	60.05	49.67
	192.08	69.26
<u>Current liabilities</u>		
Short-term borrowings	1,954.52	2,187.69
Trade payables	1,739.44	1,689.28
Other current liabilities	1,041.73	724.31
Short-term provisions	3,360.54	2,951.68
	8,096.23	7,552.96
TOTAL EQUITY AND LIABILITIES	19,213.60	18,143.35
ASSETS		
<u>Non-current assets</u>		
Fixed assets		
Tangible assets	1,070.84	831.68
Intangible assets	5,062.44	4,784.09
Capital work-in-progress	142.64	4.20
Goodwill on consolidation	76.03	76.03
	6,351.95	5,696.00
Deferred tax assets (net)	358.45	367.30
Long-term loans and advances	340.58	720.17
	7,050.98	6,783.47
<u>Current assets</u>		
Current investments	555.30	-
Trade receivable	7,270.56	6,853.09
Unbilled revenue	1,470.40	1,753.11
Cash and bank	864.24	1,153.41
Short-term loans and advances	2,002.12	1,600.27
	12,162.62	11,359.88
TOTAL ASSETS	19,213.60	18,143.35

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

₹ million

Particulars	2015-16	2014-15
INCOME		
Revenue from operations	30,665.06	26,186.27
Other income	762.18	252.60
Total Revenue	31,427.24	26,438.87
EXPENSES		
Employee benefit expenses	17,230.73	14,866.10
Operating expenses	2,656.39	2,300.86
Sales, administration and other expenses	5,573.66	5,031.95
	25,460.78	22,198.91
OPERATING PROFIT	5,966.46	4,239.96
Finance cost	24.93	33.84
Depreciation on tangible assets	371.78	333.93
Amortisation of intangible assets	217.41	150.70
	614.12	518.47
PROFIT BEFORE TAX	5,352.34	3,721.49
Provision for taxation		
Current tax	1,363.71	960.53
MAT credit	(249.27)	(197.41)
Deferred tax	71.44	(152.72)
	1,185.88	610.40
PROFIT AFTER TAX	4,166.46	3,111.09
Add/(Less) :Minority Interest in Loss/(Income)	-	(2.12)
PROFIT AFTER TAX AND MINORITY INTEREST	4,166.46	3,108.97
Restatement adjustments	-	-
PROFIT AFTER TAX AS RESTATED	4,166.46	3,108.97

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

₹ million

Particulars	2015-16	2014-15
A. Cash flow from operating activities		
Net profit before tax	5,352.34	3,721.49
Adjustments for:		
Depreciation and amortisation	589.19	484.63
Interest (net)	(6.74)	21.56
Unrealised foreign exchange loss (gain)	(663.31)	(23.95)
(Profit)/loss on sale of fixed assets	0.35	(1.61)
Operating profit before working capital changes	5,271.83	4,202.12
Changes in working capital		
(Increase)/decrease in trade receivables	(119.45)	(931.49)
(Increase)/decrease in other receivables	899.22	(963.55)
Increase/(decrease) in trade & other payables	733.67	1,252.12
(Increase)/decrease in working capital	1,513.44	(642.92)
Cash generated from operations	6,785.27	3,559.20
Direct taxes paid	(1,448.11)	(670.13)
Net cash (used in) / from operating activities	5,337.16	2,889.07
B. Cash flow from investing activities		
Purchase of fixed assets	(1,283.73)	(541.19)
Sale of fixed assets	14.85	14.51
Consideration paid towards businesses purchased	-	(6,096.05)
Investment in subsidiary	-	(60.36)
(Purchase) / sale of current investments (net)	(555.30)	-
Interest received	31.67	12.28
Net cash (used in) / from investing activities	(1,792.51)	(6,670.81)
C. Cash flow from financing activities		
Share capital issued (net of advances refund)	-	5,472.80
Advance received towards equity commitment	-	-
Proceeds from/(repayment of) borrowings	(233.17)	1,700.82
Interest paid	(24.93)	(33.84)
Dividend paid	(3,020.01)	(2,199.34)
Dividend tax	(555.71)	(300.26)
Net cash (used in) / from financing activities	(3,833.82)	4,640.18
Net increase in cash and cash equivalents	(289.17)	858.44
Cash and cash equivalents at beginning of year	1,153.41	294.97
Cash and cash equivalents at end of year	864.24	1,153.41

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 between the beginning and end of the year.
- Cash and cash equivalents represent cash and bank balances.
- Bank balances include revaluation loss/(gain) as follows:

₹ million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Revaluation loss/ (gain)	(20.62)	(19.29)

Auditor Qualifications and Emphasis of matter

Our Statutory Auditor has not included any qualification or emphasis of matter with respect to matters specified in the Companies (Auditor Report) Order, 2003, as amended, in the annexure to its report on our unconsolidated Restated Financial Statements as of and for the years ended March 31, 2016, 2015, 2014 and 2013 and our consolidated Restated Financial Statements as of and for the years ended March 31, 2016 and 2015.

THE OFFER

Offer of Equity Shares⁽¹⁾	Up to 10,400,000 Equity Shares
<i>Of which</i>	
A) QIB portion ⁽²⁾⁽³⁾	5,200,000 Equity Shares
<i>Of which</i>	
(i) Anchor Investor Portion	Up to 3,120,000 Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	Up to 2,080,000 Equity Shares
<i>Of which</i>	
Available for allocation to Mutual Funds only (5.0% of the QIB category (excluding the Anchor Investor Portion))	104,000 Equity Shares
Balance of QIB category for all QIBs including Mutual Funds	1,976,000 Equity Shares
B) Non-Institutional Category ⁽³⁾	Not less than 1,560,000 Equity Shares
C) Retail Category ⁽³⁾	Not less than 3,640,000 Equity Shares
Equity Shares pre and post Offer	
Equity Shares outstanding prior to the Offer	101,690,392 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares

- (1) The Equity Shares held by the Selling Shareholder which are offered in the Offer have been held by the Selling Shareholder for more than a period of one year as on date of this Draft Red Herring Prospectus. The Offer has been authorised by the Selling Shareholder pursuant to the resolution passed by its board of directors on July 15, 2016.
- (2) Our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60.0% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. 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 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 313.
- (3) 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.

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 Technology and Engineering Services Company Limited on June 14, 2012 at Mumbai as a public limited company under the Companies Act, 1956. Our Company received the certificate of commencement of business on June 20, 2012. Subsequently, the name of our Company was changed to L&T Technology Services Limited pursuant to a special resolution passed by our Shareholders at the EGM held on July 19, 2012. Pursuant to the change of name, a fresh certificate of incorporation was issued to our Company by the RoC on July 25, 2012.

For details of the business of our Company, see “Our Business” beginning on page 98.

Registered Office of our Company

L&T House
N.M. Marg, Ballard Estate
Mumbai 400 001
Tel: (91 22) 6752 5656
Fax: (91 22) 6752 5893
E-mail: investor@LntTechservices.com
Website: www.lnttechservices.com/
Corporate Identification No.: U72900MH2012PLC232169
Registration No.: 232169

Corporate Office of our Company

5th Floor, West Block-II
L&T Knowledge City (IT/ITES) SEZ
N.H. No. 8, Ajwa Waghodia Crossing
Vadodara 390 019
Tel: (91 265) 670 5000/ (91 265) 670 5001
Fax: (91 265) 670 5955

Address of the RoC

Our Company is registered with the Registrar of Companies, Maharashtra, located 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 Draft Red Herring Prospectus:

Name	Designation	DIN	Address
A. M. Naik	Non-Executive Chairman	00001514	High Trees, 54 Pali Hill, Bandra (W), Mumbai 400 050
S.N. Subrahmanyam	Non-Executive Director	02255382	E-116, 16 th Cross Street, Besant Nagar, Chennai 600 090
Dr. Keshab Panda	Chief Executive Officer and Managing Director	05296942	15 Hartlander Street, East Brunswick, New Jersey 08816, United States of America
Amit Chadha	Chief Sales Officer and Whole-time Director	07076149	Dobson Court, Broadlands, VA 20148, United States of America
Kumar Prabhas	Chief Operating Officer and Whole-time Director	02084157	D-704, Olive Block, Raheja Residency, Koramangla 3 rd Block, Bengaluru 560 034
Samir Desai	Independent Director	01182256	7050 NW 126 Terrace, Parkland, Florida 33076, United States of America
Renuka Ramnath	Independent Director	00147182	D-4701/2, Floor 47, Ashok Tower 63/74, Dr. S.S. Rao Marg, Parel, Mumbai 400 012
Arjun Gupta	Independent Director	07320919	980 East Hopkins Avenue, Aspen Colorado 81611, United States of America
Sudip Banerjee	Independent Director	05245757	Villa 255, Phase-1, Palm Meadows Whitefield, Bengaluru 560 066
Narayanan Kumar	Independent Director	00007848	No. 1, George Avenue, Alwarpet, Chennai 600 018

For further details of our Directors, see “Our Management” from pages 128 to 136.

Chief Financial Officer

P. Ramakrishnan
5th Floor, L&T Technology Center

Gate No.5, Saki Vihar Road
Powai
Mumbai 400 072
Tel: (91 22) 6705 9770
Fax: (91 22) 6705 9695
E-mail: cfo@LntTechservices.com

Company Secretary and Compliance Officer

Kapil Bhalla
5th Floor, West Block-II
L&T Knowledge City (IT/ITES) SEZ
N.H. No. 8, Ajwa Waghodia Crossing
Vadodara 390 019
Tel: (91 265) 670 5000
Fax: (91 265) 670 5955
E-mail: investor@LntTechservices.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 offer related 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

Kotak Mahindra Capital Company Limited

1st 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: ltts.ipo@kotak.com
Website: <http://investmentbank.kotak.com>
Investor grievance e-mail: kmccredressal@kotak.com
Contact person: Ganesh Rane
SEBI Registration No.: INM000008704

JM Financial Institutional Securities Limited

7th Floor, Cnergy, Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Tel: (91 22) 6630 3030
Fax: (91 22) 6630 3330
E-mail: l&ttech.ipo@jmfl.com
Website: www.jmfl.com
Investor grievance e-mail: grievance.ibd@jmfl.com
Contact person: Lakshmi Lakshmanan
SEBI Registration No.: INM000010361

DSP Merrill Lynch Limited

Ground Floor, A Wing, One BKC
G Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Tel: (91 22) 6632 8000
Fax: (91 22) 2204 8518
E-mail: dg.lnttechnologyservices_ipo@baml.com
Website: www.dspml.com
Investor grievance e-mail:
dg.india_merchantbanking@baml.com
Contact person: Saransh Shringi
SEBI Registration No.: INM000011625

SBI Capital Markets Limited

202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 2217 8300
Fax: (91 22) 2218 8332
E-mail: ltts.ipo@sbicaps.com
Website: www.sbicaps.com
Investor grievance e-mail:
investor.relations@sbicaps.com
Contact person: Nithin Kanuganti/ Nikhil Bhiwapurkar
SEBI Registration No.: INM000003531

Syndicate Members

[●]

Indian Legal Counsel to our Company

Cyril Amarchand Mangaldas

5th 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
25th 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@sharpandtannan.com
Firm Registration No.: 109982W
Peer Review No.: 007154

Escrow Collection Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Refund Bank(s)

[●]

Bankers and Lenders to our Company

Citibank N.A.

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

IDBI Bank Limited

5th Floor, Plot No. C7
G Block, BKC, Opposite NSE Building
Bandra (E)
Mumbai 400 051
Tel: (91 22) 6127 9215
Fax: (91 22) 6678 8605
E-mail: pruthviraj.tambde@idbi.co.in
Website: www.idbi.com
Contact person: Pruthviraj Tambde

Bank of America N.A.

18th Floor, A Wing, One BKC
G Block, Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Tel: (91 22) 6632 3064
Fax: (91 22) 6646 6075
E-mail: nishit.baid@baml.com
Website: www.bankofamerica.com
Contact person: Nishit Baid

Registrar to the Offer

Karvy Computershare Private Limited

Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
Tel: (91 40) 6716 2222
Fax: (91 40) 2343 1551
Email: einward.ris@karvy.com
Investor Grievance Email: l&ttechnology.ipo@karvy.com
Website: <https://karisma.karvy.com>
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

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, 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 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

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: ameetsheth@hsbc.co.in
Website: www.hsbc.co.in
Contact person: Ameet Sheth

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

Registrar to an Issue 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, 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, respectively, as updated from time to time.

Experts

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

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 Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditors, both dated July 15, 2016 on the Restated Financial Statements, and the statement of tax benefits dated May 20, 2016 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Zinnov to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Zinnov Reports and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from the ARC to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the ARC Reports and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

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 Agency

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

Inter-se allocation of Responsibilities:

The inter-se allocation of responsibilities for various activities among the BRLMs for the Offer is set forth below:

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.	Kotak, DSPML, JM Financial and SBICAP	Kotak
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	Kotak, DSPML, JM Financial and SBICAP	Kotak
3.	Coordinating approval of all statutory advertisement	Kotak, DSPML, JM Financial and SBICAP	Kotak
4.	Coordinating approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	Kotak, DSPML, JM Financial and SBICAP	JM Financial
5.	Appointment of Bankers to the Offer, printers, public relations agency and other intermediaries viz. Registrar etc.	Kotak, DSPML, JM Financial and SBICAP	JM Financial
6.	Preparation of the roadshow presentation	Kotak, DSPML, JM Financial and SBICAP	DSPML

Sr. No.	Activity	Responsibility	Co-ordination
7.	Preparation of FAQ	Kotak, DSPML, JM Financial and SBICAP	DSPML
8.	International Institutional marketing which will cover, <i>inter alia</i> , - Finalising the list and division of investors for one to one meetings; and - Finalizing road show schedule and investor meeting schedules	Kotak, DSPML, JM Financial and SBICAP	DSPML
9.	Domestic Institutional marketing which will cover, <i>inter alia</i> , Finalising domestic road show schedule and investor meeting schedules	Kotak, DSPML, JM Financial and SBICAP	SBICAP
10.	Conduct Non-Institutional Marketing of the Offer	Kotak, DSPML, JM Financial and SBICAP	Kotak
11.	Conduct Retail Marketing of the Offer; - Finalising centers for holding conferences for brokers etc.; - Finalising collection centers; and - Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the stationery - Finalising Media and Public Relations Strategy	Kotak, DSPML, JM Financial and SBICAP	JM Financial
12.	Finalisation of pricing in consultation with our Company and the selling shareholders (if any)	Kotak, DSPML, JM Financial and SBICAP	DSPML
13.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading	Kotak, DSPML, JM Financial and SBICAP	SBICAP
14.	Post-Bidding activities - management of escrow accounts, co-ordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc.	Kotak, DSPML, JM Financial and SBICAP	SBICAP

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 will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and which shall be notified in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●], and [●] editions of the Marathi newspaper [●] (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 shall be 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 Category 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 311 and 313, 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 pages 338 and 339.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder propose to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

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

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.).

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)
[●]	[●]	[●]

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 (based on certificates 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). Our Board/ IPO Committee, at its meeting held on [●], has accepted and entered 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 purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

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

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	AUTHORISED SHARE CAPITAL		
	5,250,000,000 Equity Shares	10,500,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER		
	101,690,392 Equity Shares	203,380,784	
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Offer for Sale of up to 10,400,000 Equity Shares ⁽¹⁾	20,800,000	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER		
	101,690,392 Equity Shares	203,380,784	
E	SECURITIES PREMIUM ACCOUNT		
	Before the Offer	10,296,619,368	
	After the Offer		[●]

(1) The Offer for Sale has been authorised by the Selling Shareholder pursuant to the resolution passed by its board of directors on July 15, 2016. 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 this Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Offer.

Changes in the Authorised Share Capital of our Company

- The initial authorised share capital of our Company was increased from ₹ 500,000 comprising 50,000 equity shares of ₹ 10 each to ₹ 3,000,000,000 comprising 300,000,000 equity shares of face value of ₹ 10 each pursuant to a resolution passed by our Shareholders on September 5, 2013.
- The authorised share capital of our Company of ₹ 3,000,000,000 comprising 300,000,000 equity shares of face value of ₹ 10 each was increased to ₹ 10,500,000,000 divided into ₹ 3,000,000,000 comprising 300,000,000 equity shares of face value of ₹ 10 each and ₹ 7,500,000,000 comprising 750,000,000 Preference Shares of face value ₹ 10 each pursuant to a resolution passed by our Shareholders on January 9, 2014.
- The authorised share capital of our Company of ₹ 10,500,000,000 divided into ₹ 3,000,000,000 comprising 300,000,000 equity shares of face value of ₹ 10 each and ₹ 7,500,000,000 comprising 750,000,000 Preference Shares of face value of ₹ 10 each was consolidated and re-classified into ₹ 10,500,000,000 divided into ₹ 3,000,000,000 comprising 75,000,000 equity shares of face value of ₹ 40 each and ₹ 7,500,000,000 comprising 750,000,000 Preference Shares of face value of ₹ 10 each pursuant to a resolution passed by our Shareholders on January 13, 2016.
- The authorised share capital of our Company of ₹ 10,500,000,000 divided into ₹ 3,000,000,000 comprising 75,000,000 equity shares of face value of ₹ 40 each and ₹ 7,500,000,000 comprising 750,000,000 Preference Shares of face value of ₹ 10 each was re-classified into ₹ 10,500,000,000 divided into ₹ 3,000,000,000 comprising 1,500,000,000 equity shares of face value of ₹ 2 each and ₹ 7,500,000,000 comprising 750,000,000 Preference Shares of face value of ₹ 10 each pursuant to the Scheme of Arrangement with effect from April 1, 2016.
- The authorised share capital of our Company of ₹ 10,500,000,000 divided into ₹ 3,000,000,000 comprising 1,500,000,000 equity shares of face value of ₹ 2 each and ₹ 7,500,000,000 comprising of 750,000,000 Preference Shares of face value of ₹ 10 each was re-classified into ₹ 10,500,000,000 comprising 5,250,000,000 Equity Shares of face value of ₹ 2 each pursuant to a resolution passed by our Shareholders on July 15, 2016.

Notes to the Capital Structure

1. Share Capital history of our Company

(a) The history of the equity share capital of our Company is set forth below:

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 share capital (₹)	Cumulative securities premium (₹)
June 14, 2012	50,000	10	10.0	Subscription to the Memorandum ⁽¹⁾	Cash	50,000	500,000	Nil
January 16, 2014	102,450,000	10	10.0	Rights issue ⁽²⁾	Cash	102,500,000	1,025,000,000	Nil
September 22, 2014	197,500,000	10	10.0	Rights issue ⁽³⁾	Cash	300,000,000	3,000,000,000	Nil
January 13, 2016	Pursuant to the resolution passed by our Shareholders on January 13, 2016, our Company consolidated and re-classified its equity shares from face value of ₹ 10 each to face value of ₹ 40 each with effect from January 13, 2016. Therefore, the cumulative number of equity shares pursuant to the consolidation was 75,000,000 equity shares of ₹ 40 each.							
April 1, 2016	Pursuant to the resolution passed by our Shareholders on January 13, 2016, our Company reduced the face value of its equity shares from ₹ 40 each to ₹ 2 each, subject to the requisite approvals / sanction of the competent high court, statutory authorities, banks, financial institutions and creditors of our Company. The Bombay High Court pursuant to its order on April 1, 2016, sanctioned the Scheme of Arrangement. For further details in relation to the Scheme of Arrangement, see "History and Certain Other Corporate Matters – Scheme of arrangement" on page 123. Therefore, the cumulative number of Equity Shares pursuant to the sub-division was 75,000,000 equity shares of ₹ 2 each. Consequent to the reduction, an amount of ₹ 2,850 million was transferred to the securities premium account of our Company.							
June 3, 2016	26,690,392	2	281.0	Rights issue ⁽⁴⁾	Cash	101,690,392	203,380,784	10,296,619,368

- (1) 49,994 equity shares were allotted to our Promoter and six share certificates for one equity share each were issued to six individuals, pursuant to a resolution passed by our Board at the meeting held on June 18, 2012.
- (2) 102,450,000 equity shares were allotted by our Company to our Promoter on January 16, 2014 by way of rights issue pursuant to a resolution passed by our Board at the meeting held on January 15, 2014. The six individuals who held one equity share each, on January 16, 2014, jointly with our Promoter as nominees, had renounced their right entitlement in respect of the equity shares held by them.
- (3) 197,500,000 equity shares were allotted by our Company to our Promoter on September 22, 2014 by way of rights issue pursuant to a resolution passed by our Board at the meeting held on June 27, 2014. The six individuals who held one equity share each, on June 27, 2014, jointly with our Promoter as nominees, had renounced their right entitlement in respect of the equity shares held by them.
- (4) 26,690,392 Equity Shares were allotted by our Company to our Promoter on June 3, 2016 by way of rights issue pursuant to a resolution passed by our Board at the meeting held on April 26, 2016. The six individuals who held one Equity Share each, on April 26, 2016, jointly with our Promoter as nominees, had renounced their right entitlement in respect of the Equity Shares held by them.

(b) The history of the Preference Share capital of our Company is set forth below:

Date of Allotment of Preference Shares	No. of Preference Shares Allotted*	Face value (₹)	Issue Price (including premium if applicable) (₹)	Reason for allotment	Consideration	Cumulative No. of Preference Shares	Cumulative paid-up Preference Share capital (₹)	Cumulative securities premium (₹)
February 15, 2014	400,000,000	10	10.0	Rights issue ⁽¹⁾	Cash	400,000,000	4,000,000,000	Nil
September 22, 2014	350,000,000	10	10.0	Rights issue ⁽²⁾	Cash	750,000,000	7,500,000,000	Nil

* Pursuant to a resolution passed by our Board at the meeting held on April 26, 2016, the terms, conditions and rights of the Preference Shares were changed from non-convertible to convertible anytime, at the option of our Company. Further, our Company reserved the right to convert the Preference Shares, anytime, partly or fully, to Equity Shares of face value of ₹ 2 each at a premium of ₹ 279 per Equity Share. Further, the conversion terms were to be suitably adjusted for any changes in

the face value of the Equity Share, post reorganisation of the Equity Share capital of our Company (if any). Furthermore, the put option given to our Promoter was terminated.

- (1) 400,000,000 Preference Shares were allotted to our Promoter on February 15, 2014 by way of rights issue pursuant to a resolution passed by our Board at the meeting held on January 15, 2014.
- (2) 350,000,000 Preference Shares were allotted by our Company to our Promoter on September 22, 2014 by way of rights issue pursuant to resolution passed by our Board at the meeting held on June 27, 2014 and by a resolution passed by our Shareholders at a meeting held on July 21, 2014.

750,000,000 Preference Shares were redeemed in five tranches of 150,000,000 Preference Shares each, on May 16, 2016, May 17, 2016, May 18, 2016, May 19, 2016 and May 20, 2016, respectively, for an aggregate amount of ₹ 7,500 million. As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding Preference Shares.

2. 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.

3. History of the Equity Share Capital held by our Promoter

As on the date of this Draft Red Herring Prospectus, our Promoter holds 101,690,392 Equity Shares (including six Equity Shares held jointly by six individuals with our Promoter as nominees), constituting 100.0% 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 equity shareholding in our Company

Set forth below is the build-up of the equity 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 (%) ⁽²⁾	Percentage of the post- Offer capital (%)
June 14, 2012	Subscription to the Memorandum	49,994	Cash	10	10.0	0.01	[●]
October 20, 2012	Transfer ⁽¹⁾	6	Cash	10	10.0	Negligible	[●]
January 16, 2014	Rights issue	102,450,000	Cash	10	10.0	25.19	[●]
September 22, 2014	Rights issue	197,500,000	Cash	10	10.0	48.55	[●]
June 3, 2016	Rights issue	26,690,392	Cash	2	281.0	26.25	[●]
Total⁽³⁾		101,690,392				100.00	[●]

(1) Six equity shares of our Company held by six individuals, namely, V.K. Magapu, N. Hariharan, Naina R. Desai, K.P. Janardhanan, Prasad V. Shanbhag, and P. Ramakrishnan were transferred to the joint shareholding of our Promoter and the said six individuals, pursuant to a resolution passed by our Board on October 20, 2012. Accordingly, the aforesaid six individuals, held one equity share each jointly with our Promoter as its nominees. However, on July 21, 2014, one equity share held by Naina R. Desai jointly with our Promoter was transferred to the joint shareholding of Subhodh R. Shetty and our Promoter. Further, on May 7, 2015, one equity share held by K. P. Janardhanan jointly with our Promoter was transferred to the joint shareholding of R. Govindan and our Promoter. Further, on April 26, 2016, one equity share held by P. Ramakrishnan jointly with our Promoter was transferred to the joint shareholding of Arnob K. Mondal and our Promoter. Further, on April 26, 2016, one equity share held by R. Govindan jointly with our Promoter was transferred to the joint shareholding of Y.V.S. Sravankumar and our Promoter. Further, on April 26, 2016, one equity share held by V.K. Magapu jointly with our Promoter was transferred to the joint shareholding of R. Shanker Raman and our Promoter.

(2) The percentage of the pre-Offer capital has been adjusted for change in the face value of equity shares of our Company and reduction of share capital. Accordingly, these figures have been recalculated as per the existing face value of the Equity Shares of our Company.

(3) Pursuant to the resolution passed by our Shareholders on January 13, 2016, our Company consolidated and re-classified its equity shares from face value of ₹ 10 each to face value of ₹ 40 each with effect from January 13, 2016. Further, pursuant to the resolution passed by our Shareholders on January 13, 2016, and approval of the Bombay High Court by its order on April 1, 2016 sanctioning the Scheme of Arrangement, our Company reduced the face value of its equity shares from ₹ 40 each to

₹2 each with effect from April 1, 2016. Therefore, the cumulative number of Equity Shares held by our Promoter (including equity shares held jointly by six individuals with our Promoter as nominees) as on April 1, 2016 pursuant to the sub-division was 75,000,000 equity shares of ₹2 each which represented 100.0% of the then existing paid-up Equity Share capital of our Company. For further details in relation to the Scheme of Arrangement, see “History and Certain Other Corporate Matters – Scheme of arrangement” on page 123.

The equity shares allotted by our Company to our Promoter on June 14, 2012, January 16, 2014, September 22, 2014 and June 3, 2016 were fully paid-up as on the respective dates. 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 Draft Red Herring 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 20.0% of the 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 20.0% 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 forth below:

Date of the Transaction	Nature of Transaction	No. of Equity Shares	Nature of Consideration	Face Value (₹)	Issue Price/ Transfer Price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the pre-Offer capital (%)	Date up to which the Equity shares are subject to lock-in
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total		[•]	[•]	[•]	[•]	[•]	[•]	[•]

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 our Promoter and offered for Promoter’s contribution are not subject to any pledge; and
- (v) All the Equity Shares held by our Promoter are held in dematerialised form.

Other requirements in respect of lock-in:

In addition to 20.0% 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, 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 our 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.

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

Our Promoter holds 101,690,392 Equity Shares (including six Equity Shares held jointly by six individuals with our Promoter as nominees), equivalent to 100.0% of the total Equity Share capital of our Company. Our Promoter Group does not hold any Equity Shares in our Company. R. Shankar Raman, one of the directors of our Promoter, holds one Equity Share in our Company jointly with our Promoter as a nominee.

5. **Shareholding Pattern of our Company**

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

Category (I)	Category of shareholder (II)	Nos. 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 nos. 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)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Share s held (b)	
								Class eg: X	Class eg:y	Total								
(A)	Promoter & Promoter Group	1	101,690,392	0	0	101,690,392	□□□□□	101,690,392	0	101,690,392	100.0	0	100.0	0	NA	101,690,392		
(B)	Public	0	0	0	0	0	0.0	0	0	0	0.0	0	0.0	0	NA	0		
(C)	Non Promoter- Non Public	0	0	0	0	0	0.0	0	0	0	0.0	0	0.0	0	NA	0		
(C1)	Shares underlying DRs	0	0	0	0	0	0.0	0	0	0	0.0	0	0.0	0	NA	0		
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0.0	0	0	0	0.0	0	0.0	0	NA	0		
	Total	1	101,690,392*	0	0	101,690,392	100.0	101,690,392	0	101,690,392	100.0	0	100.0	0	NA	101,690,392		

* This includes six Equity Shares held by six individuals jointly with our Promoter as nominees of our Promoter.

6. **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 Draft Red Herring Prospectus are as follows:

Name of the Shareholder	No. of Equity Shares (face value of ₹ 2 each)	Percentage (%)
Larsen & Toubro Limited	101,690,392 ⁽¹⁾	100.0 ⁽¹⁾
Total	101,690,392⁽¹⁾	100.0⁽¹⁾

⁽¹⁾ This includes six Equity Shares held by six individuals jointly with our Promoter as nominees of our Promoter, out of which one Equity Share is held by each of N. Hariharan, Prasad V. Shanbhag, Subhodh R. Shetty, Arnob K. Mondol, Y.V.S. Sravankumar and R. Shankar Raman, jointly as nominees of our Promoter.

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

Name of the Shareholder	No. of Equity Shares (face value of ₹ 2 each)	Percentage (%)
Larsen & Toubro Limited	101,690,392 ⁽¹⁾	100.0 ⁽¹⁾
Total	101,690,392⁽¹⁾	100.0⁽¹⁾

⁽¹⁾ This includes six Equity Shares held by six individuals jointly with our Promoter as nominees of our Promoter, out of which one Equity Share is held by each of N. Hariharan, Prasad V. Shanbhag, Subhodh R. Shetty, Arnob K. Mondol, Y.V.S. Sravankumar and R. Shankar Raman, jointly as nominees of our Promoter.

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

Name of the Shareholder	No. of equity shares (face value of ₹ 10 each)	Percentage (%)
Larsen & Toubro Limited	102,500,000 ⁽¹⁾	100.0 ⁽¹⁾
Total	102,500,000⁽¹⁾	100.0⁽¹⁾

⁽¹⁾ This included six equity shares held by six individuals jointly with our Promoter as nominees of our Promoter, out of which one equity share was held by each of V.K. Magapu, N. Hariharan, Naina R. Desai, K.P. Janardhanan, Prasad V. Shanbhag, and P. Ramakrishnan, jointly as nominees of our Promoter.

7. **Existing Employee Stock Option Plan**

ESOP Scheme, 2016

Pursuant to the resolutions passed by our Board and our Shareholders on January 21, 2016, our Company has instituted the ESOP Scheme, 2016 for issue of options to eligible employees which may result in issue of Equity Shares of not more than 6,000,000 Equity Shares. In terms of the ESOP Scheme, 2016, our Company can grant options aggregating to not more than 8.0% of paid up the Equity Share capital of our Company as on April 1, 2016. The eligible employees include permanent employees (including executive directors and non-executive directors, but excluding the independent directors) of our Company, our Subsidiaries, or our holding company. However, unless otherwise decided by our Board, in the event our Subsidiaries or our holding company have implemented a stock option scheme, the employees of such entities will not be eligible for grant of options under the ESOP Scheme, 2016. Further, the employees (i) holding 10.0% of the outstanding share capital of our Company at any time after the commencement of the ESOP Scheme, 2016, or (ii) who are promoters or persons belonging to promoter group, or directors, who either by themselves or through their relatives or any body corporate, directly or indirectly, hold more than 10.0% of the outstanding Equity Shares of our Company, will not be eligible for grant of options under the ESOP Scheme, 2016.

The objective of the ESOP Scheme, 2016 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 vesting of options granted under the ESOP Scheme, 2016 will commence one year after the date of grant of options at the rate of 20.0% of options granted each year, or at such other rates as may be fixed by our 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 rules to be framed under the ESOP Scheme, 2016. The exercise period for the options granted

under the ESOP Scheme, 2016 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 our 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 ESOP Regulations and shall be subject to compliance with accounting policies under the ESOP Regulations. The number of shares to be allotted on exercise of options should not exceed the total number of unexercised vested options that may be exercised by the employee.

Further, on resignation / termination of the eligible employees, only the vested options would be exercisable. All other grants if unvested for any reason whatsoever shall be deemed lapsed. Such eligible employee is required to exercise the options within a period of 90 days from the last date of employment or such other period as may be decided by our Board at the time of such separation. In the event an eligible employee retires or is permanently incapacitated, all unvested options will vest in the said employee immediately. The eligible employee has to exercise options within a period of three years from the date of retirement or the date of permanent incapacitation, as the case may be, or such other period as may be decided by our Board. In case of voluntary or pre-mature retirement, the eligible employee will exercise only the vested options within 180 days from the last date of employment. All other unvested options will lapse. However, our Board will have the discretion to vest the unvested options in deserving cases and where the employee has crossed the age of 55 years. The retiring age for non-executive directors shall be 75 years or as may be decided by our Board and on attainment of which, all the unvested options of the non-executive directors shall be vested with them immediately. In event of death of the eligible employee, unvested options shall be vested immediately in the nominees or legal heirs, as the case may be, and in the event of death of any of the nominees, his share shall vest in the surviving nominees or legal heirs, pro-rata.

As of date, no options have been granted under the ESOP Scheme, 2016.

8. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
9. Neither our Directors nor our Key Management Personnel hold any Equity Shares in our Company.
10. As on the date of this Draft Red Herring 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.
11. Except as disclosed below, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during the last one year:

Date of allotment of the Equity Shares	Name of the allottee	Number of the Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Reasons for allotment
June 3, 2016	L&T (Promoter of our Company)	26,690,392	2	281.0	Rights issue

12. Except as disclosed below, none of the members of our Promoter Group, the directors of our 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 this Draft Red Herring Prospectus with SEBI:

Date of transfer	Name of the Transferor	Name of the Transferee	Promoter/ Promoter Group/ directors of our Promoter/ Our Directors	Total no. of equity shares which were transferred (face value of ₹ 2 each)	Aggregate consideration involved	Percentage of pre-Offer capital
April 26, 2016	V.K. Magapu jointly with our Promoter	R. Shankar Raman jointly with our Promoter	Director of our Promoter	1	2.0	Negligible

13. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is seven including six individuals who hold Equity Shares jointly with our Promoter as nominees.
14. 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.
15. 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 Draft Red Herring Prospectus.
16. Our Company has not issued any Equity Shares out of its revaluation reserves.

17. Other than the grant of options under the ESOP Scheme, 2016, 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.
18. 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 Draft Red Herring Prospectus.
19. The Offer is being made through the Book Building Process wherein 50.0% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder, in consultation with the BRLMs may allocate up to 60.0% of the QIB Category to Anchor Investors on a discretionary basis. 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 Anchor Investor Allocation Price. Post allocation to Anchor Investors, the QIB Portion will be reduced by such number of Equity Shares. 5.0% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be 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 15.0% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.0% of the Offer shall be 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 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 313.
20. Any over-subscription to the extent of 10.0% of the Offer can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot.
21. There have been no financing arrangements whereby our Promoter Group, the directors of our 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 this Draft Red Herring Prospectus.
22. Other than Equity Shares to be issued pursuant to the ESOP Scheme, 2016, 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 this Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchanges.
23. 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 up to 10,400,000 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 ₹ [●] 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(s) 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. Except listing fees which shall be borne by our Company, 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 ⁽¹⁾ (₹ million)	As a % of total estimated Offer expense ⁽¹⁾	As a % of total Offer size ⁽¹⁾
Fees payable to BRLMs	[●]	[●]	[●]
Selling commission and processing fees for SCSBs ⁽²⁾	[●]	[●]	[●]
Selling commission and bidding charges for the Syndicate Members, Registered Brokers, RTAs and CDPs ⁽³⁾⁽⁴⁾	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses			
Others: i. Listing fees; ii. SEBI, BSE and NSE processing fees; iii. Fees payable to Legal Counsels; and iv. Miscellaneous.	[●]	[●]	[●]
Total Offer Expenses	[●]	[●]	[●]

(1) Amounts will be finalized on determination of Offer Price along with other details and will be disclosed in the Prospectus.

(2) SCSBs will be entitled to a processing fee of ₹ [●] per valid ASBA Form for processing the ASBA Forms procured by the Syndicate, Brokers, sub-syndicate/agents, the Registered Brokers, RTAs or CDPs and submitted to the SCSBs.

(3) Registered Brokers will be entitled to a commission of ₹ [●] per valid ASBA Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges.

(4) The RTAs, CDPs and SCSBs (for the ASBA Forms directly processed by them) will be entitled to selling commission below:

- Portion for Retail Individual Bidders: [●]% of the Amount Allotted*
- Portion for Non-Institutional Bidders: [●]% of the Amount Allotted*

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

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 in terms of the SEBI Regulations.

BASIS FOR OFFER PRICE

The Offer Price will be 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 ₹ 2 each and the Offer Price is [●] times the lower end of the Price Band and [●] 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 98, 20, 163 and 248, 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. Leading global pure-play ER&D services company;
- B. Well-diversified player with multi-vertical industry expertise and long-standing customer relationships;
- C. Focused on driving innovation through in-house R&D, IP and strategic alliances;
- D. Strong L&T parentage and long history of engineering expertise; and
- E. Qualified and experienced personnel in an entrepreneurial culture.

For further details, see “Our Business – Our Competitive Strengths” from pages 100 to 102.

Quantitative Factors

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

As part of a business restructuring exercise conducted by the L&T group, our Company acquired the PES Business of LTIL, a wholly-owned subsidiary of L&T effective January 1, 2014 and L&T Infotech GmbH, a wholly-owned subsidiary of LTIL, on September 1, 2014. Our results of operations for the year ended March 31, 2014 only include the results of operations of the PES Business for a period of three months (from January 1, 2014 to March 31, 2014). Further, our restated financial information for the Financial Year ended March 31, 2014 is prepared on an unconsolidated basis as we did not have any subsidiaries in this period. For further details, see “History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets” on page 124.

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”), as adjusted for change in capital currently at face value of ₹ 2 each:

On an unconsolidated basis:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2016	45.86	33.82	3
March 31, 2015	47.64	47.64	2
March 31, 2014	0.84	0.84	1
Weighted Average	38.95	32.93	

On a consolidated basis:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2016	43.52	32.10	3
March 31, 2015	46.81	46.81	2
March 31, 2014	0.84	0.84	1
Weighted Average	37.50	31.79	

Notes:

1. The face value of each Equity Share is ₹ 2.
2. All share data has been adjusted for events of consolidation and sub-division of equity shares of our Company.

- (i) Pursuant to the resolution passed by our Shareholders on January 13, 2016, our Company consolidated and re-classified its equity shares from face value of ₹ 10 each to face value of ₹ 40 each with effect from January 13, 2016.
- (ii) Pursuant to the resolution passed by our Shareholders on January 13, 2016, our Company reduced the face value of its equity shares from ₹ 40 each to ₹ 2 each, subject to the requisite approvals / sanction of the competent High Court, statutory authorities, banks, financial institutions and creditors of our Company. The Bombay High Court, pursuant to its order on April 1, 2016, sanctioned the Scheme of Arrangement. Therefore, the cumulative number of Equity Shares pursuant to the sub-division was 75,000,000 equity shares of ₹ 2 each. Consequent to the reduction, an amount of ₹ 2,850 million was transferred to the securities premium account of our Company;and
- (iii) Subsequently, 26,690,392 Equity Shares were allotted by our Company on June 3, 2016 by way of a rights issue pursuant to the resolution passed by our Board at the meeting held on April 26, 2016. Further, pursuant to a resolution passed by our Board at the meeting held on April 26, 2016, 750,000,000 Preference Shares were redeemed in five tranches of 150,000,000 Preference Shares each, on May 16, 2016, May 17, 2016, May 18, 2016, May 19, 2016 and May 20, 2016, respectively, for an aggregate amount of ₹ 7,500 million.
- 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.
 - The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.
 - Basic EPS (₹) is net profit attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year / period.
 - Diluted EPS (₹) net profit, after tax, as restated for the year/period, attributable to equity shareholders/weighted average number of dilutive equity shares outstanding during the year/period.

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic EPS for the year ended March 31, 2016 on a unconsolidated basis	[●]	[●]
Based on basic EPS for the year ended March 31, 2016 on a consolidated basis	[●]	[●]
Diluted EPS for the year ended March 31, 2016 on a unconsolidated basis	[●]	[●]
Diluted EPS for the year ended March 31, 2016 on a consolidated basis	[●]	[●]

Industry P/E ratio

Particulars	P/E
Highest	37.8
Lowest	14.7
Average	26.3

* Source: The highest and lowest industry P/E shown above is based on the industry peer set provided below under "Basis for Offer Price - Comparison with Listed Industry Peers" on page 82. 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 page 82.

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

As per unconsolidated Restated Financial Statements:

Financial Year ended / Period ended	RoNW (%)	Weight
March 31, 2016	39.97	3

Financial Year ended / Period ended	RoNW (%)	Weight
March 31, 2015	40.89	2
March 31, 2014	2.56	1
Weighted Average	34.04	

As per consolidated Restated Financial Statements:

Financial Year ended / Period ended	RoNW (%)	Weight
March 31, 2016	38.85	3
March 31, 2015*	29.57	2
March 31, 2014	2.56	1
Weighted Average	29.71	

* As year ended March 31, 2015 was the first year of consolidated financial statements, for calculation of return on net worth, closing net worth is considered.

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 ₹ 2 each)

1. Net asset value per Equity Share as on March 31, 2016 on an unconsolidated basis is ₹ 148.83*.

* Net asset value per Equity Share as on March 31, 2016 on an unconsolidated basis is ₹109.77 after considering 26,690,392 potential equity shares.

2. Net asset value per Equity Share as on March 31, 2016 on a consolidated basis is ₹ 145.67*.

* Net asset value per Equity Share as on March 31, 2016 on a consolidated basis is ₹ 107.44 after considering 26,690,392 potential equity shares.

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: ₹ [●]

VI. Comparison with Listed Industry Peers

Name of company	Unconsolidated/ Consolidated	Face value (₹ per share)	EPS (₹ per share) ⁽²⁾		NAV (₹ per share) ⁽³⁾	P/E ⁽⁴⁾	RoNW ⁽⁵⁾ (%)
			Basic	Diluted			
Company							
L&T Technology Services Limited	Consolidated	2.0	43.52	32.10	145.70*	--	38.85
Peers							
Cyient Limited ⁽⁶⁾	Consolidated	5.0	29.0	29.0	170.0	14.7	17.4
Tata Elxsi Limited ⁽⁷⁾	Consolidated	10.0	49.7	49.7	123.9	37.8	40.1

* Net asset value per Equity Share as on March 31, 2016 on an unconsolidated basis is ₹109.8 after considering 26,690,392 potential equity shares.

(1) Net worth for the companies has been computed as sum of share capital, minority interest and reserves. Share application money pending allotment not included as part of net-worth.

(2) Basic and diluted EPS refer to basic and diluted EPS sourced from the annual reports of the aforesaid companies.

(3) NAV is computed as the closing net worth of the aforesaid companies, computed as per Note 1, divided by the closing outstanding number of fully paid up equity shares as sourced from the annual reports for the company.

(4) P/E ratio has been computed as the closing market prices of the companies on the BSE sourced from the website of the BSE as of financial year end of each company divided by the basic EPS as described in Note 2.

(5) RoNW for peers have been computed as net profit after tax (including minority interest) divided by the average net worth of preceding two financial years of these companies as per Note 1.

- (6) *Financials for Cyient Limited are for the year ending March 31, 2016 and sourced from the financial results for the year ended March 31, 2016. The financial statements of the company have been prepared in accordance with Indian GAAP.*
- (7) *Financials for Tata Elxsi Limited are for the year ending March 31, 2016 and are sourced from the annual report for the year ended March 31, 2016. The financial statements of the company have been prepared in accordance with Indian GAAP.*

VII. The Offer price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] 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 20, 98, 248 and 163, 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

Statement of possible special tax benefits available to the Company (including its relevant subsidiaries) and its shareholders under the applicable laws in India

To
The Board of Directors
L&T Technology Services Limited
L&T House
N M Marg
Mumbai 400 001
India.

Dear Sirs,

Sub: Statement of possible special tax benefits (the “Statement”) available to L&T Technology Services 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 L&T Technology Services 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 Customs Act, 1962, Central Excise Act 1944, Finance Act 1994, Central Sales Tax Act, 1956 and Income-tax Act, 1961 (the “Act”), presently in force in India (i.e. including amendments made by Finance Act 2015, applicable for the accounting year 2015-16, relevant to the assessment year 2016-2017 along with amendments made by 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 of the 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 of 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
Place: Mumbai
Date: May 20, 2016

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO L&T TECHNOLOGY SERVICES 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 current Indian tax laws.

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 the provisions of section 10AA of the Act and subject to conditions prescribed thereunder, deduction to the extent of 100% of profits derived from export of manufactured articles or things or services is available for a period of consecutive five assessment years (AY) beginning with the AY in which the unit in a Special Economic Zone (SEZ) begins to manufacture or produce such article, things or provide services and 50% of such profits and gains for subsequent five AYs. Further, for next five consecutive AYs, deduction is available to the extent of 50% of the profits debited to the profit and loss account and credited to Special Economic Zone Re-investment Reserve Account to be created and utilized in specified manner.

However, as per section 115JB of the Act, the Company is required to pay Minimum Alternate Tax (MAT) on book profit as computed under the said section, irrespective of the tax benefits available under section 10AA of the Act.

MAT paid shall however be available as credit against the tax liability (i.e. excess of normal tax liability over MAT for that year) in subsequent years as per provisions of section 115JAA of the act. Such credit shall not be carried forward for setoff beyond the 10th assessment year immediately succeeding the assessment year in which credit becomes available.

Further, as per Finance Act, 2016 sub-section (1) of section 10AA of the Act has been amended so as to provide that the deduction under this section is available only for those units, which begins to carry out the above referred activity on or before the financial year commencing on the 1 April 2020. This amendment will take effect from 1 April 2017 and will, accordingly, apply in relation to the assessment year 2017-2018 and subsequent years.

ii. Indirect taxes:

A. In respect of delivery 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, components etc., procured by the STP unit for carrying out authorized operations approved by the STPI Director 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, components etc., procured within India by the STP unit for carrying out authorized operations approved by the STPI Director are exempt from central excise duty.

B. Under the Special Economic Zone Act (SEZ), 2005, following indirect tax benefits would be available subject to fulfilment of specified conditions and procedures prescribed under the relevant legislations:

- a. Goods imported into or service provided in a SEZ unit for carrying out authorized operations approved by the Development Commissioner are exempt from any duty of customs under the Customs Act, 1962 or the Custom Tariff Act, 1975 or any other law.
- b. Goods brought from DTA to a SEZ Unit to carry on the authorized operations approved by the Development Commissioner are exempt from any duty of excise, under the Central Excise Act, 1944 or the Central Excise Tariff Act, 1985.
- c. Taxable services provided to carry on the authorized operations (approved by the Development Commissioner) to SEZ Unit are exempt from service tax.

- d. Purchase of goods other than newspapers, if such goods are meant to carry on the authorized operations (approved by the Development Commissioner) in SEZ unit are exempt from the levy of taxes under the Central Sales Tax Act, 1956.
- e. Any other benefits as may be admissible from time to time on goods brought or services provided from DTA into a SEZ unit under certain state VAT legislations (depending upon the relevant state where the unit is set-up).

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.
- 2. The special tax benefits are subject to several conditions and eligibility criteria which need to be examined for precise tax implications.
- 3. Wealth tax is abolished by Finance Act 2015 with effect from April 1, 2015 and will accordingly not apply, in relation to the assessment year 2016-17 and subsequent assessment years.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

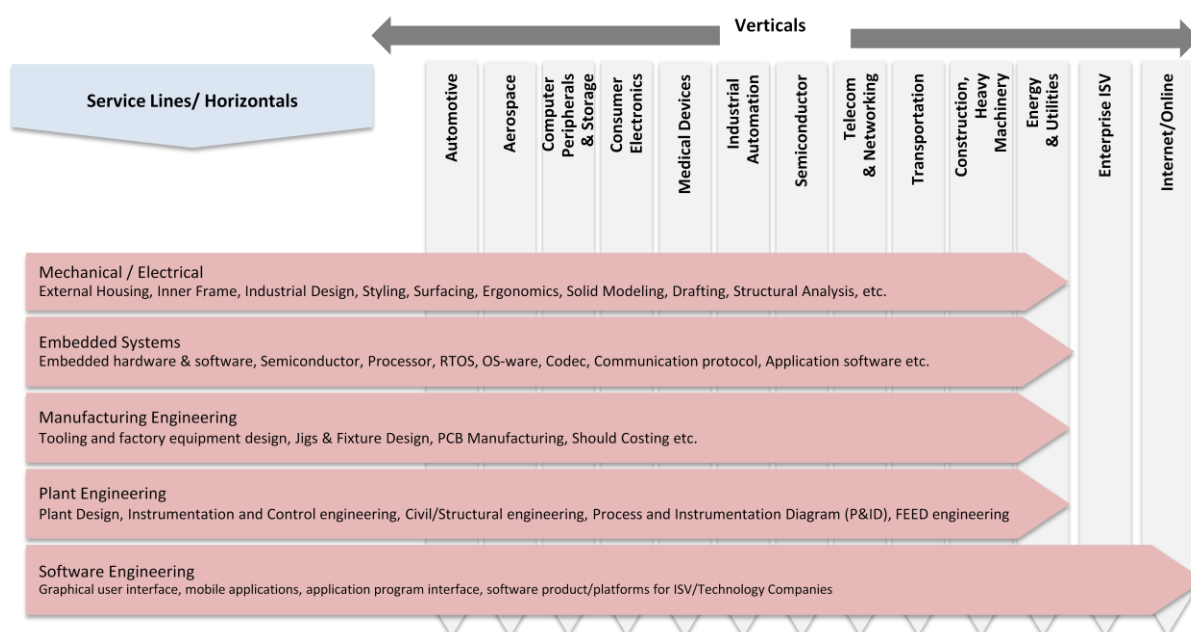
The following information includes extracts from publicly available information, industry reports, data and statistics and has been extracted from official sources and other sources that we believe to be reliable, but which has not been independently verified by us or the BRLMs, or any of our or their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

Engineering research and development (“ER&D”) services is defined as the set of services provided to product and process companies to help them develop and deliver their own products and services to their end customers. Players in this industry assist in the development of required products, processes and infrastructure for such product and process clients, which include manufacturers, technology and process engineering companies across a variety of service lines. The ER&D services industry is also referred to as the PES industry or the Engineering Services Outsourcing (“ESO”) industry. The below chart illustrates the various industry verticals and service lines of the ER&D services industry. (Source: *ER&D and Product Engineering Services*, Zinnov, May 2016 (the “Zinnov Report”))



(Source: Zinnov Report)

Players in the ER&D services industry typically focus on the design, development, testing, rollout and maintenance aspects of the product and process development chain and not on mass manufacturing. The ER&D services market is comprised of product engineering services and process engineering services. Product engineering services typically address the product development life cycle for companies which produce discrete products through services in areas such as mechanical engineering, embedded systems and software product engineering. Process engineering services involve services to assist process companies in the production of facilities and processes that produce value added outputs and components through plant design engineering, manufacturing engineering, industrial engineering and process control systems. The majority of services outsourced today are product engineering services. In the area of process engineering services, there exist very few third-party India-based ER&D service providers.

The demand for ER&D services are met by a combination of in-house ER&D teams and offshore in-house centres (also referred to as global in-house centres (“GICs”) or captives). The in-house centres are located mainly in countries such as India, China, Brazil, South Africa and to a much lesser extent Eastern Europe.

The demand for ER&D services are also met by offshore third-party ER&D service providers. The offshore third-party service providers are located mainly in countries like India and China and to a much lesser extent, Korea, South Africa as

well as regions of South America and South East Asia. Offshore in-house centres typically adopt a co-sourcing model in the countries that they operate in, using resources and expertise from third-party service providers in those countries to help them address their requirements. This market is comprised of pure play ESO players who only engage in ESO as an end-to-end business, hybrid players who provide IT services in addition to ESO and large ESO staffing players who engage in ESO work but not in end-to-end projects. Some of these third-party service providers service their clients from high employee cost locations in Europe and the U.S. while others use an “offshore and global delivery model” by using a combination of resources in low cost countries locations like India and China. The latter are typically called offshore third-party ER&D service providers.

According to Zinnov, global in-house R&D centres grew by 7.6% in FY2015 over FY2014 whereas global third-party ER&D service providers grew by 8.7% in FY2015 over FY2014. The growth of global in-house R&D centres also benefit third-party ER&D service provider growth as in-house R&D centres tend to use a co-sourcing model, which uses talent and expertise from third-party ER&D service providers. (Source: Zinnov Report)

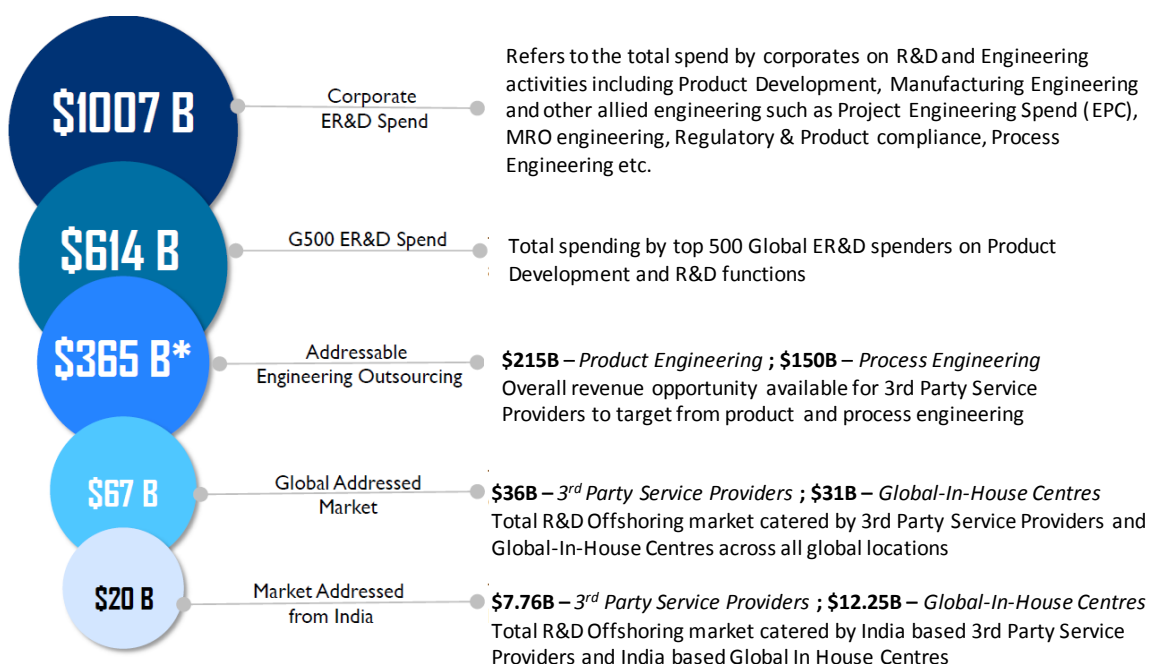
Global ER&D Spend

Players in the ER&D services industry cater to product and process companies comprising of manufacturers, technology, process engineering and engineering companies. According to Zinnov, corporations spent a total of USD 1,007 billion on research and development and engineering activities such as product and process development, manufacturing engineering and other allied engineering in 2015. Of this amount, the 500 biggest corporate spenders in ER&D globally (the “G500 ER&D spend”) contributed USD 614 billion or nearly 61%. (Source: Zinnov Report) Further, within the G500 ER&D spend, the top 100 spenders account for 66% of G500 ER&D spend. According to NASSCOM, global ER&D spend has grown at a CAGR of over 7% since 2009 and the growth rate in global sourcing of ER&D services is more than double of the growth in global ER&D spend. (Source: NASSCOM, *The IT-BPM Sector in India: Strategic Review 2015, February 2015 (the “NASSCOM Report”)*)

Addressable and Addressed ER&D Services Markets

The third-party ER&D service providers market enables product and process companies to utilize the product-building, process-development know-how and worldwide talent pools that are associated with independent third-party vendors of such services. According to Zinnov, of the USD 614 billion of G500 ER&D spend, the overall revenue opportunity available to third-party ER&D service providers and in-house R&D centres to service in 2015 (the “Addressable Engineering Outsourcing Market”) was USD 365 billion, of which product engineering services comprised USD 215 billion and process engineering services comprised USD 150 billion. The addressable market is a subset of the total ER&D spend, and is typically computed by removing parts of the total ER&D spend which cannot be outsourced such as investments in heavy capex items such as buildings, centres, equipment, and retaining only those areas of spend which can be outsourced such as employee spend. (Source: Zinnov Report)

With respect to the total ER&D offshoring market for product engineering services as addressed by offshore third-party service providers and global in-house centres (the “Global Addressed Market”), the overall revenue was USD 67 billion in 2015, of which offshore in-house R&D centres and offshore third-party service providers contributed USD 31 billion and USD 36 billion, respectively. The total R&D offshoring market revenue generated by both India-based third-party service providers and India-based in-house centres to global clients in 2015 was USD 20 billion. Of this, the third-party service providers and in-house ER&D centres contributed USD 7.76 billion and USD 12.25 billion of revenue in 2015, respectively. (Source: Zinnov Report)



(Source: Zinnov Report)

Key Growth Drivers for Global ER&D Spend

According to Zinnov, the key drivers for the growth of R&D spend are:

- **IoT gaining momentum:** Advancements in technology, increasing availability of infrastructure, high customer demand and supplier push by the semiconductor segment have enabled IoT to gain momentum, leading technologies to increasingly converge. With nearly 15 billion devices in the IoT network, Zinnov foresees IoT spending in 2015 to exceed USD 1.7 trillion. This is a 14% increase in IoT spending compared to 2014;
- **open and collaborative engineering:** advancements in technology have reduced the barriers of entry for new companies in many industries, resulting in increased competition. To remain competitive, R&D companies are partnering with other global companies to develop new platforms and applications, therefore accelerating the pace of ER&D;
- **push for green innovation:** regulatory change and growing customer demand for innovations to increase energy efficiency and lower emissions are driving companies to innovate and deliver products according to these demands; and
- **personalised Product Experience:** access to customer data and the ability to build customized products at scale have enabled companies to better utilize ER&D to deliver unique products. (Source: Zinnov Report)

(Source: Global Services Providers Rating – 2015, Zinnov, December 2015 (the “Zinnov GSPR Report 2015”))

Key Growth Drivers for ER&D Services Spend

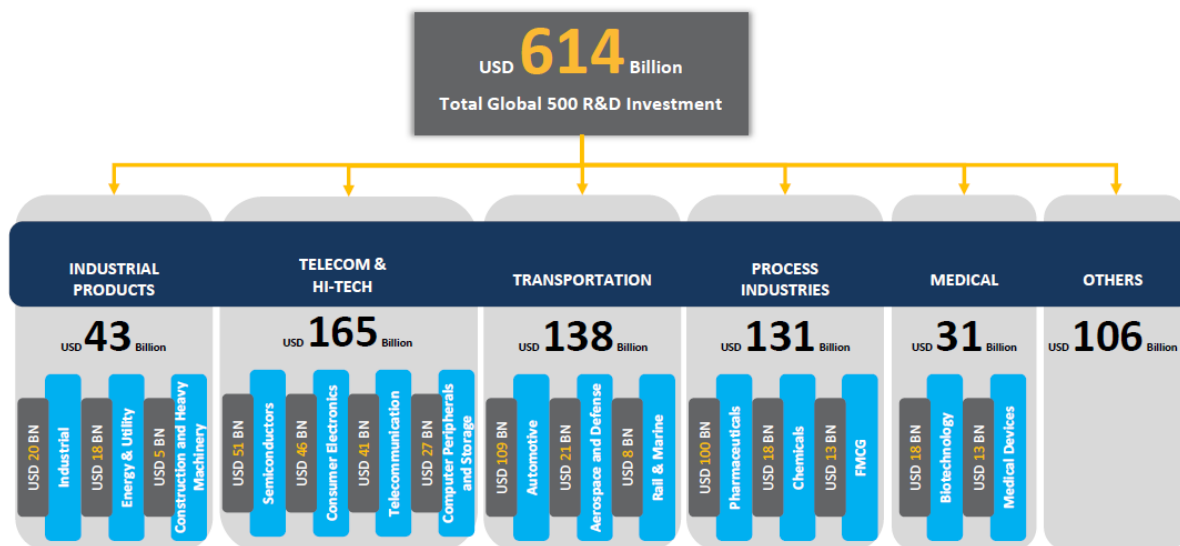
According to NASSCOM, the key drivers for growth in ER&D services which are typically provided through a combination of GICs and third-party ER&D services providers are:

- **pressure to reduce costs:** end product and process clients are under pressure to deliver more from their ER&D spend;
- **lowering time to market:** end product and process clients are under pressure to get their products and outputs to market faster;
- **meeting Government regulations:** increased regulatory requirements around product development and product standards require more effort for compliance; and
- **innovating products for emerging markets:** pressure to design products and processes suited for emerging markets.

(Source: NASSCOM Report)

Key Segments in Global ER&D Spend

The chart below shows the break-up of the amounts spent by the biggest 500 spenders in ER&D according to segment and verticals in 2015. Zinnov has identified the industrial products, telecom and hi-tech, transportation, process industries and medical segments as the main segments of G500 ER&D spend.



(Source: Zinnov Report)

In 2015, the G500 ER&D spend in the telecom and hi-tech segment (comprising of the semiconductor, consumer electronics, telecommunications and computer peripherals and storage verticals) and the transportation segment (defined as the automotive, aerospace and defense, and rail and marine verticals) was USD 165 billion and USD 138 billion, respectively, contributing 26.87% and 22.47% of the G500 ER&D spend, respectively. Other key segments include process industries (defined as pharmaceuticals, chemicals and fast moving consumer goods (“FMCG”) verticals with a G500 ER&D spend of USD 131 billion), industrial products segment (defined as industrial, energy and utility and construction and heavy machinery verticals with a G500 ER&D spend of USD 43 billion) and medical segment (defined as medical devices and biotechnology verticals with a G500 R&D spend of USD 31 billion). (Source: Zinnov Report)

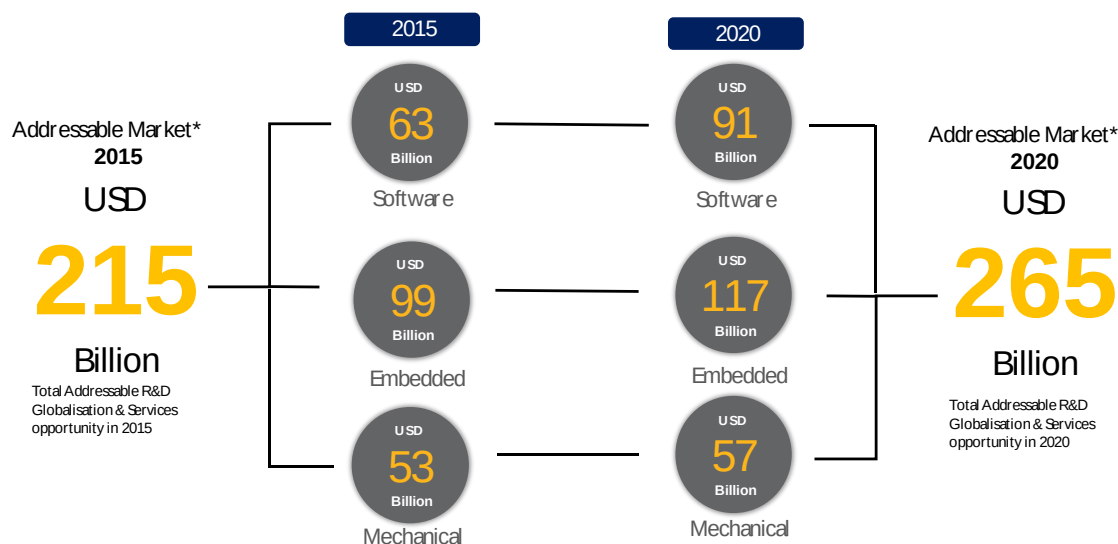
Key Verticals in Global ER&D Spend and ER&D Services Maturity

In 2015, the largest industry verticals in the global ER&D spend were the automotive and pharmaceutical sectors. The G500 R&D spend in the automotive sector and pharmaceutical sectors in 2015 were USD 109 billion and USD 100 billion, respectively, contributing 17.75% and 16.29% of the total G500 ER&D spend, respectively. Other key verticals include semiconductors (with a G500 R&D spend of USD 51 billion), consumer electronics (with a G500 R&D spend of USD 46 billion) and telecommunication (with a G500 R&D spend of USD 41 billion). (Source: Zinnov Report)

With respect to the global third-party ER&D service providers industry specifically, the automotive, software and internet and aerospace verticals are the three most mature outsourcing verticals and constitute approximately 50% of the global third-party ER&D service providers market. Vertical maturity is defined by the percentage of work outsourced in the vertical as compared to the total ER&D spend in that vertical. (Source: Zinnov Report)

Key Horizontals in Global ER&D Addressable Market for Product Engineering

The product engineering services market is part of the USD 365 billion total addressable engineering outsourcing market. According to Zinnov, the total addressable market for product engineering services in 2015 was USD 215 billion. In 2015, the embedded, software and mechanical segments contributed USD 99 billion, USD 63 billion and USD 53 billion, respectively, of the addressable product engineering services market. According to Zinnov, the embedded and software segments are also the fastest projected growing segments of the addressable market. (Source: Zinnov Report)



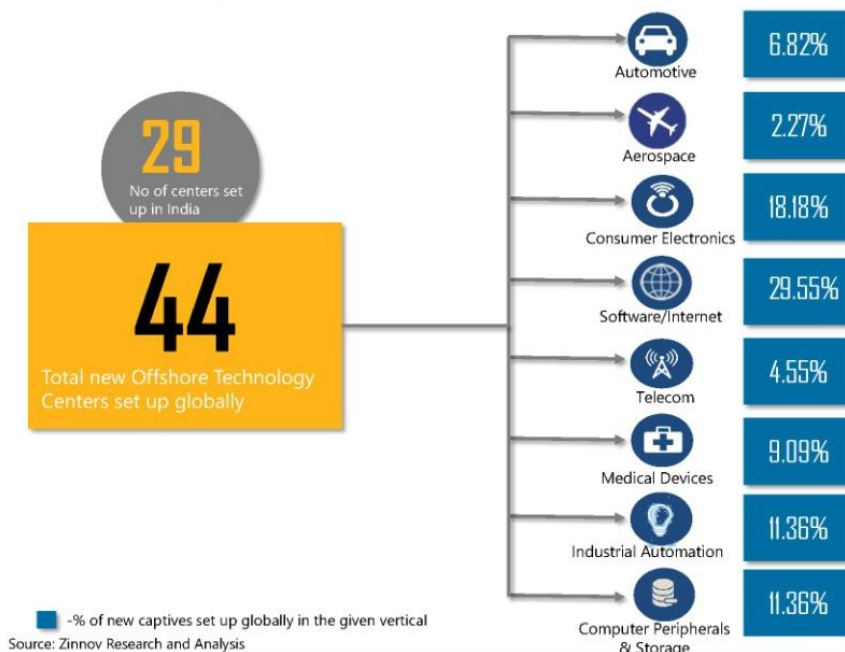
Source: Zinnov Research and Analysis

(Source: Zinnov Report)

Markets of Key Activity for R&D Centres and Technology Centres

India is a market of key activity for the R&D industry with regard to the set up of R&D centres. This is evidenced by a resurgence in the setup of new R&D centres, particularly in India. According to Zinnov, 44 new offshore technology centres were set up globally in 2015. Nearly 70% of the new offshore technology centres were set up in India with 29 centres in, among other cities, Bangalore, Chennai, the National Capital Region and Pune. Offshore technology centres were also built in China, Israel, Poland, Russia and Brazil. 29.55%, 18.18% and 9.09% of these new offshore technology centres are for the software and internet, consumer electronics and medical devices markets, respectively. 11.36% of these new offshore technology centres are for each of the industrial automation and computer peripherals and storage markets. (Source: Zinnov GSPR Report 2015)

The charts below show the break-up of the new offshore technology centres that were set up globally in 2015 by verticals and region.



Region-wise split of Overall Global Centers

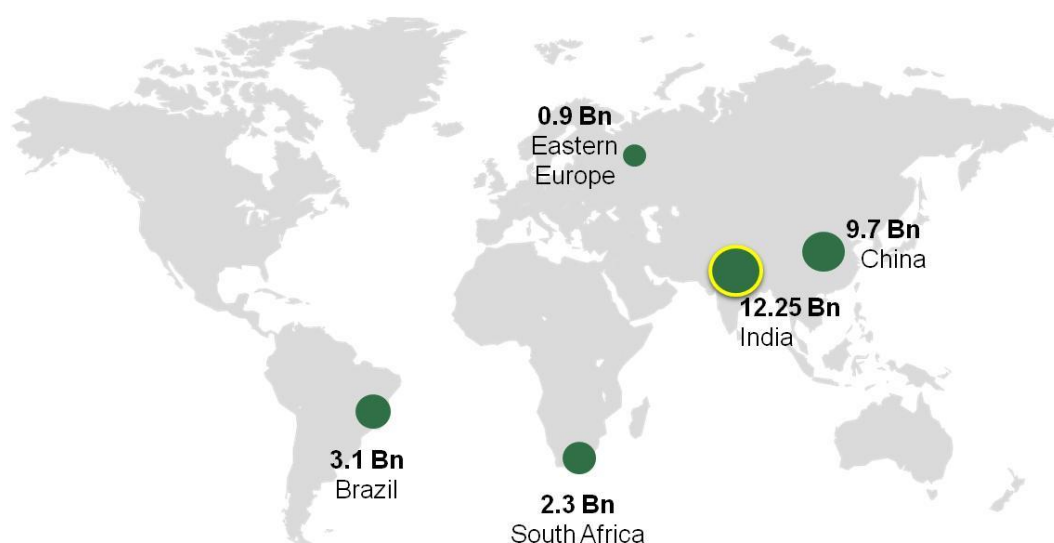
Country	%Share
India	65-70%
China	10-15%
Israel	8-10%
Poland	3-5%
Russia	2-4%
Brazil	1.5-3.5%

(Source: Zinnov GSPR Report 2015)

Markets of Key Activity for Offshore In-House ER&D Centres

India and China are markets of key activity for offshore in-house R&D centres. According to Zinnov, the G500 spend in in-house R&D centres in emerging economies such as India, China, Eastern Europe, Brazil and South Africa reached USD 31 billion and grew at a rate of 7.6% over 2014. The amounts invested in India and China over 2014 are far greater than the amounts invested in the other emerging economies over 2014. According to Zinnov, the G500 ER&D spend in India and China serviced through in-house R&D centres in fiscal year 2015 were USD 12.25 billion and USD 9.7 billion, respectively, comprising 39.51% and 31.29% of the total G500 spend in in-house ER&D centres in emerging economies, respectively. In contrast, the G500 ER&D spend in each of Brazil, South Africa and Eastern Europe serviced through in-house R&D centres in 2015 is under USD 3.5 billion. (Source: Zinnov Report)

The map below shows the G500 ER&D spend in in-house R&D centres in certain emerging economies.



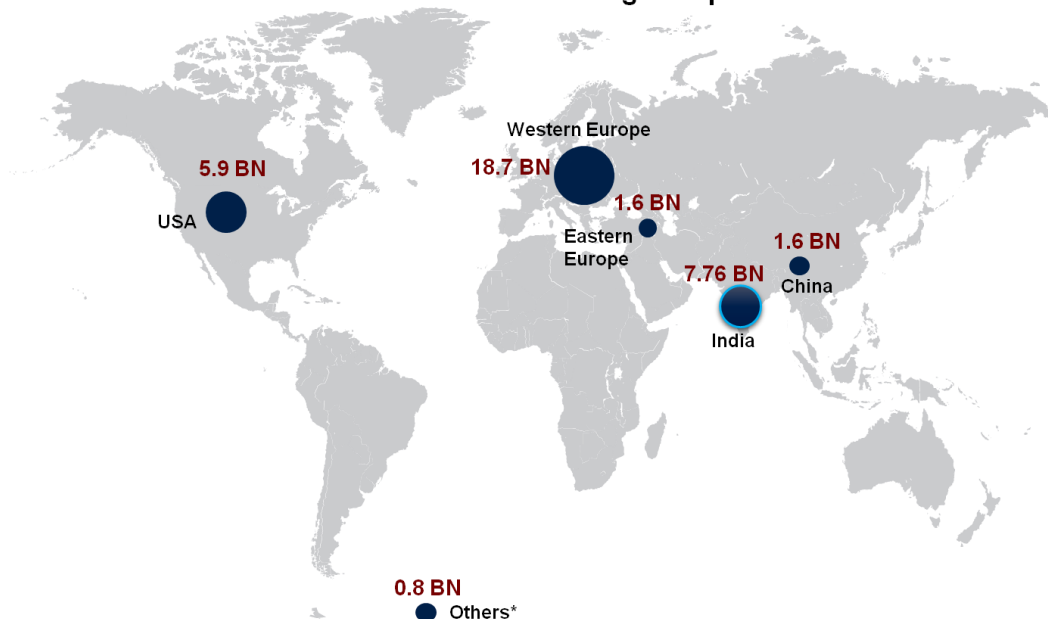
(Source: Zinnov Report)

Markets of Key Activity for Third-party ER&D Service Providers

Western Europe based third-party ER&D service providers dominate the global ER&D third-party service providers industry in fiscal year 2015 with a market share of above 50% (USD 18.7 billion out of USD 36 billion) by revenue. Other markets of key activity for third-party ER&D service providers in fiscal year 2015 include India-based third-party ER&D service providers with a market share of USD 7.76 billion or 21.6% of the total market share, U.S. based third-party ER&D service providers with a market share of USD 5.9 billion or 16.4% of the market share, and China based third-party ER&D service providers and Eastern Europe based third-party ER&D service providers each with a market share of USD 1.6 billion or less than 1% of the total market share. According to Zinnov, the global ER&D third-party service providers industry grew 8.7% over 2014. (Source: Zinnov Report)

Of the USD 36 billion market, USD 11.76 billion is serviced from non-U.S. and non-Western Europe regions. This USD 11.76 billion is serviced by third-party ER&D service providers based mostly in India, China and Eastern Europe using a global delivery or “offshore” model. Of the revenues earned from third-party service providers in low cost countries through a global delivery model, USD 7.76 billion or approximately 66% is derived from India-based providers. (Source: Zinnov Report)

R&D Outsourcing Hotspots



* Others include the regions of South America, Korea, SE Asia and South Africa

(Source: Zinnov Report)

Typical Characteristics of Third-party ER&D Service Providers by Region

The table below illustrates the key typical characteristics of service providers across different geographies. They vary drastically across key characteristics and are poised for different growth trajectories. The US and Canada tend to be dominated by staffing providers as opposed to end to end solutions providers. Together with Europe, the US and Canadian third-party ER&D service providers market generally have high local employee costs. India-based ER&D service providers have a large talent pool of engineering workforce across skillsets and significant cost arbitrage. (Source: Zinnov Report)

	Europe	India	USA/Canada	China	Eastern Europe
Size of 3rd party ER&D SP market	USD 18.7 Billion	USD 7.76 Billion	USD 5.9 Billion	USD 1.6 Billion	USD 1.6 Billion
Characteristics	Large key vertical focused service providers	ER&D/PES division of large IT services companies and pure play ER&D services/ PES companies	Large onshore staffing organizations	ER&D Services/ PES arms of mid-size IT services companies	Focused on Software Engineering segment for ISV end clients, Telecom vertical, and of late, new age digital capabilities
Focus Verticals	Automotive, Aerospace, Energy	Largely Diversified	Aerospace, Automotive, Software, Telecom	Automotive, Software/ Internet, Telecom	Software/Internet, Telecom, Automotive
Some Key Players	Pure play	Altran, Alten, Bertrandt, EDAG Technologies	Belcan, Aerotek (Allegis)	-	EPAM
	Non-pure play	Tieto	CDI	Neusoft, Chinasoft, Pactera, iSoftStone	SoftServe, Luxoft
Customer Segments	Local Europe based customers meeting on-shore needs and staffing requirements	Typically address North American and European end markets	Local R&D units of large (local) corporations	Local needs of large Chinese companies & localisation services for MNC's China units through staffing of MNC captives	Near-shore outsourcing for European Companies as well as Offshoring for US companies
Challenges	High Cost of employees and Limited ER&D spend growth of Aerospace sector in Europe Relatively lower profitability due to higher cost structure	Alternate employment opportunities for engineers Emerging competition from Eastern Europe Vendors especially in Software Development space	Competition from Indian Service providers Emerging competition from Nascent LATAM vendors	Significant concern on IP violation possibilities, language capability and political environment	Competing with Service Providers From India and China on cost and talent scaling basis Volatile political environment in Ukraine
Blended Billing Rates	USD 70K-90K Per Year	USD 40K-50K per year	USD 80K-110K per year	USD 25K - 35K per year	USD 50K - 60K per year

(Source: Zinnov Report)

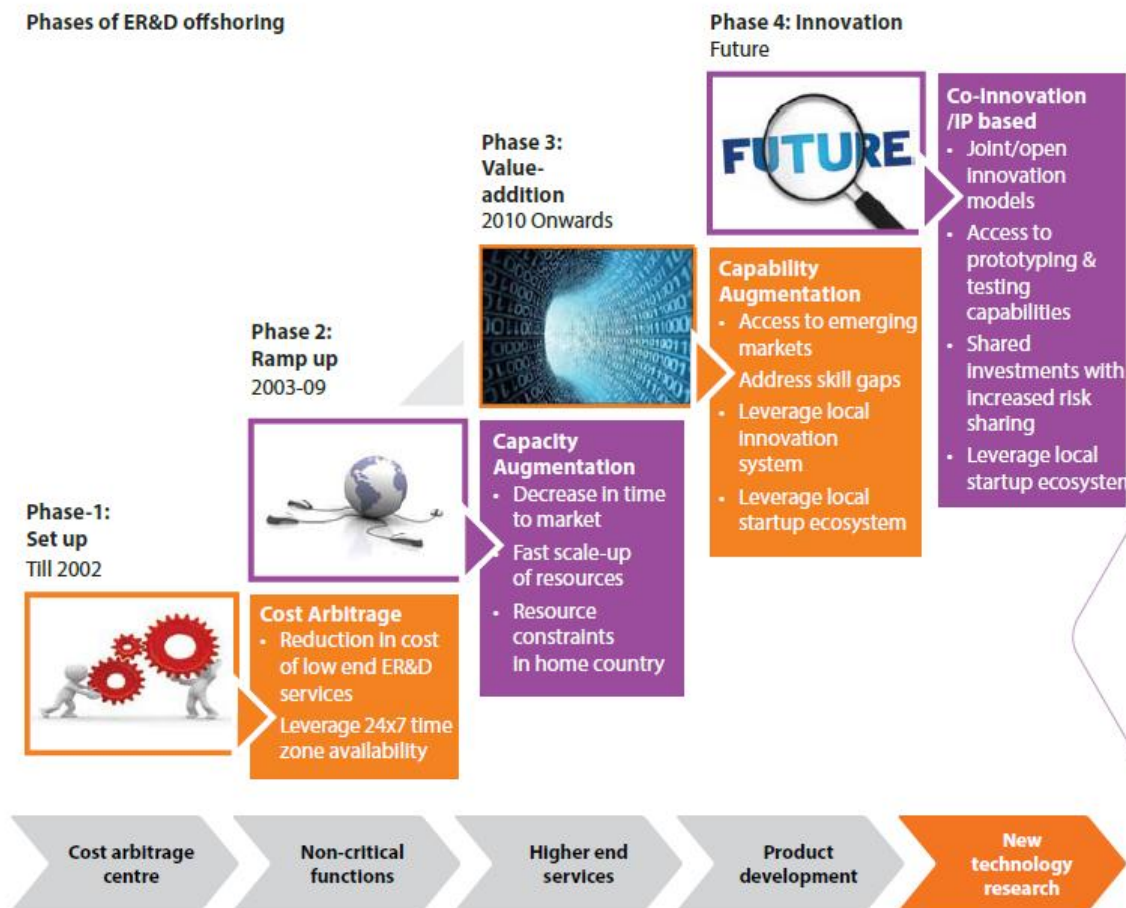
India-based ER&D Services Industry

According to Zinnov, revenue of the ER&D services industry based in India in the fiscal years 2011, 2012 and 2013 amounted to USD 13 billion, USD 14.7 billion and USD 16.3 billion, respectively, growing at a rate of 13% from fiscal year 2011 to fiscal year 2012 and at a rate of 10.9% from fiscal year 2012 to fiscal year 2013. (Source: Zinnov, *Global Services Providers Rating – 2013, October 2013*) According to Zinnov, revenue of the ER&D services industry based in India in the fiscal year 2014 and 2015 amounted to USD 18.2 billion and USD 20 billion, respectively, growing at a rate of 9.9%. Zinnov divides India's ER&D services market into offshore in-house ER&D centres and third-party ER&D service providers. (Source: Zinnov Report)

Prior to approximately 2010, the India-based ER&D service industry was primarily geared towards providing low-end services at lower cost and augmenting capacity by addressing resource constraints in customers' home country. India-based

ER&D service providers have since moved up the service value chain into a value-addition phase, in which they assist their clients to reduce product development time and decrease the time to market. The ER&D services industry is currently at a stage of capability augmentation, where players in the industry have direct access emerging markets, leverage the local talent pool and leverage the growing Indian technology sector and start-up companies to promote local innovation. According to NASSCOM, the current phase will lead to increasing home-grown innovation, resulting in higher margins and an increase in value added services. (Source: NASSCOM Report)

The following chart shows the phases of development of the ER&D services industry.



(Source: NASSCOM Report)

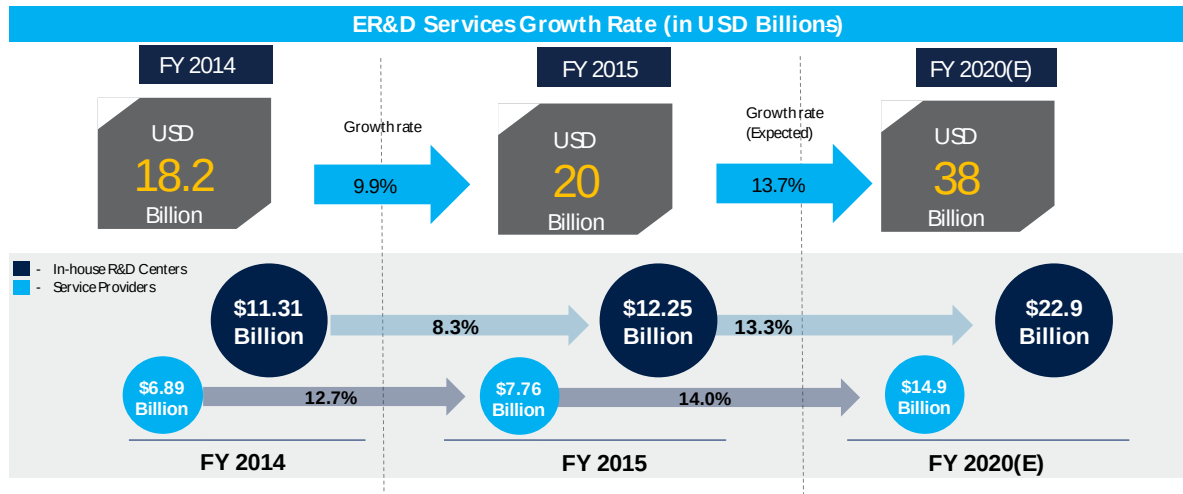
In-house ER&D centres in India

In fiscal years 2014 and 2015, in-house ER&D centres had a larger share in India's ER&D industry compared to third-party ER&D service providers. In fiscal year 2014, in-house ER&D centres contributed USD 11.31 billion to India's ER&D industry whereas third-party ER&D service providers contributed USD 6.89 billion. In fiscal year 2015, in-house ER&D centres contributed USD 12.25 billion to India's ER&D industry whereas third-party ER&D service providers contributed USD 7.76 billion. Such in-house centres generally adopt a co-sourcing model, using resources and expertise from third-party service providers to help them address their requirements, leading to revenue growth opportunities for third-party ER&D services providers. (Source: Zinnov Report)

India-based third-party ER&D service providers

While in-house ER&D centres have a larger share in India's ER&D services industry, India-based third-party ER&D service providers are growing at a faster rate. For example, from fiscal year 2014 to fiscal year 2015, third-party ER&D service providers grew at a rate of 12.67%, whereas in-house ER&D centres grew at a rate of 8.30%, in terms of revenue. Further, third-party ER&D service providers stand poised to benefit from the growth of in-house R&D centres, as most in-house R&D centres adopt a co-sourcing or co-partnering model which also utilizes the talent and expertise from third-party service providers. (Source: Zinnov Report)

The chart below compares the in-house R&D centres market against the third-party ER&D service providers market in terms of their contribution as well as their growth.



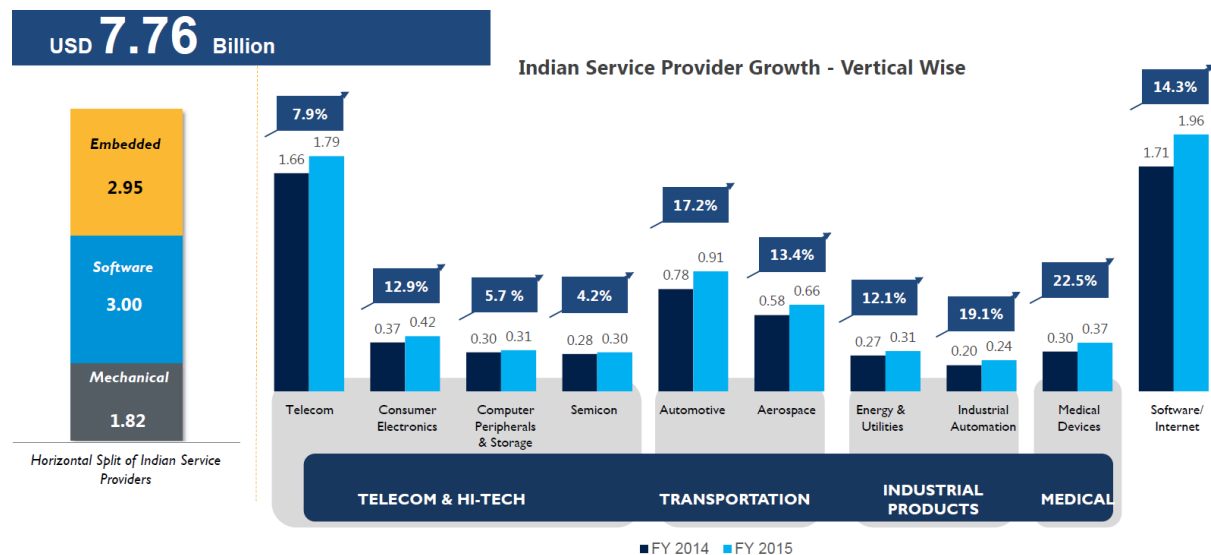
Source: Zinnov Research and Analysis

(Source: Zinnov Report)

According to Zinnov, there are very few scale players in the third-party ER&D service providers industry in India. Generally, only 10% of India-based third-party ER&D services providers in each vertical have revenues of more than USD 100 million. Over 40% of India-based third-party ER&D services providers in almost each vertical have revenues of less than USD 20 million. (Source: Zinnov GSPR Rating Report 2015)

Key Verticals and Horizontals of India-based third-party ER&D service providers

As seen in the graphs below, the software and internet and telecommunications continue to be the largest industry verticals in the India-based third-party ER&D service providers landscape. The automotive, industrial automation and medical devices markets of India-based third-party ER&D services providers are smaller in terms of presence, but are the fastest growing industry verticals. Out of a total of USD 7.76 billion of revenues generated by India-based third-party ER&D service providers in 2015, the software, embedded and mechanical horizontals contributed approximately USD 3.00 billion, USD 2.95 billion and USD 1.82 billion, respectively.



Source: Zinnov Research and Analysis/GSPR data as Reported

(Source: Zinnov Report)

Growth Drivers of India-based third-party ER&D service providers

According to Zinnov, the key growth drivers for third-party ER&D service providers in India are:

- Large addressable market for Indian engineering service providers (“ESPs”):** Global ER&D spend stands at USD 1,007 billion of which only USD 67 billion is outsourced to in-house R&D centres or third-party service providers;

- **Indian ESPs are moving up the value chain:** Through directed investments in creating assets (intellectual property, accelerators or solutions), India-based ESPs have been able to move up the value chain and contribute to critical R&D programs of the end customers;
- **India's mature talent and innovation ecosystem:** India offers a large engineering talent pool of 314,500 people across various skillsets that is growing at a rate of 14%. In addition, the Indian innovation ecosystem is rapidly maturing in emerging technologies such as embedded systems, big data technologies and IoT;
- **Significant cost arbitrage:** India-based service providers operate at 30% to 50% lesser rates than Western Europe and US based service providers;
- **Maturing in-house R&D centres landscape:** As global in-house R&D centres in India are moving up the value chain and are delivering high end work out of India, they are becoming potential customers to and collaborators with third-party ER&D service providers. In addition, companies are becoming open to co-sourcing with both in-house R&D centres and third-party ER&D service providers; and
- **More stringent labour laws on temporary staffing in Europe:** A revision in staffing laws in Germany and proposed revisions in France which include right to equal pay for temporary workers and 18 month supply limitations will make onshore staffing more expensive and limiting. Thus outsourcers are expected to explore offshore options to meet flexible workforce requirements.

(Source: Zinnov Report)

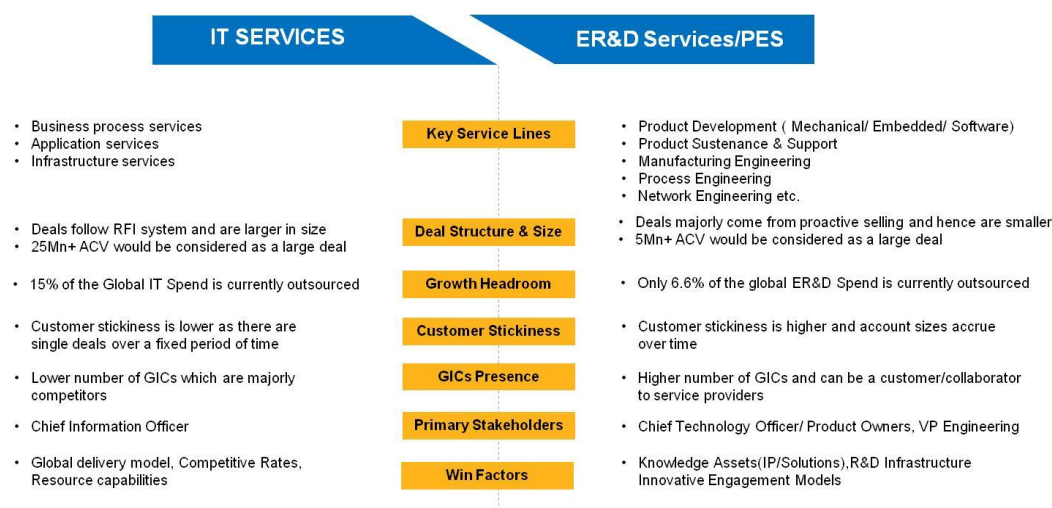
ER&D Services Industry Growth

According to NASSCOM, global ER&D spend has grown at a CAGR of more than 7% since 2009. (Source: NASSCOM Report)

The India-based ER&D services industry grew faster than the global ER&D services industry. According to Zinnov, the FY2015 over FY2014 growth rates in the global ER&D services industry for in-house R&D centres and third-party ER&D service providers were 7.6% and 8.7%, respectively. In FY2015 over FY2014, India-based in-house R&D centres grew by 8.3%, and India-based third-party ER&D services providers grew by 12.7%. Zinnov projects the CAGR for India-based R&D centres to accelerate even further in the years until FY2020, with India-based in-house R&D centres projected to grow at a 13.3% CAGR from FY2015 to FY2020 and India-based third-party global ER&D service providers projected to grow at a 14.0% CAGR from FY2015 to FY2020. Generally, the growth of in-house R&D centres also benefits third-party ER&D service providers, as in-house R&D centres tend to use a co-sourcing model, which uses talent and expertise from third-party ER&D service providers.

Key Differences between the IT Services Model and ER&D Services Model from India

The ER&D services industry in India has been compared to the larger and more established IT services industry in India. The chart below shows the similarities between the third-party ER&D service providers model in India and the IT services model in India. The India-based ER&D services model largely follows the global delivery model of services that Indian IT services firm are using. However, as seen from the chart below, decision makers on ER&D spend are very different from those for IT services and have a distinct line of spend. In addition, the ER&D industry has a much higher headroom for growth given the size of the market and the low penetration.



Source: Zinnov Research and Analysis * As defined by Gartner

Third-party ER&D Service Providers and Emerging Technologies and Trends

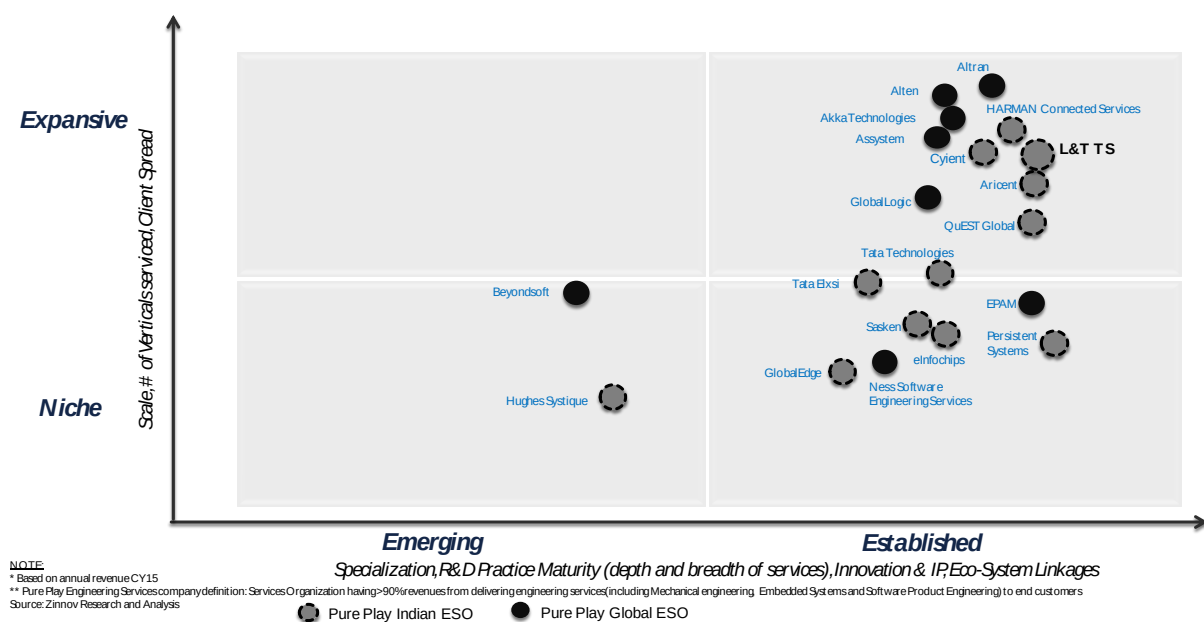
As per ARC, new trends which have a direct impact on the ER&D services industry include emerging technologies like IoT, robotics, wearable devices and 3D printing.

According to ARC, another key new trend is the increased demand for smart products, which will create demand for new services such as predictive maintenance. This in turn creates opportunities for third-party ER&D service providers in areas such as platform development to monitor, diagnose and determine the state of certain products.

Another major area where demand for third-party ER&D service providers has increased is in smart manufacturing. Opportunities for third-party service providers include areas such as automating, maintaining and optimizing manufacturing operations and facilities across product and process industries and the seamless flow of manufacturing data across functions. These trends will contribute to India-based ER&D service providers by increasing the demand for innovation and end-to-end product engineering. (Source: ARC Advisory Group, *Enabling Industrial IoT and Smart Manufacturing with L&T Technology Services*, May 2016 (the “ARC Profile”))

Competitive Analysis

According to Zinnov, we are the leader among all global pure-play engineering, product engineering services and ER&D services firms. The chart below shows how we rank compared to other companies in the industry.



(Source: Zinnov Report)

Zinnov ranks companies on an emerging-established and niche-expansive scale. Emerging-Niche companies are emerging companies in niche verticals. These companies focus on building niche R&D and vertical competencies and are typically developing across program development life cycle competencies in focus verticals. Emerging-Expansive companies are emerging companies with presence across multiple verticals. These companies focus on building competencies across multiple verticals and are typically developing across program development life cycle competencies across multiple verticals. Established-Niche companies are market leaders in niche verticals. These companies have well established competencies in one or two verticals and have excellent breadth and depth of services and high scalability in those focus verticals. Established-Expansive companies are market leaders across verticals with presence across multiple verticals. They have a strong focus on creating intellectual property, innovation and ecosystem linkages across most verticals, excellent breadth and depth of services across most verticals as well as high scalability across most verticals. Based on this, Zinnov has ranked us as an Established-Expansive company. (Source: Zinnov GSPR Report 2015)

OUR BUSINESS

Overview

We are the leading global pure-play ER&D services company. (*Source: Zinnov Report*) We provide ER&D services, which is defined as the set of services provided to manufacturing, technology and process engineering companies, to help them develop and build products, processes and infrastructure required to deliver products and services to their end customers.

We operate in a large and growing global market derived from a global corporate ER&D spend of US\$1,007 billion in 2015, of which the ER&D spend of the top 500 global ER&D spending companies ("G500 ER&D spend") was US\$614 billion in 2015. (*Source: Zinnov Report*) The estimated addressable ER&D outsourcing opportunity for ER&D service providers was US\$365 billion of the G500 ER&D spend in 2015. (*Source: Zinnov Report*) US\$67 billion of the corporate ER&D spend of US\$1,007 billion is currently addressed, which represents a penetration of 6.7% and offers potential growth opportunities. (*Source: Zinnov Report*)

By region, we derive 80.2% of our revenues from customers in North America and Europe, which are the two largest regions of corporate ER&D spend and represented over 73% of the US\$1,007 billion corporate ER&D services spend in 2015. (*Source: Zinnov Report*) The top 100 spenders in the G500 ER&D spend contribute 66.3% of the G500 ER&D spend and our key global customers include 43 of the top 100 global ER&D spenders, which offers significant growth opportunities for existing customer accounts. (*Source: Zinnov Report*)

We operate in five industry segments (transportation, industrial products, telecom and hi-tech, process industry and medical devices, each of which represent a significant component of G500 ER&D spend. 50.3% of our revenue in FY 2016 was derived from the three segments of industrial products, process industry and medical devices. These three segments represent US\$205 billion of G500 ER&D spend and have low penetration by India based third-party ER&D service providers, which gives us a competitive advantage. (*Source: Zinnov Report*)

We offer design and development solutions throughout the product development chain and provide solutions in the areas of mechanical and manufacturing engineering, embedded systems, software engineering and process engineering. For "new" technologies, we provide services and solutions in the areas of product lifecycle management, engineering analytics, power electronics, M2M connectivity and IoT. We focus on innovation driven technology leadership and have set up research and test laboratories that are specific to particular industry verticals and that seek to replicate our customer's work environment, enabling us to work very closely with the customers' research and development teams on product innovation through leveraging our technology. We have invested in IoT, digital technologies (smart products, smart services, smart manufacturing and smart operations) and lab infrastructure to strengthen our position in these areas. Our ER&D services help customers reduce time-to-market for their end products and services, innovate to create new products and solutions, reduce cost of development and meet increasing regulatory requirements more effectively.

The key decision makers at our customers belong to the engineering or product development or R&D departments, which tend to have distinct budgets, where industry domain knowledge and focus on R&D is highly critical in the choice of an outsourcing ER&D service provider. As a result, we believe our customers value our focus as a pure-play services provider focused solely on ER&D services, giving us a competitive advantage over generalist IT service providers who also provide ER&D services.

We have been recognised by Zinnov in the "leadership zone" in eight industry verticals (industrial automation, construction and heavy machinery, medical devices, aerospace, automotive, rail and marine, telecom, energy and utilities) and two horizontal service offerings (embedded systems and mechanical) in Zinnov's GSPR Ratings 2015). See "Industry Overview" on page 87. We are ranked "high" by ARC Advisory Group for our deep capabilities in consumer IoT, industrial-internet-of-things, and smart manufacturing. We have also won a number of industry accolades.

We deliver our services through a network of delivery centres located across the U.S. and India and from our customers' locations. The majority of our work is executed by employees based out of delivery centres in India using an offshore delivery model, giving us a competitive advantage in terms of talent pool availability and lower costs compared to our US and European competitors.

Established through a group restructuring exercise, we leverage the strengths of our parent company, L&T, a leading Indian conglomerate in technology, engineering, construction, manufacturing and finance, which has provided us with a broad engineering and design heritage. Prior to January 1, 2014, our business was conducted as a division (called Integrated Engineering Services ("IES")) of L&T and as a sub-segment (called Product Engineering Services ("PES")) of L&T's subsidiary, LTIL. As part of a business restructuring exercise, the PES business from LTIL, (except its unit in Germany, which was transferred with effect from September 1, 2014), and the IES business from L&T was transferred to our Company with effect from January 1, 2014 and April 1, 2014, respectively. As part of the restructuring, we brought together engineers with domain expertise in product and process industry from IES and PES to create a specialised talent pool in ER&D services to deliver higher value to our customers. During FY 2015, our Company also acquired a majority of the equity share capital of TSIPL, a company engaged in the business of, among others, software development, IT consulting, software evaluation, design, implementation, research and training in relation to computer software. Further, during FY 2015, we also acquired certain of the assets and liabilities of Dell Product and Process Innovation Services, the engineering services division of Dell U.S.A., and also acquired its operations in India from Dell India. For further details, see "History and Certain Corporate

Matters - Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets” beginning on page 124.

As of the date of this Draft Red Herring Prospectus, we have 12 global delivery centres in India and overseas, 27 sales offices in India, North America, Europe, the Middle East and Asia and 31 labs in India. As of the date of this Draft Red Herring Prospectus, we have filed 34 proprietary patents and 134 patents have been filed by our customers along with our employees. As of March 31, 2016, we have more than 8,000 engineers from nine nationalities serving over 200 customers, including more than 50 Fortune 500 customers. The average age of our employees is 31 years.

Our business is classified into the following five broad segments:

Transportation

The transportation segment is our largest segment by revenue and contributed 29.9% of our consolidated revenue from operations for FY 2016.

The industry verticals classified under our transportation segment primarily consist of automotive, off-highway equipment (“OHE”), aerospace and commercial vehicles (“CVs”). In the automotive and aerospace verticals, we have been ranked in the “leadership zone” by Zinnov's GSPR rating 2015. (Source: Zinnov Report)

For automotive manufacturers, we deliver ER&D mechanical, embedded and software engineering services (computer software for machinery or devices), including in the areas of body control modules, automated driver assistance systems, telematics and infotainment.

For OHE manufacturers, we engage in new product development, value engineering and M2M connectivity. We work on excavators, harvesters, combine and headers, planters, balers, backhoe loaders and all terrain vehicles (“ATVs”).

In the aerospace vertical, we work in the areas of structural design, electrical and avionics systems, including both flight control systems and display systems, in the commercial segment. In India, we work in the defence segment in areas such as avionics and unmanned aerial vehicles (“UAVs”).

For CV manufacturers, we engage in design and development work for body design and product localisation, which includes field support.

Industrial Products

The industrial products segment contributed 25.3% of our consolidated revenue from operations for FY 2016. We have been ranked in the “leadership zone” by Zinnov's GSPR rating 2015 (Source: Zinnov Report) for energy and utilities, industrial automation (which includes building automation, power electronics and machinery) and construction and heavy machinery verticals. According to Zinnov, there are only a few ER&D service providers in this segment, which have high potential for growth as a result of low penetration levels and limited competition. (Source: Zinnov Report)

The industry verticals classified under the industrial products segment primarily consist of power, electrical, drives and utilities, building automation, home and office products and machinery.

We offer product design, development, verification, validation and certification services. Our services also include sustenance, maintenance and value engineering of existing products.

In the power, electrical, drives and utilities verticals, we focus on conventional and non-conventional power generation, transmission, distribution equipment and utilities equipment.

In the building automation vertical, we cover intelligent building energy management systems (“iBEMSTM”), lighting and accessories, heating, ventilation, and air conditioning (“HVAC”), safety, security and access control solutions, and elevators and escalators.

Our home and office products vertical include white goods such as kitchen appliances and office equipment.

In the machinery vertical, we provide services to machines and equipment manufacturers in the area of precision, processing, packaging and power and tool machines. This includes semiconductor equipment, oil and gas equipment and industrial devices such as pumps, valves, compressors and measurement devices. We have technological expertise in the area of M2M connectivity, predictive machine health monitoring, diagnostics, machine performance analysis, asset/inventory tracking and digital oil fields.

Telecom and Hi-tech

The telecom and hi-tech segment contributed 19.8% of our consolidated revenue from operations for FY 2016.

The industry verticals classified under our telecom and hi-tech segment primarily consist of consumer electronics, semiconductors and telecom.

In the telecom industry vertical, we have been ranked in the “leadership zone” by Zinnov's GSPR rating 2015. (Source: Zinnov Report)

In the consumer electronics industry vertical, we work mainly with mobile device and tablet manufacturers, set top box and gateway manufacturers, and smart home and wearable device manufacturers.

In the semiconductor industry vertical, we work mainly in the areas of application-specific integrated circuit (“ASIC”) design and verification, embedded software for chip and related validation services, reference board design and radio-frequency (“RF”) design.

In the telecom industry vertical, we work with network equipment manufacturers across the product development life cycle including development of protocol stacks and network management systems along with their maintenance and support.

Process Industry

The process industry segment contributed 18.7% of our consolidated revenue from operations for FY 2016. According to Zinnov, there are only a few India-based ER&D service providers in this segment, which has an addressable end-market of US\$150 billion, with potential for growth as a result of low penetration levels and limited competition. (Source: Zinnov Report)

The industry verticals classified under our process industry segment primarily consist of fast moving consumer goods (“FMCG”)/consumer packaged goods (“CPG”), speciality chemicals and oil and gas.

For FMCG/CPG companies, we have large, multi-year relationships with some of the world’s biggest FMCG/CPG companies. Our services include process design, basic and detailed design, development, refurbishment and support services, smart factory solutions, capex cost engineering, mechanical, civil, electrical engineering services, for brownfield as well as greenfield manufacturing plants.

For speciality chemical companies, we provide process design and development services, basic and detailed design services mainly for brownfield projects.

For oil and gas companies, we provide asset optimization, performance management and sustenance services to our customers.

Medical Devices

The medical devices segment contributed 6.3% of our consolidated revenue from operations for FY 2016. In the medical devices segment, we have been ranked in the “leadership zone” by Zinnov's GSPR rating 2015. (Source: Zinnov Report) According to Zinnov, there are only a few ER&D service providers represented in this segment, which provides the segment with potential for growth as a result of low penetration levels and limited competition. (Source: Zinnov Report)

We provide end-to-end product development for class I, II and III devices in industry verticals such as patient mobility, surgical, diagnostics, therapeutics, musculoskeletal and life sciences. Our services include certification support and regulatory compliances of medical devices, manufacturing support, product maintenance and aftermarket support. We leverage our technology expertise in emerging trends such as image enhancement, connectivity and data analytics.

For FY 2015 and FY 2016, our consolidated revenue from operations were ₹26,186.3 million and ₹30,665.1 million, respectively and our consolidated profit after tax was ₹3,109.0 million and ₹4,166.5 million, respectively. For FY 2016, our revenue contributions by geographic location of our customers were 60.4% for North America, 19.8% for Europe, 8.3% for India and 11.5% for rest of the world (“ROW”).

Our key customers and partners across different segments include Calsonic Kansai, Caterpillar, Danaher, Eaton, Intel, John Deere, P&G, Rockwell Automation, Scania, Shell and UTC.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

Leading global pure-play ER&D services company

We are the leading global pure-play ER&D services company. (Source: Zinnov report) We have been recognised by Zinnov, in the “leadership zone”, Zinnov's highest-ranking category in eight industry verticals (industrial automation, construction and heavy machinery, medical devices, aerospace, automotive, rail and marine, telecom, energy and utilities), and two horizontal service offerings (embedded systems and mechanical). See “Industry Overview” beginning on page 87.

As a pure-play ER&D services company, we have developed a comprehensive range of service offerings in order to address the varied and expanding requirements of our customers. We act as a “one-stop shop” for our customers and we cover phases from conceptualisation to implementation within the product and manufacturing engineering life cycles, including consulting, design, development, testing, maintenance, go-to-market and after-market services. We also foster a culture of innovation that

enables us to successfully achieve product innovation and process and productivity improvement for our customers. Decision makers for our end customers are generally based in engineering, product development and R&D departments. These departments tend to have distinct spending budgets, with comprehensive industry domain knowledge and a strong R&D focus being key determinants in selecting their preferred outsourcing ER&D service providers.

As a pure-play ER&D player, we believe we have an advantage over general IT services companies that also provide ER&D services, whilst targeting the ER&D business. This is because of our focus on engineering services and our end-to-end service offering, which we believe appeals to ER&D spend decision makers. We have developed several innovative and complex products and services. For example, we developed a nuclear grade power supply for a leading player in the European nuclear industry. The development of this power supply was highly complex due to compliance constraints, the operational environment and the safety standards of the nuclear industry. We were able to deliver this project successfully where the power rack has been installed in nuclear power plants in France.

We believe that our size and scale, multi-domain presence, specialisation, practice maturity, and focus on innovation and IP, combined with our ability to handle innovative and complex projects, provides us with a competitive advantage over other players in the ER&D space. Our end-to-end services and delivery through delivery centres in India also differentiate us from competitors in key markets where our competitors are either staffing companies with higher costs or are not pure-play and end-to-end service providers.

Well-diversified player with multi-vertical industry expertise and long-standing customer relationships

We possess multi-vertical industry expertise and target a broad spectrum of services in all the segments of our business. We have achieved a market leadership position in eight industry verticals and have developed capabilities in areas such as plant engineering. Our customers benefit from our experience in multiple technologies, our industry knowledge, and our multi-site project management expertise and cutting edge engineering tools.

We believe that our success in our customer engagements in various segments has enhanced our recognition in the global ER&D market. We cross-leverage our experience across our segments to deliver ER&D services and solutions to our customers. We actively pursue cross-selling opportunities across verticals to derive value for our existing and prospective customers. This not only helps us in solving complex customer problems that require multi-domain expertise but also helps us in penetrating customers' different business verticals. Further, this approach helps us mitigate risks due to adverse market conditions in specific verticals. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Segmental Reporting" beginning on page 253.

We have long-standing relationships with our customers, which include more than 50 leading Fortune 500 companies and technology leaders in their industry including P&G, UTC, Danaher, Eaton, Rockwell Automation and Calsonic Kansei. We have been doing business with some of our customers for more than 10 years. We focus on customers with large ER&D budgets, and 43 of our customers are amongst the top 100 global ER&D spenders, representing 66.3% of the G500 ER&D corporate spending budget, according to Zinnov. Our track record of delivering quality and innovative solutions across verticals and our engineering expertise help us to maintain these relationships and increase our business from our existing customers. We are in regular communication with our customers through dedicated customer teams that include sales and engineering personnel, and this helps us in working on an ongoing basis to provide them with the end-to-end services. As a result, we have a history of customer retention and derive a significant proportion of revenues from existing customer accounts that have continued to grow. In FY 2016, 50.3% of our revenues were derived from the three segments that have lower competition (as per Zinnov report), industrial products, process industry and medical devices, and 53.8% of our revenues were derived from our top 20 customers, based on consolidated net sales. 94.6% of our customers in FY 2016 were repeat business customers from existing accounts.

From time to time, we also enter into relationships and alliances in our business to bring new technologies and greater cooperative work with our OEM and industrial customers. For example, in January 2015, we joined the Intel Network Builders Program through which we have worked with a variety of companies to bring innovative network and business digitalization capabilities to market more quickly.

Focused on driving innovation through in-house R&D, IP and strategic alliances

We are focused on driving innovation and adopting solutions in line with technological trends. Our culture of innovation since our establishment has enabled us to expand the range of our offerings to customers and improve the delivery of our solutions and products. We have initiated Proofs of Concepts ("POCs"), which are to demonstrate the viability of a design concept, set up labs and developed new centres of excellence, where we have invested in new technologies such as engineering analytics, power electronics, IoT and M2M, which has allowed us to capitalise on key growth areas and trends.

We have a dedicated team of skilled individuals with technical background and domain experience in each of our verticals with a focus on evolving technologies. These teams follow a structured applied innovation and solutions development process and work with delivery functions to identify the key concerns of our customers and generate solutions, ideas and concepts to address the concerns.

We have a proven track record of product innovation to meet the needs of our customers, changing industry trends, evolving technology and emerging competition. For example, in 2015 we co-developed a new innovative product, "Gyro", a motion-

activated screwdriver, and also built an end-to-end software platform for dual-touch screen smartphones, which includes an E-ink display, with our customers. As of the date of this Draft Red Herring Prospectus, we have filed 34 proprietary patents, and 134 patents have been filed by our customers along with our employees. We also have one published trademark and 11 pending trademark applications.

Further, we have labs in Mysore, Bengaluru, Chennai, Mumbai and Vadodara, as well as access to L&T infrastructure. We also work with our customers to support their R&D initiatives. In November 2015, we jointly launched a global IoT solutions centre on our campus in Bengaluru with a global major network solution provider. For some of our customers, we also partner with their in-house captive research centres across different verticals. We believe that such partnerships have enhanced our product platform and service offerings given to our global customers.

We work closely with international and national scientific institutions in order to continually source ideas for engineering solutions. We also encourage our engineers to share ideas through our innovation portal, which allows our employees to submit ideas that can be reviewed and assessed by other employees globally. A number of our solutions have emerged through this innovation portal. We promote annual technology events such as Tech Panorama, which is an initiative by the Technology Solutions and Innovation Centre to within our Company to serve as a platform for our employees to participate in technical events and forums to showcase their skill and demonstrate their ideas.

We also engage with the government and technology partners from various key business verticals to explore solutions. For example, we have become a strategic partner in the IoT CoE for start-ups, and we are leading the initiative created by NASSCOM in association with the Indian government. Our other alliances and industry partnerships include Intel, Sierra Wireless, National Instruments and Tele2.

We believe that our culture of innovation has enabled us to grow and retain our customer relationships and successfully achieve process and productivity improvement for customers. This has enabled us to continuously expand and diversify our services offering, as well as to maintain our competitiveness in the ER&D industry.

Strong L&T parentage and long history of engineering expertise

We have benefitted from the engineering expertise of L&T, which was recognised as the eighth most valuable brand in India in 2015 (*Source:Brand Finance*) and is a brand associated with strong global engineering capabilities, quality of service and reliability.

As part of our group corporate restructuring exercise, we brought together engineers with deep domain expertise in product and process engineering from IES and PES to create a specialised talent pool in ER&D services in our Company.

Our association with the L&T brand provides us with a competitive advantage in attracting talent, benefiting from our Promoter's global network, exploring potential business opportunities, corporate governance practices and acquiring direct access to senior decision makers in potential end customers.

Our end-to-end engineering expertise backed by our parent's engineering heritage of over 75 years provides us a competitive edge over other ER&D players. We believe this combination of our heritage, our concentrated focus on ER&D services and our pool of talent distinguishes us from other service providers in this space.

Qualified and experienced personnel in an entrepreneurial culture

We believe that our senior management has pioneered our growth and fostered a culture of innovation, entrepreneurship and teamwork. A majority of our leadership council members have been with us for over five years.

As of March 31, 2016, we employed more than 8,000 engineers across multiple engineering disciplines, such as mechanical engineering, electrical engineering, electronic engineering, aeronautical engineering, computer science, telecommunications and instrumentation. The breadth of this range of engineering expertise provides us with a competitive advantage over our competitors. As of March 31, 2016, the average age of our employees was 31 years of age, and we employ engineers from nine nationalities, which we believe fosters our innovation culture.

Our employees are spread globally and are instrumental in establishing and maintaining relationships either directly or indirectly with our customers. We invest in our employees through training and development programs under our performance oriented development plan that includes induction programs, technical training, leadership development and executive education programs. This allows us to identify and develop future leadership, build company allegiance and excellence in delivery through our “customer first” motto and to promote talent within our Company. We believe that our strong management team, engaging working environment and corporate culture are the reasons we have had low attrition rates of 14.3% and 12.1% for FY 2015 and FY 2016, respectively.

Our Strategy

As the leader in the ER&D space, as ranked by Zinnov, we endeavour to expand our share in the market through our growth strategies as set forth below, which include enhancing our competencies, capabilities and infrastructure, expanding our customer relationships, growth through selective acquisitions and participating in various industry events and market forums to continue establishing our presence and brand. We believe that these initiatives will give us a competitive edge amongst our peers.

Drive higher growth in key segments, verticals and geographies

We aim to pursue growth strategies to expand our market share across key segments and verticals, geographies and solutions.

In relation to verticals, our key priority areas are currently automotive (which forms part of our transportation segment), all verticals categorised under the industrial products segment, consumer electronics and product software (both of which forms part of our telecom and hi-tech segment). In the automotive vertical, we aim to focus on software-based engineering solutions, which we believe will supplement our traditional strengths in auto-mechanics. For example, we intend to expand our offerings in new technologies and software in automotive, such as telematics, advance driver assist systems and V2X communication (which includes vehicle-to-vehicle and vehicle-to-infrastructure intelligent control and connectivity systems) and intend to also focus on green technologies (hybrid vehicles and battery management systems), infotainment and body electronics. We are working on enhancing our capacity in AUTOSAR, functional safety, hardware in loop (“HIL”) and cyber security. In the industrial products segment, we intend to expand our offerings in IoT-enabled smart products and the renewable energy space with a focus on storage and grid connectivity and energy efficiency for buildings. In the customer electronics vertical, we intend to focus on wearables, connected homes (smart homes), and camera and security devices. Lastly, we intend to pursue both organic and inorganic strategies to enhance our service offerings in the product software space. In relation to solutions, we intend to focus on developing and strengthening our digital services and engineering solutions. We aim to strengthen our position in digital engineering through investments in IoT and smart manufacturing technologies or through acquisitions in product software, embedded software and computing.

With respect to our geographic operations, North America and Europe have traditionally been the largest contributor to our revenues, contributing 56.1% and 20.4%, respectively, of our revenues in FY 2015 and 60.4% and 19.8% in FY 2016. We intend to continue our focus on North America and Europe, in particular with regard to setting up proximity centres, which are labs or development centres located in close proximity to our customers' offices. We also intend to focus on Austria, Switzerland and establishing delivery centres in Eastern Europe as part of our European operations. Further, in addition to the United States and Europe, we also intend to expand our operations in Japan, as a number of our existing and prospective automotive customers are based in Japan.

Grow our revenues from existing customers and develop new customer relationships

Our top 20 customers contributed 53.8% of our revenues in FY 2016 and 56.3% in FY 2015. Our customers include 43 of the top 100 global ER&D spenders, representing 66.3% of the G500 ER&D corporate spending budget. (*Source: Zinnov Report*) These top 100 ER&D spending represent a large market opportunity for us to grow and develop. We aim to further penetrate the business of our existing customers by expanding the nature and scope of our services. This will involve increasing the size and number of projects and extending the breadth of our service offerings through our design, innovation and delivery expertise. By focusing our efforts on growing the existing accounts through cross-selling of our services, solutions and expertise and generating repeat business, we believe that we can consolidate our relationships with our long-standing customers and enhance our reputation as the leading pure-play ER&D player. We will focus on driving these initiatives through our “T30:A3” model, whereby we prioritise our top customer accounts, which we have identified under our T30 model and develop relationships with adjacent customers, which we have identified under our A3 model. We aim to leverage our employee domain expertise in different services to offer our customers multiple services and solutions under a single engagement. For example, one of our strategies is to structure large, long term deals with customers, with defined time periods for execution. These deals would help us improve our productivity and provide predictable revenues.

Furthermore, we plan to develop new customer relationships by identifying potential customers that operate within the same verticals and engage in cross-selling of our solutions. For these new customers, we seek to provide value-added solutions by leveraging our in-depth industry expertise and then expanding the breadth of services offered to them beyond those in the initial engagement.

We will continue to improve our business generation capabilities and focus on enhancing our company's global delivery model with onshore centres within proximity to our large customers and offshore centres at strategic locations. By securing and managing new, large and long-term customer engagements, we believe that we will diversify our customer base and generate opportunities to explore further alliances within our verticals.

Focus on driving solutions-oriented engineering services that are applicable across verticals

We focus on building a portfolio of solutions-oriented engineering services that can be applied across verticals. As part of this strategy, we closely follow the technology trends in the ER&D industry and have focused on key technology areas that we believe will impact the various verticals in which we operate. These key technology areas include digital engineering, mobile internet, IoT (IIoT, mBioT), automation of knowledge, advanced robotics, autonomous and near-autonomous vehicles, energy efficiency and imaging and video. We intend to focus on solutions in these areas and build cross-domain solutions that can be applied to the businesses of our existing and prospective customers across verticals that could help drive non-linear

revenue growth for the company. In order to execute this strategy, we are also building and strengthening our alliances with technology companies. We aim to develop industry-specific use cases for such solutions and then customise these solutions as per the specific requirements of our customers.

We have developed mature solutions such as UbiqWeise™ and iBEMS™ in emerging technology areas to support our customers. For example, one of our construction industry customers, who has various types of construction equipment and machinery spread across global project sites, collects operational data on a near real-time basis, which is then sent to a cloud platform. The data is then processed using applied analytics on our UbiqWeise™ platform to provide insights on information such as operational efficiency and preventive maintenance schedules. For another customer, we provide smart services solutions in process improvement, waste reduction and improvement in yields. Our solutions are aimed at addressing specific problems by introducing advanced sensors and analytics technologies to detect anomalies at an early stage of production. As a result, our solutions enable reduction of the rejection rates of the products.

Increased investment in innovation labs

We have made investments in innovation labs since our establishment, and we currently have 31 labs, located in Bengaluru, Mumbai, Mysore, Vadodara and Chennai. We will continue to focus on using more economical and efficient energy sources and continue to explore ways to increase our use of green energy solutions in building our R&D efforts. We also intend to increase the scope of our existing labs by adding space or equipment in our existing labs to broaden our capabilities and address customer needs.

As a part of our growth strategy, we started with selective innovation with customers in growing economies and further expanded to creating products for developed economies. We plan to continue driving our growth by moving our focus towards digital transformation. Accordingly, we have invested significantly in smart manufacturing infrastructure to align our existing areas of expertise with new business trends. For example, our smart manufacturing lab in Vadodara displays a wide range of technologies in the areas of smart control and automation, IoT-enabled mobility solutions supporting operations and maintenance of plants. We will continue to pursue these initiatives by further investing in multiple labs for emerging trends such as IoT, power electronics and engineering analytics.

We believe that these investments will allow us to stay competitive and help us provide our customers a competitive edge.

Expand our business and geographical footprint through selective acquisitions

We intend to augment our organic growth by continuing to pursue selective acquisitions and strategic alliances that provide us access to better infrastructure, industry knowledge, technology expertise and geographical reach and allow us to expand our vertical offerings and customer base. We have historically expanded our business through a combination of organic growth, acquisitions and strategic alliances in targeted areas of verticals or products with our customers. For example, we broadened our expertise in the transportation segment in June 2014, particularly in embedded avionics, by purchasing a 74% equity interest in TSIPL, the Indian subsidiary of Thales, a global aerospace, transportation and defence and security company. Further, in July 2014, we acquired certain of the assets and liabilities of Dell India and in November 2014, we acquired certain of the assets and liabilities of Dell U.S.A., which added three delivery centres in the U.S. to our portfolio. These acquisitions strengthened our global ER&D position in the transportation segment, widened our reach through the local delivery centres and further enhanced our talent pool with the addition of more than 200 engineers to our workforce.

We may consider other acquisition opportunities acquiring divisions of existing companies to selectively expand in our verticals. We believe these acquisitions will support our long-term strategy, strengthen our competitive position, particularly in acquiring expertise in smart technologies such as IoT, reduce time to market for customer products and provide greater scale to grow our earnings and increase shareholder value. We also intend to pursue acquisitions of companies outside India to expand our global footprint by leveraging our low cost offshore delivery model to move a greater portion of the work offshore to India.

Attract, develop and retain highly-skilled employees

Our employees are one of our most important assets. We focus the quality and level of service that our professionals deliver by investing in recruiting, development, retention, maintaining an innovation culture, and creating both a challenging and rewarding work environment.

Our talent development strategy focuses on engaging, motivating and developing a high performing workforce and our “Great places to Work” initiative aims to create and sustain a great workplace culture for our employees as well as to benchmark ourselves against our peer organisations. We also have a competency training framework that has been designed for new employees to be “project-ready” and seamlessly integrated into our business.

We also encourage employees in the technical field to pursue a long-term career path in technology. Our career progression framework provides an opportunity for employees to develop their skills and experience within a specific project or technical stream. We also run a GLOCAL initiative, which encourages our employees to learn foreign languages in order to create a greater business impact with the ability to interact fluently with our global customers.

Our Business Segments

We classify our business into the following five key segments, where we have domain expertise: transportation, industrial products, telecom and hi-tech, process industry, and medical devices. Within these industry segments, we offer solutions to our customers across the product engineering life cycle ranging from product conceptualisation, design and engineering to prototype, sustenance and certification support services. We offer services in areas such as embedded systems, software engineering, manufacturing engineering, engineering application software, process industry, mechanical engineering, product lifecycle management, engineering analytics, power electronics, M2M and IoT.

Our services across our business segments can be classified broadly into the following categories:

- *Imagineering*: We work closely with our customers, especially with their sales, marketing and R&D arms to conceptualise products. We help them to develop and build products, processes and infrastructure required to deliver such products and services to their end customers. Once the concept is formed we validate the concept with the consent of our customers through the POC process. Once the concept is proven, it is taken ahead for further development. We refer to this entire process as imagineering.
- *Engineering*: Our engineering services focus on realising the product once a concept is proven. The realisation includes design, development, verification, validation and certification. Our services include sustenance, maintenance and value engineering of existing products.
- *Adjacent Engineering*: We help our customers with aftermarket support including product lifecycle management and technical publication. Our manufacturing and sourcing services help customers to improve their productivity, reduce cost and improve their go-to-market strategy.

The following table illustrates our business segments and their percentage contribution to our consolidated revenue from our operations for the periods indicated:

Business Segment	Consolidated Revenue from Operations for Fiscal Year 2016 (₹in millions)	% of Consolidated Revenue from Operations for Fiscal Year 2016	Consolidated Revenue from Operations for Fiscal Year 2015 (₹in millions)	% of Consolidated Revenue from Operations for Fiscal Year 2015
Transportation	9,160.8	29.9%	7,164.4	27.3%
Industrial Products	7,742.9	25.3%	7,284.2	27.8%
Telecom and Hi-tech	6,086.3	19.8%	5,573.4	21.3%
Process Industry	5,736.1	18.7%	4,789.3	18.3%
Medical Devices	1,939.0	6.3%	1,374.9	5.3%
Total	30,665.1	100%	26,186.3	100%

Transportation

The transportation segment is our largest segment by revenue and contributed 29.9% of our consolidated revenue from operations in FY 2016. The industry verticals classified under our transportation segment primarily consist of automotive, OHE, aerospace and CVs. In the automotive and aerospace verticals, we have been ranked in the “leadership zone” by Zinnov’s GSPR rating 2015. (Source: Zinnov Report)

Our facilities include tear-down labs, material testing labs and electromagnetic interference/electromagnetic compatibility labs and other test labs.

Automotive

For automotive manufacturers, we deliver ER&D software engineering and embedded services, including in the areas of body control modules, automated driver assistance systems, telematics and infotainment. We deliver end-to-end complete design, development and manufacturing support in areas such as BIW, value engineering services in the areas of BIW, chassis and power train and design services for interiors. We have over 15 years of experience in the automotive verticals for new product development processes such as imagineering, optimisation, testing, research and development, production control, post-production lifecycle management and aftermarket support. Our solutions reflect quality mechanical engineering and embedded solutions coupled with cutting-edge technologies.

We service customers primarily in the US, Japan and Germany. We also service customers in the Nordic region and India. Our customers include OEMs and Tier 1 suppliers. We work with OEMs by helping them design India market relevant product variations and help them with their India and emerging market product strategies. For instance, we recently delivered the end-to-end services of POC, design, design simulation and prototyping for a new trike model for a power sports company which enabled it to introduce a new trike in the market in a short span of time and consequently increase its market share in the motorcycle business.

Our automotive service offerings and solutions in software engineering and embedded technology include:

- Infotainment and Telematics, where our infotainment (integrated systems in automobiles that deliver entertainment and information content) and telematics (systems that monitor a vehicle by combining a GPS system with on-board diagnostics) offerings help vehicle manufacturers, car equipment-makers and service providers to develop and integrate newer technologies in products to enhance product capabilities. We employ infotainment and telematics specialists and Android and Linux specialists, who provide services from product design to testing, to provide interoperability testing and application development across all platforms (for e.g. Android, Linux, Windows CE).
- Power train solutions, where we work with our customers to develop power train control solutions to reduce tailpipe emissions, reduce energy losses and recover waste energy. We provide support in electronic control unit design and development, HIL testing, model based development, testing and software development.
- Body electronics, where we provide end-to-end solutions for body electronics and work with global OEMs to ensure increased car comfort and convenience including embedded systems such as airbag, lighting, steering wheel controls, network management and security systems.
- Electrification of vehicles, where we have developed a compact DC-DC converter to be used in electric vehicles. We support customers in developing the battery management system (“BMS”) software and validating it. Thermal management is a key challenge for BMS and we utilize our expertise in computational fluid dynamics to define and optimise the heat management within the battery packs.
- AUTOSAR platform, where our expertise allows us to provide our customers with a range of services including customer specific development, testing, consulting and training services.
- Regulatory compliance in passenger safety, autonomous drive and electrification through ISO 26262, which classifies safety integrity levels based on severity of the fault. Additionally, we assist automotive manufacturers to reduce the cost and time required for ISO 26262 compliance. We have aligned our processes in compliance with ISO26262 and have assisted OEMs and Tier 1 suppliers to achieve functional/process safety compliance while assisting in the development and improvement of their software-intensive products.

Our automotive service offerings and solutions in mechanical engineering include:

- Body engineering, where we work with global OEM customers and Tier 1 customers in body engineering to ensure cost savings through our innovative “CAE driven design” approach, by which the validation for the design is done using the finite element analysis (“FEA”) tools. We offer design engineering of complete BIW design, doors, hood, roof modules, deck lids and lift gates.
- Chassis systems, where we provide services in concept generation, adaptation and optimisation of components, detailed engineering and integration of a chassis into a new vehicle. We offer services in engine frame mount design, chassis/axle design, electrical harness routing, suspension and steering design. We also provide benchmarking services in areas such as brakes.
- Power train systems, where we provide services in engine design, engine tear analysis, cost analysis, transmission and driveline design, exhaust and after treatment and benchmarking using tools such as KISSOFT and PRO-E.
- Battery management systems, where we monitor and manage the electrical performance of the car by performing the key functions of charge control, state of charge estimation, vehicle diagnostics, battery verification and vehicle data acquisition.
- Interiors and cab design, where we provide services in cockpit module design, airbag module design, steel wheel frame design, trims, heating, ventilation, air conditioning, dimensional management and ducting and seating design.
- Testing and correlation, where we provide services in performing physical tests on the vehicles and then build the computer-aided engineering (“CAE”) models to correlate the results. This helps in building the accurate CAE model which can later be used for CAE based validations. The higher the correlation, more accurate the results of CAE validation.
- Manufacturing engineering services, where we provide services in assembly fixtures, welding fixtures and work cell design with optimum time for production.

Off-Highway Equipment

For OHE manufacturers, we offer services and solutions in new product development, value engineering and M2M connectivity work in excavators, harvesters, combine and headers, planters, balers, backhoe loaders and ATVs. We have 14 years of experience in this industry and have been recognised by Zinnov as a leader in the construction and heavy machinery industry vertical in 2013, 2014 and 2015.

We have helped our customers in designing, developing and launching products in various countries. For example, In India, we were engaged in the design and development of bus bodies across various states in India.

We also offer services in various body control modules (electronic control units) for all off highway product lines. These services include engine development, cab development, powertrain design, styling/industrial design, development and testing (on test bench and in field tests). We have a HIL system to support the HIL tests for our customers.

Our facilities include an innovation studio and benchmarking teardown lab that provides a one-stop solution for all teardown facilities and studies for a variety of project requirements.

Aerospace

In the aerospace vertical, we work in the areas of structural design, electrical and avionics systems, which includes both flight control systems and display systems, in the commercial segment. Our customers are primarily Tier 1 suppliers and OEMs. In India, we work in the defence segment in areas such as avionics and UAVs.

Our service offerings span the product lifecycle from conceptual design to re-engineering of aerostructure and aerodesigning, modeling and analysis, avionics and defense electronics development, virtual and physical testing, manufacturing support and prototyping, certification support, training and simulation and aftermarket services.

Our solutions in manufacturing engineering are supported by CoE to address all the requirements from different sub-verticals of the aerospace manufacturing industry. Our solutions include, transfer of technology support ("ToT"), methods engineering, tooling and fixture design, prototyping and manufacturing support, digital simulation and lean manufacturing, NC programming and prove-out and strategic sourcing.

We also provide aftermarket services to ensure that our customers' products are serviced and supported throughout their product lifespan. Our aftermarket services in the aerospace sub-verticals adhere to industry regulations and standards and include technical publications, repair engineering, maintenance planning and support, maintenance, repair and overhaul training and simulation and integrated logistics support.

Commercial vehicles

For CV manufacturers, we engage in design and development work for body design and product localisation, which includes field support. We offer engineering services which range from preliminary design to aftermarket support service of cabins, chassis, power trains, bus bodies and superstructures.

Transportation Case Study: Flight Control Computer

This case study is an example of our engineering execution capabilities in end-to-end product design and development projects. We were approached by a major aerospace manufacturer to design and develop a Flight Control Computer that is qualified and certified for aircraft integration complying with aerospace standards. The design was developed in-house following the processes and meeting the standards specified by the aerospace industry. The product we developed was certified by the Centre for Military Airworthiness and Certification, which is the Indian certification authority for aerospace. There was an Automatic Test Equipment developed as part of the deliverable to validate the product in design, qualification and production phases.

Industrial Products

The industrial products segment contributed to 25.3% of our consolidated revenue from operations in FY 2016. According to Zinnov, there are only a few ER&D service providers represented in this segment, which provides the segment with potential for growth as a result of low penetration levels and limited competition. (Source: Zinnov Report) Our industry verticals classified under the industrial products segment primarily consist of electrical, drives, power and utilities, building automation, home and office products and machinery.

In the energy and utilities equipment, industrial automation equipment (which includes building automation, power electronics and machinery) and construction and heavy machinery verticals, we have been ranked in the "leadership zone" by Zinnov's GSPR rating 2015. (Source: Zinnov Report)

We offer complete product design, development, verification, validation and certification services. Our services also include sustenance, maintenance and value engineering of existing products. In addition, we have in-house labs to cater to IoT, power electronics, innovation, optics, electrical endurance, VAVE, rheumatoid factor machinery and tear down labs.

Electrical, Drives, Power and Utilities

In the electrical, drives, power and utilities verticals, we focus on conventional and non-conventional power generation, transmission, distribution and utilities equipment. In conventional power generation, our focus includes thermal, nuclear, hydro and diesel equipment, and in non-conventional power, our focus includes wind and solar equipment. We have expertise in four-stroke and two-stroke engines, wind turbines, nuclear equipment, gas and steam turbines, pressure vessels and various power auxiliary systems. We work with a wide range of transmission and distribution equipment such as protection relays, switch gears, static switches, recloser, power quality and monitoring devices.

Our solution frameworks include energy storage, advanced metering infrastructure, substation automation, data analytics and power inverters and converters which have a wide range of applicability ranging from wind and solar power to the automotive industry.

Building Automation

In the building automation vertical, we cover lighting and accessories, HVAC, safety, security and access control solutions, and elevators and escalators for industrial, commercial and residential buildings.

We partner with established OEMs in this vertical. Our key offerings and solutions are:

- iBEMS – a smart building framework for enabling intelligence and net zero buildings (i.e. buildings with net zero energy consumption) for smart city initiatives, predictive maintenance and time-to-failure analysis of buildings as well as for providing a holistic solution for HVAC, security, lighting, water, elevator and energy optimization. For instance, we have infused thin film technology into products such as iron, room heaters, hair straighteners and humidifiers to convert them into energy efficient, high performance, cheaper and aesthetically sleeker appliances;
- image processing techniques and 3D visualisation for security and access controls;
- home automation gateway platform and networking solutions for smart homes;
- exterior lighting solutions for smart cities;
- sensor integration and networking; and
- smart services tools and applications.

Home and Office Products

Our home and office products portfolio includes white goods, kitchen appliances and office equipment such as printers, scanners and point-of-sale systems. We provide safe, ergonomic, user-friendly and energy efficient designs. Our solutions include wireless networking frameworks for smart appliances, smart care solutions for washers and cloud connectivity. We have been working to innovate small appliances by infusing thin film and piezo technology and transforming them into energy efficient, high performance, cheaper and aesthetically sleeker products.

Machinery

In the machinery vertical, we provide services to machines and equipment manufacturers in the area of precision, processing, packaging and tooling machines. This includes semiconductor equipment, oil and gas equipment and industrial machinery devices such as pumps, valves, compressors and measurement devices. We focus on delivering value to our customers by providing value analysis, value engineering and value optimised design (“VoD”) services to our customers.

We have technological expertise in the area of M2M connectivity, predictive machine health monitoring, diagnostics, machine performance analysis, asset/inventory tracking and digital oil fields. For example, we designed a portable hand-held vibration analyser for issues arising in plant without the predictive maintenance of rotating machines for one of our customers in the industrial products vertical. The vibration analyser is an advanced troubleshooting tool and helps the user quickly identify and prioritise mechanical problems of a rotating machine. We were engaged in this project right from the feasibility analysis stage until the complete product development phase. Our employees co-authored three patents along with our customer for this product. We have a dedicated machinery tear down studio with a comprehensive range of tools and equipment for complete dismantling and re-assembling of products.

Industrial Products Case Study: Gyro Screw Driver

We have designed a motion activated screw driver for one of our key North American customers. It has a compact design infused with complex electronics involving gyro technology (used in smart phone technology) and its innovative mechanical design with a swivel mechanism provides flexible application usage. It also contains algorithms, which produces the required torque to achieve precise speed control.

Telecom and Hi-Tech

The telecom and hi-tech segment contributed 19.8% of our consolidated revenue from operations for FY 2016. Our industry verticals classified under the telecom and hi-tech segment primarily consist of consumer electronics, semiconductor and telecom. We have over 15 years of experience in this industry. In the telecom industry vertical, we have been ranked in the “leadership zone” by Zinnov's GSPR rating 2015. (Source: Zinnov Report)

We offer end-to-end software design and development, hardware platform design and development, product maintenance and enhancement, testing and validation series, systems integration and implementation services.

Consumer Electronics

In the consumer electronics industry vertical we offer our services primarily to mobile device and tablet manufacturers, set top box and gateway manufacturers, and smart home and wearable device manufacturers.

For mobile device and tablet manufacturers, we mainly focus on end-to-end product development across software and hardware. We also focus on enterprise mobile devices such as POS terminals and also focus on public safety devices which are developed for rugged conditions. For set top box and gateway manufacturers we generally focus on software development and customization as required for operators. For smart home and wearable device manufacturers we focus on end-to-end software and hardware development, related applications and analytics. We also offer solutions in other areas including connected camera, video analytics and consumer IoT solutions.

Semiconductors

In the semiconductor industry vertical we work mainly in the areas of ASIC design and verification, embedded software for chip and related validation services, reference board design and RF design.

In this space, we provide the complete range of digital design services encompassing architecture/micro-architecture, modelling, logic design and verification, FPGA design and prototyping, DFT, physical design, pre-silicon verification and post-silicon validation. We offer end-to-end design solutions for a range of applications including embedded, networking and consumer electronics market. We have successfully enabled our customers to develop products in areas of high-speed communication, digital video, IoT applications and mobile solutions including LTE chipset technology.

Telecom

In the telecom industry vertical, we work with network equipment manufacturers across the product development life cycle including development of protocol stacks and network management systems along with their maintenance and support. Our customers leverage our expertise across products such as base stations, switches and routers. We also do a limited amount of work with telecom operators and telecom software vendors in development, integration and deployment of network products. Our key alliances in this vertical include Intel, National instruments, Sierra Wireless and Tele2. We also operate an IoT lab along with a leading global network solution provider that focuses on creating joint IoT solutions for various industry verticals.

Telecom and Hi-tech Case Study: Dual touch-screen Android smartphone

This product is an example of an innovation in the smartphone market that was necessitated by the need to address the problem of short battery life for smartphones. We managed end-to-end software platform development for this device encompassing complete board bring-up for Android Jelly Bean based on Qualcomm chipset; platform support for key features like E-ink display, Always On and Gesture system; and development and integration of touch screens, display panels, middleware and apps. The user of this smartphone can save substantial battery life by using the E-ink display instead of the primary screen. This smartphone received numerous critical acclaims and industry awards including the Best of CES 2013 Award.

Process Industry

The process industry segment contributed to 18.7% of our consolidated revenue from operations for FY 2016. According to Zinnov, there are only a few India-based ER&D service providers in this segment, which provides the segment, which has an addressable end-market of US\$150 billion, with potential for growth as a result of low penetration levels and limited competition. (*Source: Zinnov Report*) Our industry verticals classified under the process industry segment primarily consist of fast moving consumer goods (“FMCG”) and consumer packaged goods (“CPG”), speciality chemicals and oil and gas.

We design efficient, safe and sustainable production facilities for our customers to improve their plant productivity, efficiency and safety. We support our customers from conceptualisation to feasibility studies, detail engineering, procurement and expediting support from construction management to final commissioning and handover. Our services go beyond new developments to supporting operating assets and improving business performance. We provide asset services that create systems and work processes to deliver these projects effectively. We also provide product design, machine design and packaging material design services to consumer packaged goods customers, leveraging our rich industrial product design portfolio.

We support each phase of plant development: identify, evaluate, define, execute and operate, with best practices and the latest proven technologies.

Fast Moving Consumer Goods and Consumer Packaged Goods

For FMCG and CPG companies, we have large, multi-year relationships with some of the world’s biggest FMCG and CPG companies, operating in industries such as food, beverages, breweries, health and nutrition and home and personal care products. Our services include process design, basic and detailed design, development, refurbishment and support services,

smart factory solutions, capex cost engineering, mechanical, civil, electrical engineering services, for brownfield as well as greenfield manufacturing plants.

Our key offerings and solutions include CAPEX/OPEX project engineering and EPCM, process safety management services, machine guarding and safety, plant level modularization, operational excellence and energy management programs (notably a ‘plant sustainability and remediation’ global roll-out for an international food and beverage brand), asset integrity and management services, plant operations and maintenance services, and product/machine/packaging material design services.

Speciality Chemicals

For speciality chemical companies, we provide process design and development services, basic and detailed design services mainly for brownfield projects.

Our key offerings and solutions include CAPEX/OPEX project engineering and EPCM, process simulation and analysis, process safety study, operational excellence and energy management programs and asset integrity and management services.

Oil and Gas

For oil and gas companies, we provide asset optimization and performance management services and sustenance solutions to our customers.

Our key offerings and solutions include asset integrity and management solutions (notably a dedicated design centre for a Fortune 500 oil and gas major), CAPEX cost engineering, sustenance engineering services, engineering database migration and management and smart facility solutions.

Process Industry Case Study: Dedicated Engineering Value Centre for a Global Chemical and Petrochemical Major

This case study is an example of the chemical industry trend of engaging engineering consultants in a dedicated design engagement model in order to contain and capture the teams and learnings from one project to the next. The customer produces chemicals and intermediates, industrial polymers, fertilisers, and metals. In our engineering value centre in India, we provide support for brownfield and site based sustenance projects. For smaller projects, we provide support in areas such as existing equipment modifications, upgradations, replacements and installations of new equipment. Our solutions cover ideation and concept approval, front-end engineering and design, detailed engineering, procurement support, construction management, final close-out and post-investment reviews.

Medical Devices

The medical devices segment contributed 6.3% of our consolidated revenue from operations for FY 2016. According to Zinnov, there are only a few ER&D service providers represented in this segment, which provides the segment with potential for growth as a result of low penetration levels and limited competition. (Source: Zinnov Report)

In the medical devices segment, we have been ranked in the “leadership zone” by Zinnov. (Source: Zinnov Report)

We provide end-to-end product development for class I, II and III medical devices in industry verticals such as patient mobility (critical care beds, patient handling, operating room equipment, surfaces, fitters and therapy support, wound therapy and wheel chairs), surgical (endo, vascular, surgical staplers, angioplasty inflation devices and wound closure), diagnostics (histopathology, haematology, ultrasound systems, CT scanners, MRI scanners, mass spectrometry and patient monitoring), therapeutics (oncology, drug delivery, inhalable), musculoskeletal equipment (joint replacement, trauma, biologics, dental equipment, orthodontic and imaging) and life sciences.

Our services include certification support and regulatory compliances of medical devices, manufacturing support, product maintenance and aftermarket support. We leverage our technology expertise in emerging trends such as image enhancement, connectivity and data analytics. We offer end-to-end product engineering services to life sciences instrument manufacturing customers.

Medical Devices Case Study: Blood Chemistry Analyser

We have been engaged by a manufacturer of re-agents for bio chemistry analysis to design a fully automated bio chemistry analyzer that would be compatible with their re-agent only. The product design included robotics for sample and re-agent handling, fluidics, spectrophotometer and thermal systems. The key challenges that the system faced were accuracy of measurement of fluid to be dispensed and maintaining temperatures of the thermal system both for the sample and re-agent.

Labs

We have a wide range of technology labs, industry specific labs and compliance testing labs. Our labs enable us to add value to the solutions we provide to our customers by providing support in new technologies, verification, validation, certification and regulatory compliance.

Technology Labs

We incubate new technologies in the areas of IoT, M2M, cloud computing and analytics to help our customers gain a competitive edge by selecting the right technology and focusing on innovation.

IoT Lab

We have entered into alliances with several IoT players. For example, we established a joint IoT lab with a global network solutions provider to explore opportunities in transportation, manufacturing and smart cities.

Innovation Lab

Our innovation lab has been set up to incubate upcoming technology areas such as energy efficient drive systems, linear motors, thin film technology, piezoelectric technology, induction heating using quasi resonant technology, ultrasound cleaning, introducing high efficiency heating technology and linear compressors for refrigeration. Our engineers at this lab are continuously working on new ideas for improving performance, creating POCs and benchmarking of products in the industrial products segment, particularly within the home and office products vertical.

Smart Manufacturing Lab

Our smart manufacturing lab has been set up to address difficulties faced by process and discrete manufacturing plants, as well as to develop and integrate intelligent automation solutions for smart manufacturing. These manufacturing areas include process optimization, smart utilities, connectivity and mobility, tracking quality checks, touchless operations, OEM integration, and smart machine controls.

Optics Lab

Our optics lab has been set up to focus on primary and secondary optics design and testing for indoor and outdoor luminaries. Our engineers at this lab design primary and secondary optics. It is equipped with software for optics design, simulation and prototype testing which enable us to design products which meet international standards.

Power Electronics Lab

To cater to the increase in demand of power electronics in sectors like transportation and renewable energy, we have set up a power electronics lab to design inverters, converters, drives and power supply. Our engineers at this lab design high efficient converters, battery chargers using Silicon Carbide and GaNFET technology.

Tear Down Lab

Our tear down lab is the most integral part of our value chain, as it allows us to offer services such as should costing and localization. Our tear down lab caters primarily to the automotive, off-highway, trucks and agricultural equipment industries.

Industry Specific Labs

Industry specific labs include auto, medical, industrial products and TCES (telecom, consumer electronics and semiconductor) solutions labs which provide niche services to our customers in these industry segments.

Auto Lab

We invest our technological expertise in emerging trends such as infotainment, connected vehicles, vehicle acoustics and advanced driver assistance systems. In our auto lab, we test various solutions such as infotainment, which is designed and developed in-house for the auto industry.

Medical Lab

Our medical lab is able to handle complex projects and VAVE, component testing and building prototypes for POCs are carried out to meet and provide certification support and the regulatory compliance of medical devices.

Industrial Products Lab

To support end-to-end design services and R&D, we have designed and developed solutions cater to the transportation, renewables and electrical and power industries. Our solutions such as stackable invertors and DC-DC converters are tested in our industrial products lab.

TCES Solutions Lab

In our TCES solutions lab, we develop and test various Solutions and POCs for our customers. Our solutions such as smart home, smart media controller and video analytics for surveillance and security cater to the home, offices and consumer electronics segments while our in-house developed solutions for telecom focus on our European and US customers.

Compliance Testing Labs

At our compliance testing labs, we perform various tests which include electromagnetic inference/ electromagnetic compatibility (“EMI/EMC”) testing and material testing through our wet lab, RF lab, applied physical metrology lab (“APM”) and mixed signal hardware lab.

Material Testing Lab

We have jointly set up a plastic material test centre in Chennai with Calsonic Kansei Engineering Centre India to cater to markets in Japan, Europe, the US, Indonesia, Thailand and India. The engagement provides design support, benchmarking of global materials, and cost-effective and region-based alternatives.

Wet Lab

At our wet lab, we test life sciences and diagnostics products in areas such as haematology, microbiology, pathology, histopathology, immunoassays, centrifugation and flow cytometry using chemical reagents.

EMI/EMC Lab

EMI/EMC is pre-compliance testing of all electrical and electronic embedded products in all industry verticals. The lab has been established to test non-compliance of electromagnetic emission.

RF Lab

Our RF lab has integrated simulation and test and measurement infrastructure for RF systems and antennae across a wide range of frequencies and technologies to serve the telecom, consumer electronics, semiconductors, transportation, industrial products and medical devices verticals.

Applied Physical Metrology Lab

Our APM lab handles reverse engineering, construction analysis and raw material evaluation of tire or related products including competitive benchmarking. Our engineers at this lab are involved in the mixing, curing and testing of raw material, evaluation and competitive benchmarking of tires.

Mixed Signal Hardware Lab

Our mixed signal hardware lab has been set up to simulate, test and validate embedded systems/hardware products across a wide range of technologies and verticals such as telecom, consumer electronics, semiconductors, transportation and industrial products.

Sales and Marketing

Our sales team works to identify sales opportunities across existing and prospective customers and is spread across the world. As of the date of this Draft Red Herring Prospectus, we had a global sales network comprising 27 offices and more than 200 employees in our sales and marketing function.

We structure our sales team in mature regions like North America according to our business segments. We structure our sales team regionally in Europe, Japan, Korea and APAC.

At the centre of our account management strategy are our customers, their business with us and their global footprint. To cater to our clientele, we have identified global accounts as part of our account strategy. Our global accounts have a global account relationship manager who either staff locally in secondary geographies or liaise with the local regional sales teams, depending on the nature and size of our engagement.

Our key accounts have clearly identified account relationship managers and account delivery managers who are empowered to service the customer requirements effectively. These teams will cross sell and up sell into their respective accounts. There are clear leadership governance models in place for each category of customers with a deep and structured review cadence built in.

New customer acquisitions are made through teams that focus largely on adjacent prospects that increase our ability to grow. These sales teams are supported by a dedicated inside-sales prospecting team. With a view to improving sales success, our marketing team engages regularly with advisories and consulting firms to undertake special focus workshops to help impart newer techniques and new insights into selling and building long term relationships with our customers. In addition, our leaders frequently speak at important events to extend our thought leadership.

Our sales teams also participate in and host specific events and workshops with our target customers and prospects to ensure better connections. We have also constituted a large deals team that focuses on large and complex deals centrally.

Delivery

We have an integrated global delivery model that allows us to service customer requirements from our onsite and offshore delivery centres. We have 6 onshore delivery centre in the US and 6 delivery centres in India. As of March 31, 2016, we had more than 200 employees operating out of our onshore delivery centres in the US. We will continue to deliver our services by expanding our reach through our global delivery model of offshore centres, onshore centres, nearshore centres and proximity centres, which are determined by our growth strategy. Most of our delivery centres in India are ISO 9001:2008 certified. We also have 31 labs located at Mysore, Bengaluru, Chennai, Mumbai and Vadodara.

The following map highlights our delivery centres and sales offices globally:



Quality Management System

Our quality management system provides a tool for global delivery considering the varied nature of engagements. Our process improvement initiatives are driven with the help of a measurement framework and the support of our compliance testing labs across various industry verticals. Process performance models are used to govern our key delivery processes, which help us to predict the performance and proactively take actions on our projects. An independent and dedicated quality team with the help of senior management is focused on driving the quality movement throughout the organization. A cross-functional task force focuses on continuously improving the efficacy of the quality systems.

Certifications

- Most of our delivery centres in India are ISO 9001:2008 certified.
- Our aerospace and medical devices practices are AS 9100C and ISO 13485:2003 certified, respectively.
- Embedded systems and software activities are assessed at Maturity Level 5 of SEI's CMMi® Development Ver. 1.3.

Our Customers

We service over 200 customers that include more than 50 Fortune 500 companies globally.

Our key customer concentration, in terms of consolidated revenue from operations for the periods indicated, is set forth below.

Customer Concentration	Consolidated Revenue from Operations for Fiscal Year 2016 (₹in millions)	% of Consolidated Revenue from Operations for Fiscal Year 2016	Consolidated Revenue from Operations for Fiscal Year 2015 (₹in millions)	% of Consolidated Revenue from Operations for Fiscal Year 2015
Top 5 Customers	6,999.0	22.8%	5,814.3	22.2%
Top 10 Customers	11,088.3	36.2%	9,701.3	37.0%
Top 20 Customers	16,502.4	53.8%	14,733.0	56.3%

The details of our customer revenue for the periods indicated are set forth below.

Customer Revenue (US\$ in millions)	Number of Customers for Fiscal Year 2016	Number of Customers for Fiscal Year 2015
20+	3	2
10-20	8	8
5-10	17	16
>1-5	44	41

The details of our customer concentration in terms of new customers and repeat business for the periods indicated, are set forth below.

Customer Concentration	For Fiscal Year 2016	For Fiscal Year 2015
New ⁽¹⁾ customers added	36	8
Revenue from new customers ⁽²⁾ (%)	5.4	1.3
Repeat ⁽³⁾ business (%)	94.6	98.7

(1) Any customer that reaches a cumulative revenue threshold of US\$150,000 within the last 12 months.

(2) New customers who contributed to our revenues during the indicated period but not in the preceding financial year.

(3) Repeat business revenues is total revenue less new customers revenue.

Our Pricing Model and Contractual Terms

Pricing

We price our services on either a time-and-materials or a fixed-price model. 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 customer engagements.

The details of our consolidated revenue from operations by contracts type for the periods indicated, are set forth below.

Type of Contract	Consolidated Revenue from Operations for Fiscal Year 2016 (₹in millions)	% of Consolidated Revenue from Operations for Fiscal Year 2016	Consolidated Revenue from Operations for Fiscal Year 2015 (₹in millions)	% of Consolidated Revenue from Operations for Fiscal Year 2015
Fixed Price ⁽¹⁾ Contract	9,770.5	31.9%	8,355.6	31.9%
Time and Material Contract	20,894.6	68.1%	17,830.7	68.1%

(1) Revenue is recognised either on the percentage of completion method or as the services are rendered and costs are incurred based on milestones achieved. It also includes fixed monthly or weekly billings.

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 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 for delivered contract services against the comparable services provided by similar service providers.

Research and Development

We believe that continued research and development activities are critical to maintaining our leadership position in the industry and can provide us with a competitive advantage as we seek additional business with new and existing customers. We believe that concerted R&D efforts are critical to increasing our competence in new technology and to developing ready-to-use frameworks that reduce time-to-market for customers. As of March 31, 2016 we have a team of more than 130 engineers working on R&D projects.

We have developed several solutions and test frameworks in the area of convergent telecommunications, such as developing the modem software for the new 4G standard long term evolution ("LTE"), developing a network management and control application for managing SDN elements in a telecom network and enabling web conferencing with traditional VoIP devices through our WebRTC-SIP gateway.

Our research and development activities and initiatives include:

- IoT solutions, specifically in the smart manufacturing, smart home and smart healthcare domain;
- engineering analytics for monitoring and analysing the engineering asset and manufacturing machines for predictive diagnostics in improving the overall operational efficiency of the plant;
- V2X – Vehicle to vehicle/Infrastructure communication system as part of our smart transportation solution using various communication media for road safety and to reduce accidents. This involves developing on-board vehicle systems, roadside vehicle systems and communication backbone infrastructure;
- power electronics solution for various application requirements such as standby energy storage using rechargeable batteries and drive systems for motors in electric vehicles; and
- Industry 4.0 related initiatives such as smart factory and smart manufacturing using the M2M and IoT technology solution to monitor, among others, machines and robotics.

We also have 31 labs in Mysore, Bengaluru, Chennai, Mumbai and Vadodara, which include design tear down labs, digital and communication labs, electrical and power labs, optical labs and environmental and testing facilities. We also have additional access to the labs and infrastructure of the larger L&T Group.

R&D Case Study: M2M Solution for Home Automation

This is an example of how we apply our expertise in industrial products to develop smart home solutions that would lead the future real-estate market. We designed and developed the hardware, firmware, and mechanical form factor of a cloud based innovative solution for remote monitoring and control of thermostat based home appliances. This solution allows users to remotely control the heating and cooling of home appliances or perform firmware upgrades through a mobile device browser.

Technical Alliances

We have alliances with several leading technology companies for IoT solutions.

- Intel – As a member of Intel IoT® Solution Alliance (“ISA”), we are jointly able to complete technology enabling activities for various IoT verticals including iBEMs, develop IoT solutions, demonstrations and POCs targeted at IoT verticals, provide professional services to Intel and participate in ISA marketing programs, event opportunities and other customer facing activities that help promote our joint offerings with Intel.
- Sierra Wireless – Under our marketing agreement with Sierra Wireless, we are able to carry out IoT dedicated application development using various Sierra hardware and software platforms including the Legato platform and are also able to provide support to Sierra customers using this platform.

Intellectual Property

Our intellectual property rights are critical to our business. Our portfolio of intellectual property includes patents and trademarks. We take measures to protect our intellectual property whether by physical security (including but not limited to manned security guard checkpoints, control doors only accessible with certain employee identification cards, authorized access to offshore development centres), network security (by using an isolated network, isolated data serves, restricted email access, access through “need to use” basis only, authorized use of copying devices, disaster recovery backup), personal security (such as background checks and non-disclosure agreements signed by all employees, partners, service providers and third party consultants) or legal security (such as master service agreements and non-disclosure agreements between us and our customers). Our L&T parent has also licensed the “L&T” trademark to our Company pursuant to the Trademark Licensing Agreement.

Apart from protecting our intellectual property through various means, we have created “Intellectual Assets” which are reusable, help in delivery excellence and are also a differentiator in terms of better quality and project execution within timelines. Our engineering design automation group works in developing and driving new development methodology and knowledge based engineering assets to improve the efficiency of project execution.

We use Microsoft SCCM for IT inventory management and SLM to monitor the use of licenses.

Patents

We have filed for 34 patents and our customers along with our employees have filed for 134 patents. Our patent portfolio covers many aspects of our products and the processes for making those products and are focused on developing mature solutions such as UbiqWeise™, iBEMS™ in emerging technology areas.

Trademarks

We have one published trademark, ClsLib, and 11 pending trademark applications, most of which relate to smart technology. We have also applied for a trademark for the term “Cross-Poll!novation”.

Health, Employee Safety & Environment

Employee health and safety is of high importance to us. We take initiatives to reduce the risk of accidents at our facilities.

Environmental requirements imposed by our government will continue to have an effect on our operations and us. We believe that we have complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety.

Human Resources

Our enterprise talent strategy is to build an integrated HR mechanism in order to optimize our solutions for talent selection, development and succession.

Strategic formulation and organization design and enterprise governance. The organization structure is designed to empower each business and function head to run the business as an entrepreneur with freedom to execute strategy. The business units and functions engage collaboratively while focusing on their own vertical industry and aligning functions to achieve the optimal business outcome.

Organization change – change is inevitable. As we experience the change for our customers in their markets and for ourselves, we have a comprehensive and flexible approach.

Culture of innovation. All employees, irrespective of function, participate throughout the year in writing and presenting white papers and building and inventing products and services which lead to patenting. We have multiple products patented in our name as part of this initiative. The employee is rewarded for his or her contribution.

Learning and Leadership development. As a services company, it is necessary for us to be contemporary with technology and practices so as to be ahead of our competition and customers and to be able to provide future solutions and keep them market ready. We are committed to two days of training per person per annum. Being a global company with customers all around the world, we conduct foreign language classes and encourage our employees to be proficient by rewarding them with a foreign language premium allowance. Development programs across generations are customized by person for competency development with deep impacting solutions to build individuals for next level and enterprise leadership capability. To be proficient and keep improving, we conduct competency based development programs based on roles. For employees at the level of individual contributors, there are regular cross-skilling and up-skilling classes, which is by nomination or self-enrolment. Our association with the “great place to work” institute is modelled to measure and enhance employee experience and engagement. Such initiatives encourage reverse communication and has fostered honesty, transparency and candid feedback for improvement.

Diversity. Our “Wings” campaign fosters a culture that maximizes empowerment of our female employees and their inclusion to drive innovation and business growth. Under “Wings”, we aim to increase our female employees' strength across all levels and business areas. This is supported by additional maternity leave, work from home and flexible work hour policies.

In order to ensure that we continuously increase our standards, we improve our hiring process regularly. Our selection process includes an on-line technical and psychometric test, followed by a group discussion and two rounds of interview for fresh hires from the universities.

Our lateral hires, especially at the middle and senior levels, are hired on the basis of their past performance and potential future growth and are required to submit a business/functional plan and present it for a clear alignment of their thoughts and our expectations. The debut training plan and our customized induction program for lateral joiners ensure quick on-boarding and contribution to the company's objectives.

As of March 31, 2016, we employed 9,406 personnel. During FY 2015 and FY 2016, our rate of attrition was 14.3% and 12.1%, respectively.

Awards

We are continuously recognized for setting ourselves apart competitively from the marketplace. In 2015, our industrial products segment was rated as being truly diversified and one of the most mature practices catering to multiple large customers by Zinnov for the second year in a row and we were rated in the “leadership zone” in seven other industry verticals across mechanical and embedded technologies. We have also won several industry awards including the 2014 Excellence in Engineering Services Award from Frost & Sullivan, the Quality Excellence Award in Planning, Process and Systems endorsed by the World Quality Congress in 2014, the Quality Excellence Award in Product Development endorsed by the World Quality Congress in 2015, the EMC Transformers Award 2015, the Dataquest Business Technology Award in the analytics category and the Golden Globe Tigers Award 2016 for Excellence in Training and Development for Best Organizational Development Program and awards for Green Office Space of the Year (Indian Co. in U.S.) and the Exclusive Award for Company of the Year from the Indo-American Chamber of Commerce in 2016.

Corporate Social Responsibility

We have undertaken several corporate social responsibility programs in the areas of skill development, innovation and technology, water, health and education. Since we operate in the knowledge domain, it is relevant for us to focus and invest in CSR to create a skilled workforce. To achieve this, we have signed an MOU with LabourNet to train approximately 480 underprivileged men and women in the Chennai suburbs as automotive technicians, home appliance repairmen, beauty therapists and leather stitching workmen. Under the terms of the MOU, LabourNet will support the participants with employment and self-employment and we will fund the necessary lab and classroom infrastructure, including the training cost. We have planned for similar vocational centres to be developed at Mysore, Bengaluru, Mumbai and Vadodara.

Risk Management

We protect ourselves and our customers by implementing a number of physical, network, personal and legal security measures. We use manned security guard checkpoints, visitor logs, visitor escorts and ID accessible control doors in all of our offices and facilities. Employees and visitors who wish to access our offshore development centres must be authorized. In addition, we protect our network security by using an isolated network, isolated data servers and restricted email access. We have implemented information security management systems and have a disaster recovery backup in place. The use of any copying devices must be authorized and access is granted on a “need to use” basis only. We conduct background checks on all of our employees and sign non-disclosure agreements with not only our employees but also our partners, service providers and third party consultants. Our legal protective measures include master service agreements and non-disclosure agreements between us and our customers, specifying that our customer will be the owner of the data that is generated with the execution of any project. Certain of our systems are also ISO/IEC 27001:2013 certified.

In 2015, we implemented our Risk Management Policy. Our risk management process comprises risk identification, risk analysis and evaluation, risk mitigation and risk monitoring and review. We aim to identify strategic risk, legal risks, business risks and operational and technical risks during the course of business, which will then be analyzed in terms of the probability of its occurrence and the magnitude of impact. Impact and probability determines the severity of risk, which helps us to prioritize risks which require immediate action. Consequently, we will decide whether the risk will be avoided, reduced, transferred or shared, depending on its probability, impact and severity.

We recognize that risk management is an on-going process that takes place in all material elements of our Company's and the larger L&T Group. Our board of directors will evaluate the risks involved in the business from time to time.

Insurance

Our operations are subject to various risks inherent in the ER&D industry as well as fire, theft, earthquake, flood, acts of terrorism and other *force majeure* events. We maintain global insurance cover through Tata AIG General Insurance Company Limited. Our insurance cover includes, among others, protection from corporate crime, cyber risk, professional liability, employment practice liability and general commercial liability. We maintain insurance for our operations in India through The Oriental Insurance Company Limited and Bajaj Allianz General Insurance Company Limited. Our insurance cover includes, among others, protection from group personal accident, workmen's compensation policy and industrial all risk policy. We maintain insurance cover for our operations in the U.S. through Liberty Mutual Insurance Company and Hartford Insurance Company. Our insurance cover includes, among others, umbrella liability policy and protection from electronic vandalism coverage and denial of service. None of our insurance policies are assigned in favor of any customer. However, some of customers require their name to be jointly insured, for which suitable endorsements are passed in some of our insurance policies. We have directors and officers liability insurance procured by our Promoter.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations and, in the case of business interruption insurance, among other things, limitations apply with respect to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See "Risk Factors – Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations" on page 34.

Competition

The ER&D services market that we operate in is highly competitive and rapidly changing. We face competition from different competitors by business segments as most of our competitors often operate primarily in single/dual segment and/or geography. Our key competitors include:

- Pure play Indian ESO, such as QuEST Global Services Pte. Limited, Cyient Limited, Tata Elxsi Limited;
- Pure play global ESO, such as Altran Group, ALTEN Group, AKKA Technologies, Assystem ; and
- Other international, national, regional and local ESO/ER&R/PES firms from a variety of market segments.

In addition to the pure play Indian and global ESO players, we also face competition from the ER&D divisions of Indian IT Services firms such as HCL Technologies Limited, Wipro Limited, Tech Mahindra Limited, Tata Consultancy Services Limited and in-house ER&D departments of large corporations.

While we expect these competitive pressures to continue, we believe our domain and technology capabilities, multi-vertical industry expertise, lab infrastructure, culture of innovation, long standing client relationships and past track record in attracting and retaining highly skilled employees will enable us to compete effectively in our industry.

See "Industry Overview – Competition Analysis", beginning on page 97.

Property, Plant and Equipment

Our Company's registered office is located at L&T House, N.M. Marg, Ballard Estate, Mumbai – 400 001, India. Our Company's corporate office is located at 5th Floor, West Block-II, L&T Knowledge City (IT/ITES) SEZ, N.H. No. 8, Ajwa Waghodia Crossing, Vadodara 390 019.

Our operational facilities include 12 global delivery centres in India and overseas. We have 31 labs in India.

We have 27 sales offices in India, North America, Europe, the Middle East and Asia. We lease and in some cases sublease our offices, among others, in Singapore, Japan, Korea, the Netherlands, Denmark, France, Canada and the US.

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 export of software and software services including IT and Bio-IT enabled services from India. The STPI Scheme, which is a 100% export oriented scheme, provides benefits such as data communication facilities, single window clearances and approvals including project approvals, import certification and other facilities to boost software exports from India. Further, companies registered under the STPI Scheme are provided certain concession in duties, levies and taxes.

In order to avail the benefits as envisaged by the Government, a company is required to register itself with the appropriate authorities. The principle 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 details to STPI in the nature of a performance report indicating the export performance.

SEZ Act and SEZ Rules

SEZs are established, regulated and governed by the SEZ Act. The SEZ Act was enacted for generation of additional economic activity, promotion of exports of goods and services, promotion of investment from domestic and foreign sources, creation of employment opportunities and development of infrastructure facilities. A board of approval (the “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 authorised operations to be carried out in the SEZ by the developer and (iii) granting approvals to the developer or units for foreign collaborations and foreign direct investments in the SEZ for its development, operations and maintenance.

The SEZ Rules have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for 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 development, the operation and maintenance of an SEZ, and for, setting up of units and conducting business within SEZs, compliance procedures and documentation with an emphasis on 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 different minimum area requirements for different classes of SEZs.

Export Oriented Unit Scheme

The Ministry of Commerce, Government introduced the Export Oriented Unit Scheme (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.

Intellectual Property Rights Laws

The Trade Marks Act

The Trade Marks Act which came into force on December 30, 1999, along with the rules and regulations made thereunder govern the law pertaining to trade marks in India. A trade mark is essentially any mark capable of being represented graphically and distinguishing goods or services of one person from those of others and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. In India, trade marks enjoy protection under both statutory and common law. Registration of a trade mark grants the owner a right to exclusively use the trade mark as a mark of goods and services and prevents the fraudulent use of marks in India.

The Trade Marks Act permits the registration of trade marks for goods and services. Certification trade marks and collective marks can also be registered under the Trade Marks Act. The Registrar of Trade Marks is the authority responsible for, among other things, registration of trade marks, settling opposition proceedings and rectification of the register of trade marks. The Trade Marks (Amendment) Act, 2010 has been enacted to cover Indian nationals as well as foreign nationals to secure simultaneous protection of trade marks in other countries. The Trade Marks (Amendment) Rules, 2013 were enacted to give effect to the Trade Mark (Amendment) Act, 2010.

The Patents Act, 1970

The patent regime in India is governed by the Patents Act and rules and regulations made thereunder. Pursuant to the Patents (Amendment) Act, 2005, and the TRIPS Agreement, product patent regime with a protection period of 20 years became applicable in India. The patent regime protects inventions through patents. The amended Patents Act defines “inventive step” to mean a feature of an invention that involves a technical advance as compared to the existing knowledge or having economic significance or both and that makes an invention not obvious to a person skilled in the art. Any person claiming to be the true and first inventor of the invention or the assignee of the true and first inventor or the legal representative of any deceased person who was entitled to make an application immediately before death may apply for a patent for an invention. In addition to domestic law, India is a party to international intellectual property related instruments including the Patent Co-operation Treaty, 1970.

The Design Act, 2000

The Design Act, which came into force in May 2001, along with the rules made thereunder consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new or original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or by use or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registered. A registered design is valid for a period of 10 years after which can be renewed for a second period of five years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

IP Policy

The IP Policy aims, among other things, to stimulate intellectual property creation and protection by Indian and foreign corporates, incentivize creation of IPRs in green technologies and manufacture of energy efficient equipment, encourage IPR generation for ICT technologies, cyber security and creation of design related IP rights. Furthermore, the IP Policy aims to commercialize IPR by exploring the feasibility of creation of an IPR exchange, facilitating access to databases on Indian intellectual property, enabling valuation of IP rights as intangible assets, facilitating securitization of IP rights and their use as collateral by creation of enabling legislative, administrative and market framework. Additionally, the policy aims at facilitating investments in IP driven industries and services through the proposed IP Exchanges.

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, and as a member of the World Trade Organisation, India is a signatory to the TRIPS Agreement.

Other Indian laws

In addition to the above, our Company and our Subsidiary in India are also governed by laws in relation to Indian Foreign Trade Policy, 2015-2020, 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 FEMA and the rules made thereunder.

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 Income Tax Act, the Income Tax Rules, the Customs Act, 1962, the Central Sales Tax Act, 1956, Wealth Tax Act, 1957, Central Excise Tariff Act, 1985, Customs Tariff Act, 1975, State VAT regulations, local body tax in Maharashtra and Finance Act, 1994 and various applicable service tax notifications and circulars. Additionally, international tax treaties such as Double Taxation Avoidance Agreements are also applicable. 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, Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Employees’ State Insurance Act, 1948, the Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957, Maternity Benefit Act, 1961, Minimum Wages Act, 1948, Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972, Payment of Wages Act, 1936, Equal Remuneration Act, 1976 and the Workmen’s Compensation Act, 1923, Industrial Employment (Standing Orders) Act, 1946, Apprentices Act, 1961 and Child Labour (Prohibition Regulation) Act, 1986.

Laws applicable for operations outside India

Our Company operates in various jurisdictions, including, among others, North America, Europe, the Middle East and Asia through one of our Subsidiaries and branch offices. The relevant laws in these jurisdictions are applicable to our Subsidiary

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 Technology and Engineering Services Company Limited on June 14, 2012 at Mumbai as a public limited company under the Companies Act, 1956. Our Company received the certificate of commencement of business on June 20, 2012. Subsequently, the name of our Company was changed to L&T Technology Services Limited pursuant to a special resolution passed by Shareholders at the EGM held on July 19, 2012. As the engineering services business of our Company is sub-set of technology services, the name of our Company was changed to L&T Technology Services Limited to more appropriately describe our business in line with our Company's main objects. Pursuant to the change of name, a fresh certificate of incorporation was issued to our Company by the RoC on July 25, 2012.

As of the date of this Draft Red Herring Prospectus, our Company has seven shareholders including six individuals who hold Equity Shares jointly with our Promoter as nominees.

For information on our Company's profile, activities, services, market, growth, technology, managerial competence, major vendors and suppliers, and standing with reference to prominent competitors, see "Our Management", "Our Business" and "Industry Overview" beginning on pages 128, 98 and 87 respectively.

Changes in the Registered Office

There has been no change in the Registered Office since the date of incorporation of our Company.

Main Objects of our Company

The main objects contained in the Memorandum of Association are as follows:

- To provide a range of Engineering Services and related technologies in the areas of Embedded Systems, Mechanical, Plant & Manufacturing Engineering services such as, Design & Consulting, Prototyping, Valve engineering, Test and Validation, Engineering Process Services, Sourcing support, Maintenance, Sustenance & After Market Support, Electrical and Electronics hardware and software, Technical Publications, Detail Engineering and Asset Information Management.*
- To act as an Engineering Service provider to companies in India and abroad."*

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.

Date of Shareholders' Resolution/ effective date	Particulars
July 19, 2012	Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from L&T Technology and Engineering Services Company Limited to L&T Technology Services Limited.
September 5, 2013	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 500,000 divided into 50,000 equity shares of face value of ₹ 10 each to ₹ 3,000,000,000 divided into 300,000,000 equity shares of face value of ₹ 10 each with effect from September 5, 2013.
January 9, 2014	Clause V of the Memorandum of Association was amended to reflect the increase and reclassification of the authorised share capital of our Company from ₹ 3,000,000,000 divided into 300,000,000 equity shares of face value of ₹ 10 each to ₹ 10,500,000,000 divided into 300,000,000 equity shares of face value of ₹ 10 each and 750,000,000 Preference Shares of face value of ₹ 10 each with effect from January 9, 2014.
January 13, 2016	Clause V of the Memorandum of Association was amended to reflect the consolidation and reclassification of the authorised share capital of our Company from ₹ 10,500,000,000 divided into 300,000,000 equity shares of face value of ₹ 10 each and 750,000,000 Preference Shares of face value of ₹ 10 into ₹ 10,500,000,000 divided into 75,000,000 equity shares of face value ₹ 40 each and 750,000,000 Preference Shares of face value of ₹ 10 each with effect from January 13, 2016.

Date of Shareholders' Resolution/ effective date	Particulars
April 1, 2016	Clause V of the Memorandum of Association was amended to reflect the reduction in the nominal face value of our equity shares of ₹ 40 each to ₹ 2 each and consequently the authorised share capital of our Company was re-classified from ₹ 10,500,000,000 divided into 75,000,000 equity shares of face value of ₹ 40 each and 750,000,000 Preference Shares of face value of ₹ 10 to ₹ 10,500,000,000 divided into 1,500,000,000 equity shares of face value of ₹ 2 each and 750,000,000 Preference Shares of face value of ₹ 10 each pursuant to the Scheme of Arrangement with effect from April 1, 2016.
July 15, 2016	Clause V of the Memorandum of Association was amended to reflect the re-classification of the authorised share capital of our Company from ₹ 10,500,000,000 divided into 1,500,000,000 equity shares of face value of ₹ 2 each and 750,000,000 Preference Shares of face value of ₹ 10 to ₹ 10,500,000,000 divided into 5,250,000,000 Equity Shares of face value of ₹ 2 with effect from July 15, 2016.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Financial Year	Particulars
2013	Incorporation of our Company.
2014	Our Company acquired the PES Business (except the unit in Germany) from LTIL.
2015	Our Company acquired the unit of PES Business in Germany from L&T Infotech GmbH.
2015	Our Company acquired the IES Business from L&T.
2015	Our Company acquired 74.0% stake in TSIPL.
2015	Our Company acquired the engineering services division of Dell, India.
2015	Our Company acquired the engineering services division of Dell, USA through our wholly owned subsidiary, LTTS LLC.

For details on certain acquisitions, see “Our Business” on pages 98 and 99 and “Financial Statements” beginning on page 163. Further, for details on transfer of the PES Business and IES Business, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Financial Statements” and “Our Business” on page 248, 163 and 98 respectively.

Awards and Accreditations

For details in relation to the awards and accreditations received by our Company, see “Business” beginning on page 98.

Scheme of arrangement

Scheme of arrangement (under sections 391 to 394 read with sections 100 to 104 of the Companies Act, 1956) of L&T Technology Services Limited, its Shareholders and creditors (the “Scheme of Arrangement”)

On January 13, 2016, our Board and our Shareholders approved a scheme of arrangement between our Company, our Shareholders and creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 for re-organizing the equity share capital of our Company by reducing the face value of the equity share capital, while keeping the net worth of our Company intact. In accordance with the Scheme of Arrangement, the equity share capital of our Company was reduced from ₹ 3,000,000,000 divided into 75,000,000 equity shares of face value of ₹ 40 each to ₹ 150,000,000 divided into 75,000,000 Equity Shares of face value ₹ 2 each fully paid up, by transferring ₹ 2,850 million into the securities premium account of our Company. The Bombay High Court, pursuant to its order dated April 1, 2016, sanctioned the Scheme of Arrangement. The appointed date under the Scheme of Arrangement is April 1, 2016 and the effective date under the Scheme of Arrangement, being the date on which the certified copy of the order was filed with the RoC, is April 12, 2016.

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, 163 and 246, respectively.

Injunctions or restraining order against our Company

As of the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

Changes in the activities of our Company since incorporation

Except as disclosed in “Business”, “History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamation and revaluation of assets”, and “Financial Statements” on pages 98, 124, and 163, respectively, there has been no change in the activities of our Company since incorporation which may have had a material effect on the profit/ loss account of our Company including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity

There have been no defaults that have been called by any financial institution or bank in relation to borrowings from financial institutions or banks. For details of our financing arrangements, see “Financial Indebtedness” on page 246. Further, none of our loans have been rescheduled or been converted into Equity Shares.

Lock outs and Strikes

There have been no lock outs or strikes at any of the offices of our Company or our Subsidiaries.

Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets

Except as stated below, our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets:

1. Business transfer agreement dated December 16, 2013 entered into between our Company and LTIL, as amended by addendum dated March 31, 2014 and addendum no. 1 dated June 19, 2014 and business transfer agreement dated August 28, 2014 entered into between our Company and L&T Infotech GmbH (the “PES Business Transfer Agreements”)

Pursuant to the PES Business Transfer Agreements, our Company acquired the PES Business from LTIL and L&T Infotech GmbH as a going concern on an as-is-where-is basis in a slump sale and, which included, among other things, providing services in communication and embedded systems space, for an aggregate consideration of ₹ 5,024.5 million. Pursuant to the PES Business Transfer Agreements, all the rights and interest in the assets exclusively pertaining to the PES Business, services of the then employees of the PES Business and records pertaining to the PES Business were transferred to our Company. For details of the PES Business, see “Our Business” and “Financial Statements” beginning on pages 98 and 163, respectively. Subsequently, by an addendum dated March 31, 2014 (the “Addendum”), the parties to the PES Business Transfer Agreements agreed that the consideration of ₹ 5,024.5 million included consideration for sale of the PES Business unit operating in Germany aggregating to ₹ 129.2 million. The Addendum also noted that since the Germany branch of our Company was expected to be operational during the quarter of April-June 2014, parties would enter into a business transfer agreement with L&T Infotech GmbH during the quarter of April-June 2014 for the transfer of the PES Business unit in Germany to our Company. Subsequently, pursuant to the business transfer agreement dated August 28, 2014, our Company acquired the PES Business unit operating in Germany from L&T Infotech GmbH. Thereafter, the parties to the PES Business Agreements entered into an addendum no. 1 dated June 19, 2014 which provided details of the assets and liabilities as on December 31, 2013 which were transferred to our Company pursuant to the PES Business Transfer Agreements.

2. Business Transfer Agreement dated March 15, 2014 entered into between our Company and our Promoter (the “IES Business Transfer Agreement”)

Pursuant to the IES Business Transfer Agreement, our Promoter sold its IES Business to our Company, which included, among other things, providing engineering, design, drafting and consulting services to clients worldwide, for an aggregate consideration of ₹ 5,494.72 million. For details on the IES Business, see “Our Business” and “Financial Statements” beginning on pages 98 and 163, respectively. The IES Business was sold by our Promoter as a going concern on an as-is-where-is basis in a slump sale. The sale of the IES Business, with effect from April 1, 2014, included all rights and interests in the title to the IES Business including any and all the rights and interest in the assets exclusively pertaining to IES Business, all liabilities as at March 31, 2014 in relation to the IES Business, services of the then employees of the IES Business, and all records pertaining exclusively to the IES Business whether in physical or electronic form.

3. Share purchase and shareholders’ agreement dated April 28, 2014 entered into amongst our Company, TSIPL, Thales Services SAS, France, and Thales S A France (the “Thales SPA and SHA”)

Pursuant to the Thales SPA and SHA, our Company acquired 1,520,692 equity shares of face value of ₹ 10 each of TSIPL representing 74.0% of the total paid up equity share capital of TSIPL from Thales Services SAS, France and

Thales S A, France for an aggregate consideration of ₹ 60.4 million. For details of business undertaken by L&T Thales, see “Our Subsidiaries” on page 126.

4. Asset Purchase Agreement dated July 22, 2014 and first amendment to Asset Purchase Agreement dated November 20, 2014 entered into between our Company and Dell India (the “Indian Dell Asset Purchase Agreement”)

Pursuant to the Indian Dell Asset Purchase Agreement, our Company acquired the Purchased Assets and Assumed Liabilities (as defined in the Indian Dell Asset Purchase Agreement), including, IPR assets. The acquisition was in relation to engineering services outsourcing, including application and sustainment engineering, product life cycle management, product design and development, new product introduction, and product and manufacturing support, for an aggregate purchase price of ₹ 13.6 million. Subsequently, the parties to the Indian Dell Asset Purchase Agreement entered into the first amendment to the Asset Purchase Agreement dated November 20, 2014 to amend certain provisions which include, among others, provisions in relation to the defined terms, purchase price, closing date, closing delay and schedules. For details in relation to our acquisition of assets of Dell India, see “Our Business” and “Financial Statements” beginning on pages 98 and 163, respectively.

5. Asset Purchase Agreement dated July 22, 2014 and first amendment to Asset Purchase Agreement dated November 20, 2014 entered into amongst LTTS LLC, Dell U.S.A., and Perot Systems Corporation (solely for purposes of section 6.17 (Post-closing obligations) and article VIII (Indemnification) of the said agreement) (the “U.S. Dell Asset Purchase Agreement”)

Pursuant to the U.S. Dell Asset Purchase Agreement, LTTS LLC acquired the Purchased Assets (as defined in the U.S. Dell Asset Purchase Agreement) including, IPR assets and Assumed Liabilities (as defined in the U.S. Dell Asset Purchase Agreement) of Dell U.S.A. The acquisition was in relation to engineering services outsourcing, including application and sustainment engineering, product life cycle management, product design and development, new product introduction, and product and manufacturing support, for an aggregate consideration of \$ 12.2 million. Subsequently, the parties to the U.S. Dell Asset Purchase Agreement entered into the first amendment to the Asset Purchase Agreement dated November 20, 2014 to amend certain provisions, which included, among others, provisions in relation to the defined terms, purchase price, closing date, closing delay and schedules. For details in relation to our acquisition of assets of Dell U.S.A., see “Our Business” and “Financial Statements” beginning on pages 98 and 163, respectively.

Corporate Guarantees given by our Promoter

Our Promoter has given various corporate guarantees from time to time on behalf of our Company and its Subsidiaries for performance with respect to various customer contracts.

Our Holding Company

Our Promoter is our holding company. For details of our holding company, see “Our Promoter and Promoter Group” from pages 143 to 147.

Our Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has two Subsidiaries. For details regarding our Subsidiaries, see “Our Subsidiaries” beginning on page 126.

Financial and Strategic Partners

Our Company does not have a financial or strategic partner as of the date of this Draft Red Herring Prospectus.

OUR SUBSIDIARIES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Our Company has the following subsidiaries:

1. L&T Thales Technology Services Private Limited; and
2. L&T Technology Services LLC.

Details of our Subsidiaries

1. L&T Thales Technology Services Private Limited

Corporate Information:

L&T Thales was incorporated on April 4, 2006 under the Companies Act, 1956, at Chennai as Thales Software India Private Limited. Our Company acquired 74.0% stake in TSIPL pursuant to the Thales SPA and SHA. For further details in relation to the Thales SPA and SHA, see “History and Certain Corporate Matters - Details regarding acquisition of business/ undertakings, mergers, amalgamations and revaluation of assets” on page 124. Accordingly, TSIPL became our subsidiary and pursuant to a resolution passed by its shareholders at a meeting held on June 26, 2014, its name was changed to L&T Thales Technology Services Private Limited with effect from July 17, 2014. Pursuant to the change in name, a fresh certificate of incorporation was issued to L&T Thales by the Registrar of Companies, Tamil Nadu located at Chennai on July 17, 2014. L&T Thales is involved in, among other things, the businesses of computer software and of computer programmers and consultants in relation to use of computers and data processing systems, development of computer software and hardware, providing IT consulting, software evaluation, design and implementation services, research and training in relation to computer software and development.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	2,500,000
Issued, subscribed and paid-up capital	2,054,989

Shareholding Pattern:

The shareholding pattern of L&T Thales is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	L&T Technology Services Limited	1,520,692	74.0
2.	Thales Services SAS, France	534,297	26.0
Total		2,054,989	100.0

There are no accumulated profits or losses of L&T Thales not accounted for by our Company for the Financial Year 2016.

2. L&T Technology Services LLC

Corporate Information:

LTTS LLC is a wholly owned subsidiary of our Company and was incorporated on June 26, 2014 as a limited liability company under the laws of the state of Illinois. LTTS LLC is engaged in the business of providing engineering services which include mechanical design and analysis, embedded engineering, applied engineering, and manufacturing consulting. For details of the asset purchase by LTTS LLC, see “History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets” on page 124.

Capital Infusion by our Company:

No. of units held	Value of one unit (in \$)	Total capital infusion (in \$)
1,000	10	10,000

Shareholding Pattern:

The shareholding pattern of LTTS LLC is as follows:

Sr.No.	Name of the unit holder	Percentage of total equity holding (%)
1.	L&T Technology Services Limited	100.0
Total		100.0

There are no accumulated profits or losses of LTTS LLC 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 our 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 98 and 161, respectively.

Material Transactions

There are no sales or purchases between any of our Subsidiaries and our Company where such sales or purchases exceed in value in the aggregate 10.0% of the total sales or purchases of our Company.

Common Pursuits

Our Subsidiaries undertake the same business as our Company 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 Draft Red Herring Prospectus, our Board comprises ten Directors.

The details regarding our Board are set forth below:

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
A. M. Naik Father's name: Late Manibhai Naik Designation: Non-Executive Chairman Address: High Trees, 54 Pali Hill, Bandra (W), Mumbai 400 050 Occupation: Service Nationality: Indian Term: Liable to retire by rotation DIN: 00001514	74	• Larsen & Toubro Limited; • L&T Realty Limited; and • Larsen & Toubro Infotech Limited.
S. N. Subrahmanyam Father's name: Sekharipuram Subrahmanyam Narayanan Designation: Non-Executive Director Address: E-116, 16th Cross Street, Besant Nagar, Chennai 600 090 Occupation: Service Nationality: Indian Term: Liable to retire by rotation DIN: 02255382	56	• Larsen & Toubro Limited; • Construction Skill Development Council of India; • L&T Metro Rail (Hyderabad) Limited; and • Larsen & Toubro Infotech Limited.
Dr. Keshab Panda Father's name: Banamali Panda Designation: Managing Director and Chief Executive Officer Address: 15 Hartlander Street, East Brunswick, New Jersey 08816, United States of America Occupation: Service Nationality: Citizen of United States of America Term: For a period of three years from January 10, 2015 to January 9, 2018 DIN: 05296942	57	• Larsen & Toubro LLC.
Amit Chadha Father's name: Harbhajan Lal Chadha Designation: Whole-time Director and Chief Sales	43	None

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
Officer Address: Dobson Court, Broadlands VA, 20148, United States of America Occupation: Service Nationality: Citizen of United States of America Term: For a period of three years from February 1, 2015 to January 31, 2018 DIN: 07076149		
Kumar Prabhas Father's name: Rabindra Prasad Sinha Designation: Whole-time Director and Chief Operating Officer Address: D-704, Olive Block, Raheja Residency, Koramangla 3rd Block, Bengaluru 560 034 Occupation: Service Nationality: Indian Term: For a period of five years from January 21, 2016 to January 20, 2021 DIN: 02084157	49	• AVK Institute of Management
Samir Desai Father's Name: Thakorbhai R. Desai Designation: Independent Director Address: 7050 NW 126 Terrace, Parkland, Florida 33076, United States of America Occupation: Professional (Retired) Nationality: Citizen of United States of America Term: For a period of five years from April 30, 2014 to April 29, 2019 DIN: 01182256	69	• Larsen & Toubro Infotech Limited
Renuka Ramnath Father's name: Narayanaswamy Appaswamy Designation: Independent Director Address: D-4701/2, Floor 47, Ashok Tower, 63/74, Dr. S.S. Rao Marg, Parel, Mumbai 400 012 Occupation: Service Nationality: Indian Term: For a period of five year from April 10, 2015 to April 9, 2020	55	• Multiples Alternate Asset Management Private Limited; • Multiples Equity Fund Trustee Private Limited; • Shri Nath G Corporate Management Services Private Limited; • Arvind Limited; • Indian Energy Exchange Limited; • Mogae Media Private Limited;

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
DIN: 00147182		• PVR Limited; • Air India Limited; • Vikram Hospital (Bengaluru) Private Limited; • Tango Media Tech Private Limited; • Ultratech Cement Limited; • Arvind Lifestyle Brands Limited; • Tata Communications Limited; • Institutional Investor Advisory Services India Limited; and • Multiples Private Equity Fund II LLP.
Arjun Gupta Father's Name: Late Satish Chandra Gupta Designation: Independent Director Address: 980 East Hopkins Avenue, Aspen Colorado 81611, United States of America Occupation: Venture Capitalist Nationality: Citizen of United States of America Term: For a period of five years from October 28, 2015 to October 27, 2020 DIN: 07320919	55	• Larsen & Toubro Infotech Limited; • Calient Technologies Inc.; • Jumpstart Games Inc.; and • Nexant Inc.
Sudip Banerjee Father's Name: Late A.K. Banerjee Designation: Independent Director Address: Villa 255, Phase-1, Palm Meadows Whitefield, Bengaluru 560 066 Occupation: Professional Nationality: Indian Term: For a period of five years from January 21, 2016 to January 20, 2021 DIN: 05245757	56	• IFB Industries Limited; • Kesoram Industries Limited; and • Capital Square Partners Advisors Pte Ltd.
Narayanan Kumar Father's Name: K.S. Narayanan Designation: Independent Director Address: No. 1, George Avenue, Alwarpet, Chennai 600 018 Occupation: Industrialist	66	• Bharti Infratel Limited; • Larsen & Toubro Limited; • Entertainment Network (India) Limited; • Times Innovative Media Limited; • MRF Limited;

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
Nationality: Indian Term: For a period of five years from July 15, 2016 to July 14, 2021 DIN: 00007848		• Take Solutions Limited; • Mphasis Limited; • Aegon Life Insurance Company Limited; • N K Trading and Consultancy Private Limited; • eG Innovations Private Limited; • eG Innovations Pte Ltd; • Madhuram Narayanan Centre for Exceptional Children; • Nani Palkhivala Arbitration Centre; • Singapore India Partnership Foundation; • WWF-India; • The Indian Education Trust; and • Alumni Trust of Anna University, Chennai.

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 was appointed as a Non-Executive Director of our Company on June 27, 2014.

S. N. Subrahmanyam 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. S.N. Subrahmanyam 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. S.N. Subrahmanyam was awarded the “Leadership Award” by the Qatar Contractors Forum in 2014. He was ranked 36th 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 a Non-Executive Director of our Company on January 10, 2015.

Dr. Keshab Panda is the Chief Executive Officer and Managing Director of our Company. He has obtained a graduate degree of technology in aeronautical engineering from Anna University, Chennai. He has obtained a post graduate degree in aerospace engineering from Indian Institute of Science, Bangalore. He has obtained a Doctor of Philosophy from the Indian Institute of Technology, Bombay. He also holds an advanced management degree from the Aresty Institute of Executive Education, The Wharton School, University of Pennsylvania. He has over 31 years of global industry experience in research

and engineering services business. He started his career as a research scientist in Indian Space Research Organization. After working at Aeronautical Development Agency, Ministry of Defence, Government of India, as a scientist/engineer for over 8 years, he embarked on his career in engineering services industry when he joined L&T as executive vice-chairman. He has been a Director of our Company since June 14, 2012 and was appointed as the Chief Executive and Whole-time Director of our Company on January 10, 2015. Further, he was re-designated as the Chief Executive Officer and Managing Director of our Company on January 21, 2016.

Amit Chadha is a Whole-time Director and the Chief Sales Officer of our Company. He has obtained a graduate degree in engineering (electrical and electronics) from Birla Institute of Technology (BIT), Mesra. He has completed the certificate of Global Business Leadership Executive Program jointly developed by Satyam School of Leadership, U21 Global and Harvard Business School Publishing. He worked with the manufacturing division of Mahindra Satyam (earlier Satyam Computer Services Limited) in U.S.A. for over 13 years, after which he joined L&T in the year 2009 as an area vice-president. He was transferred to our Company from L&T with effect from April 1, 2014 and was designated as Business Head, North America and Asia. He was designated as the Chief Sales Officer of our Company on January 1, 2015. He was appointed as an Additional Director of our Company and was designated as a Whole-time Director of our Company with effect from February 1, 2015.

Kumar Prabhas is a Whole-time Director and the Chief Operating Officer of our Company. He has obtained a graduate degree in technology in electrical engineering from the Indian Institute of Technology, Kanpur. He has over 19 years of experience in management. Prior to joining our Company, he worked as the vice-chairman and general manager of global end user services and as managing director at Unisys India Private Limited. He was designated as the Chief Operating Officer of our Company with effect from November 23, 2015 pursuant to the resolution passed by our Board at the meeting held on October 28, 2015. He was appointed as an Additional Director of our Company and was designated as a Whole-time Director of our Company with effect from January 21, 2016.

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. Samir 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 an Independent Director of our Company with effect from April 30, 2014.

Renuka Ramnath is an Independent Director of our Company. She has obtained a graduate degree in textiles from V.J. Technological Institute, University of Mumbai and a post graduate degree in management studies from Chetna R.K. Institute of Management & Research, University of Mumbai. She has also completed the Advanced Management Program, the International Senior Managers Program from the Graduate School of Business Administration, Harvard University. She has over 30 years of experience in the Indian financial sector across private equity, investment banking and structured finance. She was associated with the ICICI Group for over 23 years and also served as the managing director and chief executive officer of ICICI Venture Funds Management Company Limited. She is the managing director of Multiples Alternate Asset Management Private Limited, an investment advisory firm she founded in 2009. She was appointed as an Independent Director of our Company with effect from April 10, 2015.

Arjun Gupta is an Independent Director of our Company. He received a graduate degree in economics (honours) 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 U.S.A. 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 U.S.A. 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 an Independent Director of our Company with effect from October 28, 2015.

Sudip Banerjee is an Independent Director of our Company. He obtained a graduate degree in Arts (honours course) in economics from University of Delhi, New Delhi. He holds a diploma in management from the All India Management Association, New Delhi. He has over 32 years of experience in IT industry. Prior to his appointment as an Independent Director in our Company, he held the position of chief executive officer of LTIL between 2008-2011. He is also on the board of directors of Kesoram Industries Limited and IFB Industries Limited and has been an Operating Partner at Capital Square Partners Advisors Pte Ltd, Singapore. He is also a member on the advisory board of TAPMI Business School, Jaipur. He worked with Wipro Limited ("Wipro") from 1983 to 2008 and was the President, Enterprise Solutions Division at Wipro and also a member of the Corporate Executive Council of Wipro between 2002 and 2008. He was also a member of the Executive Council of Nasscom during 2000-2002 and again from 2009-2011. He also served as a member on the Board of Governors of Indian Institute of Information Technology, Allahabad. He was appointed as an Independent Director of our Company with effect from January 21, 2016.

Narayanan Kumar is an Independent Director of our Company. He obtained a graduate degree in electronics and communications engineering from the University of Madras. He is a fellow member of the Indian National Academy of

Engineering and the Institution of Electronics and Telecommunications Engineers. He is the vice-chairman of the Sanmar Group, a multinational conglomerate headquartered in Chennai, and engaged in the business of chemicals, engineering and shipping. He is the chairman of the National Accreditation Board of Certification Bodies which is a constituent of Quality Council of India. He is also the president of the Indo-Japan Chamber of Commerce and Industry. He is on the board of various public companies such as Bharti Infratel Limited, Times Innovative Media Limited, MRF Limited, and L&T, among others and has experience in various sectors. He is also involved in areas of social welfare and education. He is a director on the board of Madhuram Narayanan Centre for Exceptional Children, the managing trustee of the Indian Education Trust, a governing council member of Save the Children and a trustee of the World Wide Fund for Nature-India. He is the Honorary Consul General of Greece in Chennai. He was appointed as an Independent Director of our Company with effect from July 15, 2016.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring 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 Directors

Dr. Keshab Panda was appointed as the Chief Executive and Whole-time Director of our Company pursuant to the resolution passed by our Board on January 10, 2015 and the resolution passed by our shareholders on February 18, 2015, for the period commencing from January 10, 2015 up to and including January 9, 2018. Further, he was re-designated as the Chief Executive Officer and Managing Director of our Company on January 21, 2016. Pursuant to the employment agreement dated May 7, 2015 and supplemental agreement dated July 15, 2016, entered into between Dr. Keshab Panda and our Company, he shall be entitled to the following remuneration as given hereunder:

Particulars	Remuneration per annum (in USD)
Fixed pay	
Base pay ⁽¹⁾	600,000.0
Variable pay⁽²⁾	
Incentive based on strategic initiatives and organizational development	50,000.0
Incentive based on revenue growth	100,000.0
Incentive based on profitability	125,000.0
Total (maximum variable compensation)	275,000.0
Retention pay⁽³⁾	
Retention pay	200,000.0
Annual pay⁽⁴⁾	
Annual pay	35,000.0

⁽¹⁾ Inclusive of conveyance reimbursement for official purpose and telephone reimbursement for official calls made from residence.

⁽²⁾ Variable compensation will be based on the achievement of the milestones/goals, laid out in the variable compensation plan of our Company.

⁽³⁾ Retention pay is to be paid each year on November 1, starting from 2016 until further notice. Further, the management may offer employee stock options in exchange of retention pay in part or full and Dr. Keshab Panda will thereafter have the option to convert the retention pay in part or full into employee stock options.

⁽⁴⁾ The pro-rated annual pay of USD 35,000.0 for the period April 1, 2015 to October 31, 2015 was paid on April 1, 2016. Further, annual pay has been discontinued with effect from November 1, 2015.

Other benefits provided to Dr. Keshab Panda under his employment agreement include health insurance and reimbursement of expenses.

Amit Chadha was appointed as a Whole-time Director of our Company pursuant to the resolution passed by our Board on January 10, 2015 and the resolution passed by our shareholders on February 18, 2015, for the period commencing from February 1, 2015 up to and including January 31, 2018. Pursuant to the employment agreement dated May 7, 2015 and supplemental agreement dated July 15, 2016, entered into between Amit Chadha and our Company, he shall be entitled to the following remuneration as given hereunder:

Particulars	Remuneration per annum (in USD)
Fixed pay	

Particulars	Remuneration per annum (in USD)
Base pay	350,000.0
Telephone and conveyance allowance	10,000.0
Variable pay⁽¹⁾	
Sales performance incentive	171,500.0
Functional performance incentive	73,500.0
Retention pay⁽²⁾	
Retention pay	60,000.0

⁽¹⁾ Variable compensation will be based on the achievement of the milestones/goals, laid out in the variable compensation plan of our Company.

⁽²⁾ Retention pay is to be paid each year on November 1, starting from 2016 until further notice. Further, the management may offer employee stock options in exchange of retention pay in part or full and Amit Chadha will thereafter have the option to convert the retention pay in part or full into employee stock options.

Other benefits provided to Amit Chadha under his employment agreement include health insurance and reimbursement of expenses.

Kumar Prabhas was appointed as a Whole-time Director of our Company pursuant to the resolution passed by our Board on January 21, 2016 and the resolution passed by our shareholders on January 21, 2015, for the period commencing from January 21, 2016 up to and including January 20, 2021. Pursuant to the employment agreement dated February 21, 2016, entered into between Kumar Prabhas and our Company, he shall be entitled to the following remuneration as given hereunder:

Particulars	Remuneration (in ₹)
Base pay	4,440,000.0 per annum
Allowances	4,822,800.0 per annum
Leave travel assistance	71,250.0 per annum
ESOP cash allowance	3,600,000.0 per quarter
Retention pay	6,000,000.0 per annum for four years
Performance incentive	Up to 5,000,000.0 per annum

Other benefits provided to Kumar Prabhas under his employment agreement include, among others, (i) coverage under the Larsen & Toubro Officers and Supervisory Staff Provident Fund Scheme; (ii) medical benefits and health insurance; (iii) gratuity payments; (iv) house rent allowance; (v) reimbursement of expenses; and (vi) car allowance, as applicable.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Financial Year 2016 are as follows:

1. Remuneration to Executive Directors:

The aggregate value of the remuneration paid to the existing Executive Directors in the Financial Year 2016 is ₹ 95.7 million.

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 ₹ 0.7 million.

With effect from April 1, 2014, our Independent Directors are entitled to receive a sitting fee of ₹ 50,000 for attending meetings of our Board and ₹ 25,000 for every meeting of any of its committees.

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 ₹)	Commission (in ₹)	Total (in ₹)
1.	A. M. Naik	Nil	Nil	Nil
2.	V.K. Magapu	Nil	Nil	Nil
3.	S. N. Subrahmanyam	Nil	Nil	Nil
4.	Samir Desai	375,000.0	Nil	375,000.0
5.	Renuka Ramnath	150,000.0	Nil	150,000.0
6.	Arjun Gupta	124,996.0	Nil	124,996.0
7.	Sudip Banerjee	50,000.0	Nil	50,000.0

Sr. No.	Name of the Director	Sitting Fees (in ₹)	Commission (in ₹)	Total (in ₹)
8.	Narayanan Kumar	Nil	Nil	Nil

* Only Independent Directors of our Company are entitled to sitting fees.

Except as disclosed in “Related Party Transactions” on page 161, 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, 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 certain performance linked incentives and retention pay set out in the respective employment agreements of Dr. Keshab Panda, Amit Chadha and Kumar Prabhas, our Directors are not 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 our Board or member of senior management.

Shareholding of Directors in our Company:

As of the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares in our Company.

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, reimbursement of expenses payable to them under our Articles of Association and commission payable to them as approved by our Board. Our Executive Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association and to the extent of remuneration paid to them for services rendered as officers of our Company.

Our Directors may also be regarded as interested in the Equity Shares or employee stock options that may be subscribed, granted, 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 Draft Red Herring 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 this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Except as stated in “Related Party Transactions” on page 161, our Directors do not have any other interests in our business.

No loans have been availed by our Directors or the Key Management Personnel from our Company.

Changes in our Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
Samir Desai	April 30, 2014	Appointed as an Independent Director
Dr. Hasit Joshipura	April 30, 2014	Appointed as an Independent Director
A.M. Naik ⁽¹⁾	June 27, 2014	Appointed as an Additional Non-Executive Director
A.M. Naik	October 17, 2014	Appointed as the Non-Executive Chairman
S.N. Subrahmanyam ⁽²⁾	January 10, 2015	Appointed as an Additional Non-Executive Director

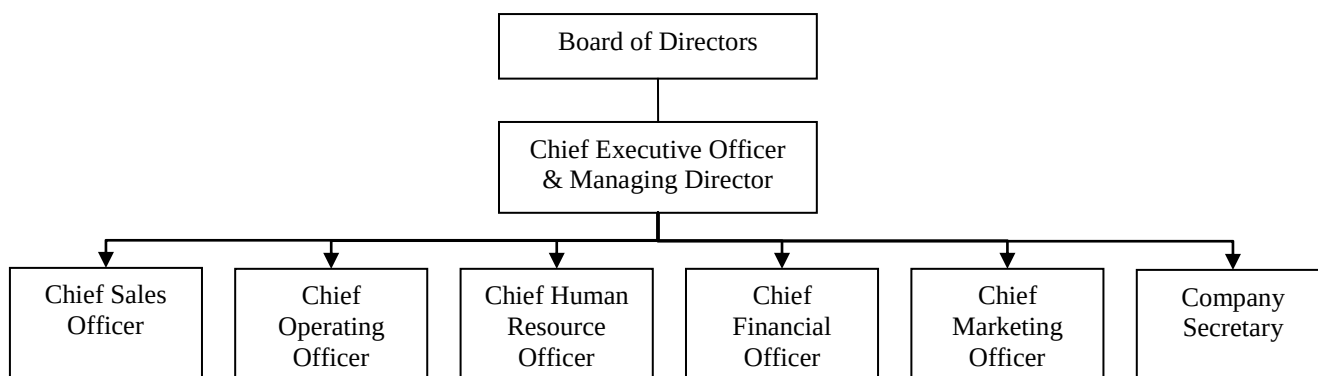
Name	Date of Appointment/ Change/ Cessation	Reason
Amit Chadha ⁽³⁾	February 1, 2015	Appointed as an Additional Director and Whole-time Director
Dr. Keshab Panda ⁽⁴⁾	January 10, 2015	Appointed as the Chief Executive and Whole-time Director
Renuka Ramnath	April 10, 2015	Appointed as an Independent Director
K.R.L. Narasimham	April 7, 2015	Ceased to be a Non-Executive Director
Arjun Gupta ⁽⁵⁾	October 28, 2015	Appointed as an Additional Independent Director
Dr. Hasit Joshipura	October 28, 2015	Ceased to be an Independent Director and appointed as a Non-Executive Director
Kumar Prabhas ⁽⁶⁾	January 21, 2016	Appointed as a Whole-time Director and Chief Operating Officer
Dr. Hasit Joshipura	January 22, 2016	Ceased to be a Non-Executive Director
Dr. Keshab Panda	January 21, 2016	Appointed as Chief Executive Officer and Managing Director
Sudip Banerjee ⁽⁵⁾	January 21, 2016	Appointed as an Additional Independent Director
V.K. Magapu	July 15, 2016	Ceased to be a Non-Executive Director
Narayanan Kumar ⁽⁶⁾	July 15, 2016	Appointed as an Additional Independent Director

- (1) Our Shareholders approved the regularisation of A.M. Naik as a Non-Executive Director on August 18, 2014.
- (2) Our Shareholders approved the regularisation of S.N. Subramanyan as a Non-Executive Director on September 22, 2015.
- (3) Our Shareholders approved the regularisation of Amit Chadha as a Whole-time Director on February 18, 2015. He was appointed as an Additional Director of our Company with effect from February 1, 2015 and the Shareholders approved his regularisation as a director of our Company on September 22, 2015.
- (4) Our Shareholders approved the regularisation of Dr. Keshab Panda as a Whole-time Director on February 18, 2015.
- (5) Our Shareholders approved the regularisation of Arjun Gupta, Sudip Banerjee and Narayanan Kumar as Independent Directors on July 15, 2016.
- (6) Our Shareholders approved the regularisation of Kumar Prabhas as a Director of our Company on July 15, 2016.

Borrowing Powers of Board

Our Board 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, but not exceeding ₹ 2,000 million for fund based limits and ₹ 500 million for non-fund based limits, 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 Dr. Keshab Panda, Amit Chadha and Kumar Prabhas see "Our Management- Brief Biographies of Directors" on pages 131 and 132.

P. Ramakrishnan, aged 49 years, is the Chief Financial Officer of our Company. He obtained a graduate degree in commerce (honours) from University of Calcutta. He was deputed to our Company with effect from January 1, 2016 and was designated as Chief Financial Officer of our Company with effect from January 21, 2016. He is a qualified chartered accountant certified by ICAI. He has over 23 years of experience. He joined our Promoter in December 1992 and has worked in different areas of finance and accounts covering treasury, corporate accounts, electrical and automation and corporate

finance accounts. Prior to his deputation to our Company, he was heading the finance and accounts function of our Promoter's electrical and automation business. He received a compensation of ₹ 0.58 million for the three months ended March 31, 2016. He is also entitled to variable compensation for three months ended March 31, 2016.

Kapil Bhalla, aged 52 years, is the Company Secretary of our Company. He was appointed as the Company Secretary of our Company with effect from April 27, 2016. He obtained a graduate degree in commerce from Panjab University, Chandigarh. He is a fellow member of the ICSI. He has 30 years of experience in the secretarial and legal department and has also worked as a market research analyst and management analyst. Prior to joining our Company, he worked with India Glycols Limited as a general manager - legal and company secretary and as a general manager at HFCL Infotel Limited (now Quadrant Televentures Limited). Prior to joining HFCL Infotel Limited, he was associated with Chandigarh Distillers & Bottlers Limited, Steel Strips Wheels Limited, Steel Strips Limited, Steel Strips & Tubes Limited, Baboo Color Labs, Inc. and The News India Media Group, New York City. As he was appointed with effect from April 27, 2016, he has not received any compensation from our Company in the Financial Year 2016.

Except for Dr. Keshab Panda, Amit Chadha and Kumar Prabhas, none of the appointment or deputation letters to the Key Management Personnel specify the term of office of the Key Management Personnel.

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.

None of our Key Management Personnel are related to each other.

Except P. Ramakrishnan, who is deputed by our Promoter to our Company, all our Key Management Personnel are the permanent employees of our Company. Our Company reimburses the remuneration paid to the deputed Key Management Personnel by our Promoter.

Except P. Ramakrishnan, 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 Draft Red Herring 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 certain performance linked incentives and retention pay set out in the respective employment 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 bonus or profit sharing plan for our Key Management Personnel who are also our Directors, see "Our Management-Terms of appointment of the Executive Directors" from pages 133 to 134.

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.

Changes in our Key Management Personnel

The changes in our Key Management Personnel in the last three years are as follows:

Name	Date of change	Reason for change
Dr. Keshab Panda	January 10, 2015	Appointed as Chief Executive
Dr. Keshab Panda	January 21, 2016	Appointed as the Chief Executive Officer and Managing Director
Y.V.S.Sravankumar	January 21, 2016	Appointed as the Company Secretary
P.Ramakrishnan	January 21, 2016	Appointed as the Chief Financial Officer
Y.V.S.Sravankumar	April 26, 2016	Ceased to be the Company Secretary
Kapil Bhalla	April 27, 2016	Appointed as the Company Secretary

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 our Board in the last three years" from pages 135 to 136.

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 not granted any options to its employees under the ESOP Scheme, 2016. For further details in relation to the ESOP Scheme, 2016, see “Capital Structure – Existing Employee Stock Option Plans - ESOP Scheme, 2016” from 76 to 77.

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 our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board’s supervisory role from the executive management team and constitution of our 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 10 Directors. In compliance with the requirements of the Listing Regulations, we have a Non-Executive Chairman, three Executive Directors and six Non-Executive Directors including five 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 our Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions:

Audit Committee

The members of the Audit Committee are:

1. Narayanan Kumar, Independent Director (Chairman),
2. Renuka Ramnath, Independent Director, and
3. S. N. Subrahmanyam, Non-Executive Director.

The Audit Committee was re-constituted by our Board on July 15, 2016. The Audit Committee met four times during the preceding Financial Year. 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; and

g) Qualifications 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 utilized 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 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 Listing Regulations or by any other regulatory authority.

Further, the quorum for the meetings of the Audit Committee shall be either two members or one-third of the members, whichever is greater, but there should be at least two Independent Directors present.

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, and
3. Arjun Gupta, Independent Director.

The Nomination and Remuneration Committee was constituted by our Board on February 15, 2014. 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. To identify, review, assess and recommend to the Board the appointment of executive and non-executive Directors and senior management personnel;

2. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy for appointment and remuneration of the directors, key managerial personnel and senior management personnel and other employees;
3. To formulate a criteria for evaluation of performance of independent directors and the Board of Directors;
4. To consider and approve employee stock option schemes and to administer and supervise the same;
5. Devising a policy on Board diversity;
6. 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; and
7. Any other terms of reference as may be referred by the Board or as may be provided under the Companies Act, or the Listing Regulations, or by any other regulatory authority.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Renuka Ramnath, Independent Director (Chairman),
2. Dr. Keshab Panda, Chief Executive Officer and Managing Director, and
3. Sudip Banerjee, Independent Director.

The Stakeholders' Relationship Committee was constituted by our Board on July 15, 2016.

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 Listing Regulations or by any other regulatory authority.

The quorum for the meetings of the Stakeholders' Relationship Committee shall be atleast two members.

Corporate Social Responsibility Committee:

The members of the Corporate Social Responsibility Committee are:

1. Arjun Gupta, Independent Director (Chairman),
2. Sudip Banerjee, Independent Director, and
3. Kumar Prabhas, Chief Operating Officer and Whole-time Director.

The Corporate Social Responsibility Committee was re-constituted by our Board on July 15, 2016. 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:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013 including any amendments thereto;
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (1); and

3. To monitor CSR policy of our Company including instituting a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by our Company.

The quorum for the meetings of the CSR Committee shall be atleast two members.

Risk Management Committee

The members of the Risk Management Committee are:

1. S.N. Subramanayan, Non-Executive Director (Chairman),
2. Dr. Keshab Panda, Chief Executive Officer and Managing Director,
3. P.Ramakrishnan, Chief Financial Officer.

The Risk Management Committee was constituted by our Board on July 15, 2016. 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 terms and reference of the Risk Management Committee include 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 of Director or specified/ provided under the Companies Act, 2013 or by the Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

The quorum for the meetings of the Risk Management Committee shall be two members.

IPO Committee

The members of the IPO Committee are:

1. A. M. Naik, Non-Executive Director (Chairman),
2. S.N.Subramanayan, Non-Executive Director, and
3. Kumar Prabhas, Chief Operating Officer and Whole-time Director.

The IPO Committee was constituted by our Board on July 15, 2016.

The terms and reference of the IPO Committee include the following:

1. 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;
2. To approve and file in consultation with the Selling Shareholder where applicable, the draft red herring prospectus with Securities and Exchange Board of India and stock exchanges, the red herring prospectus and prospectus with the Registrar of Companies, SEBI and stock exchanges and to make necessary amendments or alterations, therein;
3. To decide in consultation with the Selling Shareholder on the timing, pricing and all the terms and conditions of the Offer, including the price band, Offer price, Offer size and to accept any amendments, modifications, variations or alterations thereto and to withdraw the offer documents if required;
4. To appoint and enter into and terminate arrangements in consultation with the Selling Shareholder where applicable, with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, registrars, legal advisors and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise the terms of their appointment;

5. To negotiate, finalise and 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;
6. To open with the bankers to the Offer such accounts as may be required by the regulations issued by SEBI;
7. To open and operate bank accounts in terms of the escrow agreement with a scheduled commercial 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 our Company to execute all documents/deeds as may be necessary in this regard;
8. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under applicable laws, including the Listing Regulations and the listing agreement to be entered into by our Company with the relevant stock exchanges;
9. To authorize and approve in consultation with the Selling Shareholder, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with the Offer;
10. To issue allotment letters/confirmation of allotment notes with power to authorise one or more officers of our Company to sign all or any of the aforesaid documents;
11. 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, finalising 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;
12. 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;
13. To make applications to such authorities as may be required for the Offer;
14. To make applications for listing of the Equity Shares in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s); and
15. 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 delegate such of its powers as may be deemed necessary to the officials of our Company.

The quorum for the meetings of the IPO Committee shall be two members.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

The Promoter of our Company is L&T. Our Promoter currently holds 101,690,392 Equity Shares (including six Equity Shares held jointly with six individuals as nominees of our Promoter), equivalent to 100.0% 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.

Our Promoter has a long standing presence in the ER&D business. Prior to January 1, 2014, our business was conducted as the IES Business of our Promoter and as the PES Business of one of our Promoter's subsidiaries, LTIL. As part of the business restructuring and consolidation exercise, the PES Business from LTIL (effective January 1, 2014 (and effective from September 1, 2014 with respect to the German unit of PES business)) and IES Business from our Promoter (effective April 1, 2014) were transferred to our Company. The revenue of the IES Business for the financial years 2013 and 2014 was ₹ 12,248.0 million and ₹ 16,281.0 million, respectively, after certain adjustments with respect to sales made to LTIL and premia and exchange differences on hedges during the aforesaid period. The revenue of the PES Business of LTIL for the

financial year 2013 and nine months ended December 31, 2013 was ₹ 4,203.0 million and ₹ 3,744.0 million, respectively, after certain adjustments with respect to sales made to IES Business during the aforesaid period.

Board of directors of our Promoter

The board of directors of our Promoter as on the date of this Draft Red Herring 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
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 and 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	0.0	0	0	0	0.0	0	0.0	0	0.0	NA	0	
(B)	Public	1,028,540	912,265,161	0	0	912,265,161	100.0	912,265,161	0	912,265,161	100.0	6,346,986	100.0	114,752,281	12.6	NA	892,660,097	
(C)	Non promoter-Non Public	1	0	0	19,213,684	19,213,684	0.0	0	0	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	0.0	0	0	0	0.0	0	0.0		0.0	NA	19,213,684	
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0.0	0	0	0	0.0	0	0.0		0.0	NA	0	
	Total	1,028,541	912,265,161	0	19,213,684	931,478,845	100.0	912,265,161	0	912,265,161	100.0	6,346,986	100.0	114,752,281	12.6		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 this 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 page 75.

Our Promoter has entered into agreements with our Company to lease office space in respect of properties located at Vadodara, Mysuru, 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 this 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 Draft Red Herring Prospectus, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of this 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 161.

Except for LTIL and its subsidiaries, namely, LTIFST, L&T Infotech GmbH, L&T Infotech Canada, L&T Infotech South Africa, L&T Infotech Austria, L&T Infotech Spain, L&T Infotech LLC, L&T Infotech Shanghai and GDA Technologies, L&T SLL, L&T Chiyoda, L&T Valdel, and LTIEL, our Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by our Company. LTIL, a subsidiary of our Promoter and one of our Group Companies, along with its subsidiaries offers IT services in 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. The range of services provided by LTIL and its subsidiaries includes application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions and platform-based solutions. L&T SLL and L&T Chiyoda are joint venture companies of our Promoter. L&T SLL is involved in the business of providing power plant engineering services and L&T Chiyoda provides engineering services to refinery, petro-chemical, and oil and gas sectors. L&T Valdel, one of our Group Companies, provides engineering services for oil and gas projects. LTIEL, a subsidiary of our Promoter and one of our Group Companies, is involved in the business of providing engineering consultancy services for transportation infrastructure projects.

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 161.

Except as disclosed in “Related Party Transactions” on page 161, 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 161 and 146, respectively, there has been no payment or benefit to our Promoter or Promoter Group during the two years prior preceding filing of this 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 this Draft Red Herring Prospectus.

Confirmations

Our Promoter has not been declared as wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

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 page 287.

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 288.

Further, SEBI has initiated adjudication proceedings against our Promoter in relation to alleged violation of continuous disclosure norms under the SEBI Insider Trading Regulations, 1992 and SEBI Insider Trading Regulation, 2015. 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 289.

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 Draft Red Herring Prospectus against our Promoter, except as disclosed under “Outstanding Litigation and Material Developments” beginning on page 271.

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 preceding three years:

Sr. No.	Name of the disassociated entity	Reasons and circumstances leading to the disassociation and terms of disassociation*	Date of disassociation
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 LLC;
84. L&T Thales Technology Services Private Limited;
85. L&T Transportation Infrastructure Limited;
86. L&T Trustee Company Private Limited;
87. L&T Uttaranchal Hydropower Limited;
88. L&T Vadodara Bharuch Tollways Limited;
89. L&T Valves Limited;
90. L&T Vision Ventures Limited;
91. L&T Vrindavan Properties Limited;
92. L&T Western Andhra Tollways Limited;
93. L&T Western India Tollbridge Limited;
94. L&T-MHPS Boilers Private Limited;
95. L&T-MHPS Turbine Generators Private Limited;
96. L&T-Sargent & Lundy Limited;
97. L&T-Valdel Engineering Limited;
98. Larsen & Toubro (East Asia) Sdn. Bhd;
99. Larsen & Toubro (T&D) SA (Proprietary) Limited;
100. Larsen & Toubro ATCO Saudia Company LLC;
101. Larsen & Toubro Electromech LLC;
102. Larsen & Toubro Heavy Engineering LLC;
103. Larsen & Toubro Hydrocarbon International Limited LLC;
104. Larsen & Toubro Infotech Limited;
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. Sahibganj Ganges Bridge-Company Private Limited;
129. Servowatch Systems Limited;
130. Spectrum Infotech Private Limited;
131. Tamco Electrical Industries Australia Pty Ltd;
132. Tamco Switchgear (Malaysia) Sdn Bhd; and
133. Thalest Limited.

GROUP COMPANIES

In terms of the SEBI Regulations and pursuant to the resolution passed by our Board at its meeting held on July 15, 2016, group companies of our Company are those companies which are included in the list of related parties in our Company's consolidated financial statements for the Financial Year ended March 31, 2016 in accordance with Accounting Standard 18 (except such companies that are consolidated in accordance with Accounting Standards 21, 23 and 27). Accordingly, in terms of the policy adopted by our Board for determining group companies, we have set out below the details of our Group Companies which have also been disclosed in this Draft Red Herring Prospectus in "Financial Statements" from pages 229 to 234. Our Board has also approved that, as on the date of the resolution passed at its meeting held on July 15, 2016, there are no other material group companies of our Company, other than the companies disclosed below:

1. EWAC Alloys Limited;
2. Kesun Iron and Steel Company Private Limited;
3. L&T Construction Equipment Limited;
4. L&T Hydrocarbon Engineering Limited;
5. L&T Information Technology Services (Shanghai) Company Limited;
6. L&T Infotech Financial Services Technologies Inc.;
7. L&T Infrastructure Engineering Limited;
8. L&T Metro Rail (Hyderabad) Limited;
9. L&T-MHPS Boilers Private Limited;
10. L&T Overseas Projects Nigeria Limited;
11. L&T-Sargent & Lundy Limited;
12. L&T-Valdel Engineering Limited;
13. L&T Valves Limited;
14. Larsen & Toubro (East Asia) SDN. BHD;
15. Larsen & Toubro Electromech LLC;
16. Larsen & Toubro Infotech Limited;
17. Larsen & Toubro Infotech Canada Limited;
18. Larsen & Toubro Infotech GmbH;
19. Larsen & Toubro Kuwait Construction General Contracting Company, with Limited Liability;
20. Larsen & Toubro LLC;
21. Larsen & Toubro T&D SA (PTY) Limited; and
22. PT. Tamco Indonesia.

Our Promoter has disassociated itself from L&T Infocity Limited on March 31, 2016. For further details, see "Promoter and Promoter Group" on page 147. Further, GDA Technologies Inc., U.S.A., a wholly owned subsidiary of LTIL, was wound up in U.S.A., with effect from March 28, 2014. Accordingly, L&T Infocity Limited and GDA Technologies Inc., U.S.A. have not been disclosed as Group Companies.

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 on a turnkey basis.

Interest of our Promoter

Our Promoter holds 100.0% 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	(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)	10,000.5	10,000.5	10,000.5
Reserves (excluding revaluation reserves) and surplus	(4,841.7)	(6,122.3)	(194.1)
Income including other income	71,223.3	57,407.0	87,167.9
Profit / (Loss) after tax	864.7	(6,541.2)	1,057.3
Basic EPS (in ₹)	0.9	(6.5)	1.0
Diluted EPS (in ₹)	0.6	(6.5)	1.0
Net asset value per share (in ₹)	5.2	3.9	9.8

2. Larsen & Toubro Infotech Limited

Corporate Information

Larsen & Toubro Infotech Limited ("LTIL") was incorporated on December 23, 1996 under the Companies Act, 1956 at Mumbai. LTIL is involved in the business of software development services.

Interest of our Promoter

Our Promoter holds 94.9% of the total issued and paid up equity share capital of LTIL.

Financial Information

The operating results of LTIL 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)	169.8	161.3	161.3
Reserves (excluding revaluation reserves) and surplus	18,462.9	19,093.3	14,529.2
Income including other income	59,081.3	48,331.8	45,628.5
Profit / (Loss) after tax	9,381.3	7,729.6	9,023.1
Basic EPS (in ₹)	57.2 ⁽¹⁾	47.9 ⁽¹⁾	279.8 ⁽²⁾
Diluted EPS (in ₹)	57.1 ⁽¹⁾	45.8 ⁽¹⁾	268.4 ⁽²⁾
Net asset value per share (in ₹)	109.7 ⁽¹⁾	119.4 ⁽¹⁾	455.5 ⁽²⁾

(1) The face value of the equity shares of LTIL being ₹1.

(2) The face value of the equity shares of LTIL being ₹5.

3. L&T Valves Limited

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 100.0% of the total issued and paid up equity share capital of L&T Valves.

Financial Information

The operating results of L&T Valves 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)	180.0	180.0	156.3

Particulars	For the year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Reserves (excluding revaluation reserves) and surplus	5,026.4	3,663.9	1,834.1
Income including other income	14,939.1	13,954.3	9,372.3
Profit / (Loss) after tax	1,379.1	1,384.9	971.2
Basic EPS (in ₹)	766.2	769.4	539.6
Diluted EPS (in ₹)	766.2	769.4	539.6
Net asset value per share (in ₹)	2,892.4	2,135.5	1,273.3

4. 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 51.0% of the total issued and paid up equity share capital of L&T MBPL.

Financial Information

The operating results of L&T-MHPS Boilers Private Limited 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)	2,341.0	2,341.0	2,341.0
Reserves (excluding revaluation reserves) and surplus	5,199.8	2,659.7	1,551.6
Income including other income	18,395.6	12,610.2	12,744.8
Profit / (Loss) after tax	2,575.3	1,223.1	1,001.5
Basic EPS (in ₹)	11.0	5.2	4.3
Diluted EPS (in ₹)	11.0	5.2	4.3
Net asset value per share (in ₹)	32.2	21.4	16.6

5. 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 100.0% of the total issued and paid up equity share capital of L&T CEL.

Financial Information

The operating results of L&T Construction Equipment Limited 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)	1,200.0	1,200.0	1,200.0
Reserves (excluding revaluation reserves) and surplus	1,158.8	1,150.8	948.0
Income including other income	4,685.8	3,981.0	5,204.5
Profit / (Loss) after tax	5.9	219.4	115.2
Basic EPS (in ₹)	0.1	1.8	1.0
Diluted EPS (in ₹)	0.1	1.8	1.0
Net asset value per share (in ₹)	19.7	19.6	17.9

B. Details of Group Companies with negative net worth

1. 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	2.2	2.2	2.2
Reserves (excluding revaluation reserves) and surplus	(418.1)	(392.8)	(342.6)
Income including other income	525.7	382.9	607.0
Profit / (Loss) after tax	(48.3)	(51.4)	37.1
Basic EPS (in ₹)	(193.3)	(205.7)	148.3
Diluted EPS (in ₹)	(193.3)	(205.7)	148.3
Net asset value per equity share (in ₹)	(1,663.7)	(1,562.2)	(1,361.4)

2. 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 65.0% 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 share application money)	35.6	35.6	35.6
Reserves (excluding revaluation reserves) and surplus	(943.3)	(738.8)	1,082.5
Income including other income	4,947.7	6,070.1	7,889.5
Profit / (Loss) after tax	(164.7)	(1,788.5)	(683.3)
Basic EPS (in ₹)	(549.1)	(5,961.7)	(2,277.8)
Diluted EPS (in ₹)	(549.1)	(5,961.7)	(2,277.8)
Net asset value per share (in ₹)	(3,025.9)	(2,344.0)	3,727.0

3. **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 49.0% of the total issued and paid up equity share capital and 75.0% 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)	320.2	320.2	320.2
Reserves (excluding revaluation reserves) and surplus	(322.9)	(255.4)	122.5
Income including other income	19.1	410.0	1,453.0
Profit / (Loss) after tax	(66.6)	(370.2)	14.0
Basic EPS (in ₹)	(33,301.2)	(185,086.0)	6,996.0
Diluted EPS (in ₹)	(33,301.2)	(185,086.0)	6,996.0
Net asset value per share (in ₹)	(1,322.9)	32,395.1	221,344.0

4. **Kesun Iron and Steel Company Private Limited**

Corporate Information

Kesun Iron and Steel Company Private Limited (“Kesun Iron”) was incorporated on January 16, 2009 under the Companies Act, 1956 at Vadodara. Kesun Iron is involved in the business of iron masters, steel makers and steel converters.

Interest of our Promoter

Our Promoter holds 95.0% of the total issued and paid up equity share capital of Kesun Iron.

Financial Information

The operating results of Kesun Iron 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)	0.1	0.1	0.1
Reserves (excluding revaluation reserves) and surplus	(2.6)	(2.6)	(2.5)
Income including other income	-	-	0.0
Profit / (Loss) after tax	(0.1)	(0.0)	(0.0)
Basic EPS (in ₹)	(4.7)	(4.1)	(0.8)
Diluted EPS (in ₹)	(4.7)	(4.1)	(0.8)
Net asset value per share (in ₹)	(251.0)	(246.0)	(242.0)

C. **Details of other Group Companies**

1. **EWAC Alloys Limited**

Corporate Information

EWAC Alloys Limited was incorporated on April 4, 1962 under the Companies Act, 1956 at Mumbai. EWAC Alloys is involved in the business of maintenance and repair welding and welding solutions.

Interest of our Promoter

Our Promoter holds 100.0% of the total issued and paid up equity share capital of EWAC Alloys Limited.

2. L&T Information Technology Services (Shanghai) Company Limited

Corporate Information

L&T Information Technology Services (Shanghai) Company Limited (“LTITS Shanghai”) was incorporated on June 28, 2013 in China. LTITS Shanghai is involved in the business of software development services.

Interest of our Promoter

Our Promoter, through its subsidiary, LTIL, holds 94.9% of the total issued and paid up equity share capital of LTITS Shanghai.

3. L&T Infotech Financial Services Technologies Inc.

Corporate Information

L&T Infotech Financial Services Technologies Inc. (“LTIFST”) was incorporated on November 19, 2010 in Canada. LTIFST is involved in the business of providing IT services.

Interest of our Promoter

Our Promoter, through its subsidiary, LTIL, holds 94.9% of the total issued and paid up equity share capital of LTIFST.

4. L&T Infrastructure Engineering Limited

Corporate Information

L&T Infrastructure Engineering Limited (“LTIEL”) was incorporated on February 9, 1998 under the Companies Act, 1956 at Chennai. LTIEL is in the business of providing project consultancy services.

Interest of our Promoter

Our Promoter holds 100.0% of the total issued and paid up equity share capital of LTIEL.

5. 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 1.0% of the total issued and paid up equity share capital of L&T MRHL and through its subsidiary, L&T IDPL, holds 99.0% of the total issued and paid up equity share capital of L&T MRHL.

6. L&T Overseas Projects Nigeria Limited

Corporate Information

L&T Overseas Projects Nigeria Limited (“L&T Overseas”) was incorporated on July 15, 2004 in Nigeria. L&T Overseas is involved in the business of engineering, procurement and construction services.

Interest of our Promoter

Our Promoter holds 100.0% of the total issued and paid up equity share capital of L&T Overseas through its wholly owned step down subsidiary, L&T International FZE.

7. 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 50.0% of the total issued and paid up equity share capital of L&T SLL.

8. 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 Bangalore. 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 100.0% of the total issued and paid up equity share capital of L&T Valdel.

9. 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 30.0% of the total issued and paid up equity share capital and 100.0% of the total voting power of L&T East Asia.

10. Larsen & Toubro Infotech Canada Ltd.

Corporate Information

Larsen & Toubro Infotech Canada Ltd. (“L&T Infotech Canada”) was incorporated on April 25, 2000 in Canada. L&T Infotech Canada is involved in the business of software development and consultancy services.

Interest of our Promoter

Our Promoter, through its subsidiary, LTIL, holds 94.9% of the total issued and paid up equity share capital of L&T Infotech Canada.

11. Larsen & Toubro Infotech GmbH

Corporate Information

Larsen & Toubro Infotech GmbH (“L&T Infotech GmbH”) was incorporated on June 14, 1999 in Germany. 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.

Interest of our Promoter

Our Promoter, through its subsidiary LTIL, holds 94.9% of the total issued and paid up equity share capital of L&T Infotech GmbH.

12. 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 trading company and other services.

Interest of our Promoter

Our Promoter directly holds 95.0% of interest in L&T LLC and through its wholly owned subsidiary, L&T CTL, holds 5.0% of interest in L&T LLC.

13. Larsen & Toubro T&D SA (PTY) Limited

Corporate Information

Larsen & Toubro T&D SA (PTY) Limited (“LTTDSAL”) was incorporated on September 6, 2010 in South Africa. LTTDSAL is involved in the business of supply and execution of power transmission line, substations, power distribution and rural and industrial electrification in South Africa.

Interest of our Promoter

Our Promoter holds 72.5% of the total issued and paid up equity share capital of LTTDSAL, through its wholly owned step down subsidiary, L&T International FZE.

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 this 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 this 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 our Group Companies

Other than as disclosed in “Group Companies” beginning on page 152, our Promoter has certain transactions with our Group Companies in the ordinary course of business which are typically in the nature of among others, 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 our Group Companies with our Company

Other than as disclosed in “Risk Factors” and “Promoter and Promoter Group – Interest of our Promoter” on pages 20 and 146, there are no common pursuits between any of our Group Companies and our Company.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Other than as disclosed in “Related Party Transactions” on page 161, there are no related business transactions within our Group Companies and significance on the financial performance of our Company.

Significant Sale/Purchase between Group Companies and our Company

Other than as disclosed in “Financial Statements” beginning on page 163, 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 10.0% 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 98 and 161 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 this Draft Red Herring Prospectus.

Loss Making Group Companies

The details of our Group Companies which have incurred loss in the last Financial Year and details of profit/(loss) made by them in the last three Financial Years, on the basis of latest audited financial statements available, are set forth below:

Sr. No.	Name of Group Company	Profit/(Loss) after tax (₹ million)		
		March 31, 2016	March 31, 2015	March 31, 2014
1.	L&T Metro Rail (Hyderabad) Limited	(71.4)	(141.1)	(2.2)
2.	PT. Tamco Indonesia ⁽²⁾	(48.3)	(51.4)	37.1
3.	Larsen & Toubro (East Asia) SDN. BHD ⁽¹⁾	-	(3.9)	2.5
4.	Larsen & Toubro Electromech LLC ⁽²⁾	(164.7)	(1,788.5)	(683.3)
5.	Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability ⁽²⁾	(66.6)	(370.2)	14.0
6.	Kesun Iron and Steel Company Limited	(0.1)	(0.0)	(0.0)
7.	L&T Overseas Projects Nigeria Limited ⁽²⁾	(0.1)	0.1	(0.1)
8.	Larsen & Toubro T&D SA (Pty) Limited	(0.3)	1.6	1.0

(1) The last audited financial statements are available for the financial year ended March 31, 2015. L&T East Asia changed its financial year from the period ending on December 31 every year to period ending on March 31 every year and accordingly, the financial year for the period ending on March 31, 2015 is for a period of 15 months.

(2) The three years are the calendar years 2015, 2014 and 2013.

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. L&T Metro Rail (Hyderabad) Limited has issued debt securities which are listed on the stock exchanges. For further details, see “Other Regulatory and Statutory Disclosures” beginning on page 292.

None of our Group Companies have been debarred from accessing the capital market for any reasons by SEBI or any other authorities.

None of our Group Companies fall under the definition of sick companies under SICA.

None of our Group Companies are under winding up.

None of our Group Companies have been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last four Financial Years, as per the requirements under Accounting Standard 18 “Related Party Disclosures”, see “Financial Statements - Annexure XXI - Restated Unconsolidated Statement of Related Parties” and “Financial Statements - Annexure XX - Restated Consolidated Statement of Related Parties” from pages 190 to 197 and 229 to 234, respectively.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, as applicable and 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.

- (a) The details of dividend on equity shares paid by our Company in the current and last two Financial Years are given below:

Financial Year	No. of equity shares	Dividend per equity share (in ₹)	Rate of dividend on equity shares (in %)	Total dividend on equity shares ⁽¹⁾ (in ₹ million)
2017*	101,690,392 ⁽²⁾	5.0	247.5	605.9
2016	75,000,000 ⁽³⁾	9.0	22.5	812.5
	300,000,000 ⁽⁴⁾	2.0	20.4	735.3
	300,000,000 ⁽⁴⁾	1.7	17.4	627.6
	300,000,000 ⁽⁴⁾	1.5	15.4	556.7
2015	300,000,000 ⁽⁴⁾	1.3	13.2	474.1
	300,000,000 ⁽⁴⁾	1.1	10.8	389.3
	300,000,000 ⁽⁴⁾	1.5	15.0	526.5
	102,500,000 ⁽⁴⁾	3.9	39.0	468.0

* For the three month period beginning from April 1, 2016 to June 30, 2016.

(1) This includes dividend distribution tax.

(2) The interim dividend was paid on equity shares of face value of ₹2 each.

(3) The interim dividend was paid on equity shares of face value of ₹40 each.

(4) The interim dividend was paid on equity shares of face value of ₹10 each.

- (b) The details of dividend on Preference Shares paid by our Company in current and the last three Financial Years are given below:

Financial Year	No. of Preference Shares	Dividend per Preference Share (in ₹)	Rate of dividend on Preference Shares (in %)	Total dividend on Preference Shares ⁽¹⁾ (in ₹ million)
2017*	750,000,000	Pro-rata basis	-	116.3
2016	750,000,000	0.3	2.5	222.6
	750,000,000	0.3	2.5	227.5
	750,000,000	0.3	2.5	226.9
	750,000,000	0.3	2.5	225.7
	750,000,000	0.3	2.5	221.9
2015	750,000,000	Pro-rata basis	-	478.1
2014	400,000,000	0.1	1.2	57.7

(1) This includes dividend distribution tax.

* For the period beginning on April 1, 2016 to May 20, 2016.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Financial Statements	Page No.
Restated unconsolidated financial statements	Pages 164 to 203
Restated consolidated financial statements	Pages 204 to 237

The Board of Directors

L&T Technology Services 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 L&T Technology Services Limited ('the Company') as at March 31, 2016, 2015, 2014 and 2013 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 and 2013 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 15 July 2016.
- 3 We have examined the restated unconsolidated summary statements in accordance with:
 - (a) the terms of reference vide our engagement letter dated 02 May 2016 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 and 2013 (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 unconsolidated summary statement of profits and losses for the years ended March 31, 2016, 2015, 2014 and 2013 (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 and 2013 (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 deferred tax (Annexure VII)
 - (d) Restated unconsolidated statement of other long-term liabilities and long-term provisions (Annexure VIII)
 - (e) Restated unconsolidated statement of short-term borrowings (Annexure IX)
 - (f) Restated unconsolidated statement of trade payables, other current liabilities and short-term provisions (Annexure X)
 - (g) Restated unconsolidated statement of investments (Annexure XI)
 - (h) Restated unconsolidated statement of long-term loans and advances (Annexure XII)
 - (i) Restated unconsolidated statement of current investments (Annexure XIII)
 - (j) Restated unconsolidated statement of trade receivables (Annexure XIV)
 - (k) Restated unconsolidated statement of unbilled revenue, cash and bank and short-term loans and advances (Annexure XV)
 - (l) Restated unconsolidated statement of other income (Annexure XVI)
 - (m) Restated unconsolidated statement of other expenses (Annexure XVII)
 - (n) Restated unconsolidated statement of finance cost (Annexure XVIII)
 - (o) Restated unconsolidated statement of provision for taxes (Annexure XIX)
 - (p) Restated unconsolidated statement of contingent liabilities (Annexure XX)
 - (q) Restated unconsolidated statement of related parties (Annexure XXI)
 - (r) Statement of restated unconsolidated accounting ratios (Annexure XXII)
 - (s) Restated unconsolidated capitalisation statement (Annexure XXIII)
 - (t) Restated unconsolidated statement of dividend paid (Annexure XXIV)
 - (u) Restated unconsolidated tax shelter statement (Annexure XXV)
- 6 In our opinion, the other financial information read with the significant accounting policies (Annexure IV A) 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
15 July 2016

L&T TECHNOLOGY SERVICES LIMITED
ANNEXURE I: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES
INR Million

Particulars	Annexures	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
EQUITY AND LIABILITIES					
<u>Shareholders' funds</u>					
Share capital	V	10,500.00	10,500.00	5,025.00	0.50
Advance towards equity commitment		-	-	2.20	-
Reserves and surplus	VI	662.48	67.43	(178.16)	(0.03)
Total equity		11,162.48	10,567.43	4,849.04	0.47
<u>Non-current liabilities</u>					
Long-term provisions	VIII	132.03	397.37	9.27	-
Other long term liabilities	VIII	60.05	49.67	11.03	-
Deferred tax liabilities (Net)	VII	-	-	0.56	-
		192.08	447.04	20.86	-
<u>Current liabilities</u>					
Short-term borrowings	IX	1,126.34	1,553.71	486.87	-
Trade payables	X	1,616.43	1,645.52	502.89	0.03
Other current liabilities	X	1,029.36	699.90	186.61	-
Short-term provisions	X	3,100.58	2,231.22	322.64	-
		6,872.71	6,130.35	1,499.01	0.03
TOTAL EQUITY AND LIABILITIES		18,227.27	17,144.82	6,368.91	0.50
ASSETS					
<u>Non-current assets</u>					
Fixed assets					
Tangible assets		1,059.43	827.72	85.30	-
Intangible assets		4,544.67	4,409.93	3,961.58	-
Capital work-in-progress		142.64	2.50	-	-
		5,746.74	5,240.15	4,046.88	-
Deferred tax assets (net)	VII	334.90	339.87	-	-
Non-current investments	XI	60.97	60.97	-	-
Long-term loans and advances	XII	305.73	624.45	155.29	-
		6,448.34	6,265.44	4,202.17	-
<u>Current assets</u>					
Current investments	XIII	555.30	-	-	-
Trade receivable	XIV	7,127.46	6,673.33	1,499.90	-
Unbilled revenue	XV	1,302.65	1,592.66	239.63	-
Cash and bank	XV	840.38	1,122.01	294.97	0.50
Short-term loans and advances	XV	1,953.14	1,491.38	132.24	-
		11,778.93	10,879.38	2,166.74	0.50
TOTAL ASSETS		18,227.27	17,144.82	6,368.91	0.50

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

For and on behalf of the Board of Directors of
L&T Technology Services Limited

FIRDOSH D. BUCHIA
Partner
Membership No.38332
Place: Mumbai
Date: 15 July 2016

P. RAMAKRISHNAN
Chief Financial Officer

KAPIL BHALLA
Company Secretary

A. M. NAIK
Director
(DIN: 00001514)
Place: Mumbai
Date: 15 July 2016

KESHAB PANDA
Chief Executive Officer
& Managing Director
(DIN : 05296942)

ANNEXURE II: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

INR Million

Particulars	Annexures	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
INCOME					
Revenue from operations		28,940.38	25,605.87	1,261.70	-
Other income	XVI	753.66	250.35	(39.70)	-
Total Revenue		29,694.04	25,856.22	1,222.00	-
EXPENSES					
Employee benefit expenses	XVII	16,036.88	14,402.14	731.90	-
Operating expenses	XVII	2,353.43	2,210.71	94.74	-
Sales, administration and other expenses	XVII	5,226.00	4,950.01	239.35	0.03
		23,616.31	21,562.86	1,065.99	0.03
OPERATING PROFIT		6,077.73	4,293.36	156.01	(0.03)
Finance cost	XVIII	16.23	31.43	29.25	-
Depreciation on tangible assets		368.10	332.48	6.86	-
Amortisation of intangible assets		173.33	138.46	4.38	-
		557.66	502.37	40.49	-
PROFIT BEFORE TAX		5,520.07	3,790.99	115.52	(0.03)
Provision for taxation	XIX				
Current tax		1,362.48	960.50	52.82	-
MAT credit		(249.27)	(197.40)	-	-
Deferred tax		64.50	(123.88)	0.56	-
		1,177.71	639.22	53.38	-
PROFIT AFTER TAX		4,342.36	3,151.77	62.14	(0.03)
Restatement adjustments		-	-	-	-
PROFIT AFTER TAX AS RESTATED		4,342.36	3,151.77	62.14	(0.03)

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

For and on behalf of the Board of Directors of
L&T Technology Services Limited

FIRDOSH D. BUCHIA
Partner
Membership No.38332
Place: Mumbai
Date: 15 July 2016

P. RAMAKRISHNAN
Chief Financial Officer

KAPIL BHALLA
Company Secretary

A. M. NAIK
Director
(DIN: 00001514)
Place: Mumbai
Date: 15 July 2016

KESHAB PANDA
Chief Executive Officer
& Managing Director
(DIN : 05296942)

ANNEXURE III: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
A. Cash flow from operating activities				
Net profit before tax	5,520.07	3,790.99	115.52	(0.03)
Adjustments for:				
Depreciation and amortisation	541.43	470.94	11.24	-
Interest (net)	(16.59)	19.72	29.03	-
Unrealised foreign exchange loss (gain)	(37.35)	(19.38)	-	-
(Profit)/loss on sale of fixed assets	0.35	(1.61)	-	-
Operating profit before working capital changes	6,007.91	4,260.66	155.79	(0.03)
Changes in working capital				
(Increase)/decrease in trade receivables	(504.65)	(1,047.83)	(721.22)	-
(Increase)/decrease in other receivables	336.71	(742.04)	(203.78)	-
Increase/(decrease) in trade & other payables	913.50	1,084.44	678.32	0.03
(Increase)/decrease in working capital	745.56	(705.43)	(246.68)	0.03
Cash generated from operations	6,753.47	3,555.23	(90.89)	-
Direct taxes paid	(1,447.87)	(668.90)	(45.85)	-
Net cash (used in) / from operating activities	5,305.60	2,886.33	(136.74)	-
B. Cash flow from investing activities				
Purchase of fixed assets	(1,063.22)	(538.42)	(158.06)	-
Sale of fixed assets	14.85	14.51	-	-
Consideration paid towards business purchased	-	(5,494.73)	(4,895.27)	-
Investment in subsidiary	-	(60.97)	-	-
(Purchase) / sale of current investments (net)	(555.30)	-	-	-
Interest received	32.82	12.37	0.21	-
Net cash (used in) / from investing activities	(1,570.85)	(6,067.24)	(5,053.12)	-
C. Cash flow from financing activities				
Share capital issued (net of advances refund)	-	5,472.80	5,024.50	0.50
Advance received towards equity commitment	-	-	2.20	-
Proceeds from/(repayment of) borrowings	(424.43)	1,066.84	486.87	-
Interest paid	(16.23)	(32.09)	(29.24)	-
Dividend paid	(3,020.01)	(2,199.34)	-	-
Dividend tax	(555.71)	(300.26)	-	-
Net cash (used in) / from financing activities	(4,016.38)	4,007.95	5,484.33	0.50
Net increase in cash and cash equivalents	(281.63)	827.04	294.47	0.50
Cash and cash equivalents at beginning of year	1,122.01	294.97	0.50	-
Cash and cash equivalents at end of year	840.38	1,122.01	294.97	0.50

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.

2. Purchase of fixed assets includes movements of capital work-in-progress between the beginning and end of the year.
3. Cash and cash equivalents represent cash and bank balances.
4. Bank balances include revaluation loss/(gain) as follows:

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Revaluation loss/ (gain)	(19.29)	29.48	(4.57)	-

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

For and on behalf of the Board of Directors of
L&T Technology Services Limited

FIRDOSH D. BUCHIA
Partner
Membership No.38332
Place: Mumbai
Date: 15 July 2016

P. RAMAKRISHNAN
Chief Financial Officer

KAPIL BHALLA
Company Secretary

A. M. NAIK
Director
(DIN: 00001514)
Place: Mumbai
Date: 15 July 2016

KESHAB PANDA
Chief Executive Officer
& Managing Director
(DIN : 05296942)

ANNEXURE IV: NOTES TO RESTATED UNCONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Annexure IV A: Notes on material adjustments

(a) Change in accounting policy

There has been no change in the accounting policy from 14 June 2012, which is the date of incorporation of the Company.

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 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 in accordance with the requirements of section 26 of the Companies Act, 2013 ('the Act') 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) 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) 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, and 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, employee's 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 recognizes 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 profit and loss account. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize 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.

c) 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. Tangible and intangible fixed assets

Tangible fixed assets are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition less accumulated depreciation.

Intangible fixed assets comprising of computer software and technical know-how are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition less accumulated amortisation. Any expenses on such software licenses for support and maintenance payable annually are charged to the profit and loss account.

5. Goodwill

Goodwill represents the excess of consideration paid over the net value of assets acquired. Goodwill is not amortised, but is subjected to impairment test (refer accounting policy on impairment of assets).

6. 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.

7. Leases

(a) Finance leases:

Assets acquired under lease where the company has substantially all the risk and rewards of ownership are classified as finance leases. Such assets are capitalised at inception of lease at the lower of fair value or 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.

(b) Operating leases:

Assets acquired on leases where a significant portion of the risk 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.

8. 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 year ended 31 March 2016 and 31 March 2015.

However, in respect of the following asset categories, the depreciation is provided at the useful life, based on technical evaluation, which is different from the useful life prescribed under schedule II to the Companies Act, 2013.

Asset class	Depreciation rate %
Electrical installation	10.00
Computers	33.33
Servers	25.00
Networking equipment	20.00
Office equipment	25.00
Vehicles	14.29
Leasehold improvements	over the lease period

For the years ended 31 March 2014 and 31 March 2013, 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:

Asset class	Depreciation rate %
Electrical installation	8.33
Computers	20.00 - 25.00
Office equipment	25.00
Air conditioning equipment	8.33
Canteen equipment	12.50
Furniture fixtures	10.00
Vehicles	14.29

Intangible assets

The basis of amortization of intangible assets is as follows:

Asset class	Depreciation rate %
Computer software	16.67
Technical know-how	25.00

Fixed assets costing Rs. 5,000 or less are fully depreciated in one year from the date of purchase.

Depreciation for additions to/deductions from, owned assets is calculated pro rata from/to the date of additions / deductions.

9. Impairment of assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a) The provision for impairment loss, if any; and
- b) The reversal of impairment loss recognised in previous periods, if any,

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- a) In the case of an individual asset, at the higher of the net selling price and value in use; and
- b) In case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's net selling price and net value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

10. 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.

Exchange difference on settlement / year end conversion is adjusted to profit and loss account.

b) 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 as per Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates"- Exchange differences arising on such contracts are recognised in the period in which they arise.

Gains and losses arising on account of roll over/cancellation of such forward contracts are recognised as income/expenses of the period in which such roll over/cancellation takes place.

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 (AS) 30 "Financial Instruments: Recognitions and Measurement" for accounting of such derivative contracts, not covered under Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates", as mandated by the ICAI in the aforesaid announcement.

Accordingly, the resultant gains or losses on fair valuation/settlement of the derivative contracts covered under Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" are recognised in the statement of profit and loss or balance sheet as the case may be after applying the test of hedge effectiveness. Where the hedge in respect of off-balance sheet items is effective, the gains or losses are recognised in the hedging reserve which forms part of reserves and surplus in the balance sheet. The amount recognised in the hedging reserve is 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 are recognised in the statement of profit and loss in the period in which such gains or losses are incurred.

d) The premium paid/received on a foreign currency forward contract is accounted as expenses/income over the life of the contract.

11. Income-tax

Provision for income tax for the current year is based on the taxable profits for the year after considering tax exemptions / allowances.

Deferred tax is recognised on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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;
- b) a present obligation arising from past events, when no reliable estimate is possible; or
- c) a possible obligation arising from past events, where the probability of outflow of resources is not 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:

- 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 results. Expenditure which relate to the company as a whole and not allocable to segments are included under “un-allocable corporate expenditure”.
- c) Income which relates to the Company as a whole and not allocable to is included in “un-allocable corporate income”.
- d) Fixed assets used and liability 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:

- a) transactions of a non-cash nature
- b) any deferrals or accruals of past or future operating cash receipts or payments; and
- c) 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:

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Estimated amount	177.46	125.38	7.31	-

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:

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Loss on fair valuation	223.18	195.47	182.58	-

The loss/ (gain) on settlement of the options/forwards recognised in statement of profit and loss is as follows:

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Loss/(gain) on settlement	(509.73)	(105.11)	83.60	-

The particulars of derivative contracts entered into for hedging foreign currency risks outstanding, notional amount are as under:

INR Million

Category of derivative instruments	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Forward contracts for receivables	15,185.03	19,519.41	3,647.65	-

Un-hedged foreign currency exposures are as under:

INR Million

Un-hedged foreign currency exposures	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Receivables including firm commitments and highly probable forecast transactions	6,846.41	6,292.83	1,589.82	-
Payables including firm commitments and highly probable forecast transactions	581.89	339.08	291.21	-

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

3. Expenditure in foreign currency

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Overseas staff costs	10,770.86	9,126.58	439.77	-
Foreign travel	357.98	385.43	17.86	-
Professional / consultancy fees	929.09	778.99	2.12	-
Subcontracting expenses	793.02	712.14	35.98	-
Others (including overseas office expenses)	611.43	494.80	47.22	-
	13,462.38	11,497.94	542.95	-

4. Earnings in foreign currency

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Engineering services	26,894.87	24,573.84	1,193.52	-

5. Leases

i) The Company has taken various commercial premises under cancellable operating leases.

ii) Lease rental expense in respect of operating leases are as follows:

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Lease rental expense	660.15	627.15	67.54	-

6. Segmental reporting

(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:

INR Million

Particulars	2015-16	2014-15	2013-14
Revenue			
Transportation	7,436.13	6,584.01	-
Process Industry	5,736.09	4,789.30	-
Industrial Products	7,742.90	7,284.24	-
Medical Devices	1,938.95	1,374.91	
Telecom & Hitech	6,086.31	5,573.41	1,261.70
Revenue from operations	28,940.38	25,605.87	1,261.70
Segmental profit			
Transportation	1,156.20	923.10	-
Process Industry	1,167.83	557.83	-
Industrial Products	1,769.37	1,781.36	-

Particulars	2015-16	2014-15	2013-14
Medical Devices	431.55	280.14	
Telecom & Hitech	1,029.38	889.33	195.71
Segmental operating profit	5,554.33	4,431.76	195.71
Un-allocable expenses (net)	230.26	388.75	-
Other income	753.66	250.35	(39.70)
Operating profit	6,077.73	4,293.36	156.01
Finance cost	16.23	31.43	29.25
Depreciation on tangible	368.10	332.48	6.86
Amortisation of intangible assets	173.33	138.46	4.38
Profit before extraordinary items and tax	5,520.07	3,790.99	115.52

(ii) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

INR Million

Particulars	2015-16	2014-15	2013-14
North America	16,940.12	14,274.11	676.21
Europe	5,955.29	5,221.53	48.66
India	2,584.28	2,603.17	154.79
ROW	3,460.69	3,507.06	382.04
Revenue from operations	28,940.38	25,605.87	1261.70

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.

In the year ended 31 March 2014, the Company provided engineering services in telecom & hitech industry only.

The Company did not have commercial operations in the year ended 31 March 2013. Accordingly, there were no reportable segments as per the provisions of AS 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

7. 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.
8. The Company acquired the Product Engineering Services business (PES) of Larsen & Toubro Infotech Limited, a wholly-owned subsidiary of Larsen & Toubro Limited (the holding company) on 1 January 2014 for a consideration of INR 4,895.27 million. PES was active in the telecom/entertainment, original equipment manufacturer (OEM) and semi-conductor markets with several cutting edge technological innovations to its credit.

The break-up of the consideration paid is as follows:

INR Million

Fixed assets	103.09	
Loans and advances	90.61	
Current assets	1,126.39	
Total assets		1,320.09
Hedging reserve	(389.15)	
Non-current liabilities	130.34	
Current liabilities	480.60	
Total liabilities		221.79
Net asset value		1,098.30
Goodwill on acquisition		3,796.97
Consideration paid		4,895.27

9. The Company acquired the Integrated Engineering Services business (IES) of Larsen & Toubro Limited ('L&T') at book value on 1 April 2014. The prime service offerings of IES were mainly product design analysis, prototyping and testing, embedded system design, manufacturing engineering, plant and construction engineering, asset information management and engineering process support using cutting-edge CAD / CAM / CAE technology in various domains. The net assets taken over from L&T are as follows:

INR Million

Fixed assets	1,177.05	
Deferred tax assets	538.67	
Loans and advances	1,366.26	
Current assets	4,880.83	
Total assets		7,962.81
Hedging reserve	(792.50)	
Deferred tax liability	195.03	
Non-current liabilities	33.48	
Current liabilities	3,032.07	
Total liabilities		2,468.08
Consideration paid / net asset value		5,494.73

10. Acquisition of Product Engineering Services business of Larsen & Toubro Infotech GmbH, a wholly owned subsidiary of Larsen & Toubro Infotech limited, was completed in the financial year ended 31 March 2015. The purchase consideration paid was INR 129.20 million which resulted in goodwill of INR 93.95 million on account of excess of purchase consideration paid over net assets taken over.
11. On 26 June 2014, L&T Technology Services purchased 74 per cent of the equity capital of Thales Software India Private Limited (now known as L&T Thales Technology Services Private Limited), the Indian subsidiary of Thales Services SAS, France - the global technology leader in aerospace, transportation and defence and security markets, for a purchase consideration of INR 60.36 million paid in cash.
12. On 21 November 2014 the Company, through its wholly owned US based subsidiary L&T Technology Services LLC, acquired assets of US-based Dell Product and Process Innovation Services, the Engineering Services division of Dell for a purchase consideration of USD 12.22 million, compensated in cash. USD 9.73 million was paid in the year ended on 31 March 2015 and balance amount of USD 2.49 million was paid in year ended on 31 March 2016.
13. On 21 November 2014 the Company acquired the Dell International Services India Private Limited business having its delivery centres in Bengaluru and Hyderabad for a purchase consideration of INR 13.58 million.

Annexure V: Restated unconsolidated statement of share capital

INR Million

a)	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Particulars				
Authorised :				
75,000,000 Equity shares of Rs.40 each #	3,000.00			
300,000,000 Equity shares of Rs.10 each		3,000.00	3,000.00	
50,000 Equity shares of Rs.10 each				0.50
750,000,000 10% Preference shares of Rs.10 each	7,500.00	7,500.00	7,500.00	-
Issued, subscribed and paid up				
75,000,000 Equity shares of Rs.40 each	3,000.00	-	-	-
300,000,000 Equity shares of Rs.10 each		3,000.00	-	-
102,500,000 Equity shares of Rs.10 each			1,025.00	-
50,000 Equity shares of Rs.10 each	-	-	-	0.50
750,000,000 10% Preference shares of Rs.10 each	7,500.00	7,500.00	-	-
400,000,000 10% Preference shares of Rs.10 each	-	-	4,000.00	-
Total issued, subscribed and paid up capital	10,500.00	10,500.00	5,025.00	0.50

The Company consolidated 300,000,000 equity shares of Rs. 10/- each to 75,000,000 equity shares of Rs. 40/- each with effect from 13 January 2016.

(b) Terms/rights attached to:
(i) Equity shares

The Company has only one class of equity shares having a par value of Rs. 40 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

(ii) Preference shares

As at March 31, 2015, the preference shares were non - convertible and redeemable at par at the end of 10 years from the date of allotment. The Company had anytime call option and Larsen & Toubro Limited had anytime put option after 5 years.

With effect from April 1, 2015, the preference shares are convertible anytime, at the option of the Issuer or redeemable at par at the end of 10 years from the date of Allotment. The Company reserves the right to convert the preference shares, anytime, partly or fully, to equity shares of face value of Rs. 2 each at a premium of Rs. 279 per share. The conversion terms will be suitably adjusted for any changes in the face value of its equity share, post re-organization of its equity share capital (if any). The put option given to L&T stands cancelled.

(c) Shareholders holding more than 5% of equity shares as at the end of each year:

100% of equity and preference shares are held by Larsen and Toubro Limited, the holding company at the end of each year.

(d) Reconciliation of the number of equity and preference shares & share capital:

Equity shares	2015-16		2014-15		2013-14		2012-13	
	No. of shares	Rupees	No. of shares	Rupees	No. of shares	Rupees	No. of shares	Rupees
At the beginning of the year	300.00	3,000.00	102.50	1,025.00	0.05	0.50	-	-
Issued during the year	-	-	197.50	1,975.00	102.45	1,024.50	0.05	0.50
Reduction in number of shares consequent to increase in face value	225.00	-	-	-	-	-	-	-
Outstanding at the end of the year	75.00	3,000.00	300.00	3,000.00	102.50	1,025.00	0.05	0.50
Face value per share (Rs.)		40		10		10		10

Preference shares	2015-16		2014-15		2013-14		2012-13	
	No. of shares	Rupees	No. of shares	Rupees	No. of shares	Rupees	No. of shares	Rupees
At the beginning of the year	750.00	7,500.00	400.00	4,000.00	-	-	-	-
Issued during the year	-	-	350.00	3,500.00	400.00	4,000.00	-	-
Outstanding at the end of the year	750.00	7,500.00	750.00	7,500.00	400.00	4,000.00	-	-

(e) Pursuant to the approval received from the High Court of Judicature at Bombay, the Company has reorganised its share capital from April 1, 2016, as follows:

- (i) The authorised equity share capital of the Company remains unchanged at Rs.3,000,000,000 (Rupees three thousand million) but with revised number of 1,500,000,000 equity shares at Rs. 2 each;
- (ii) The Company shall reduce the existing issued, subscribed and paid up equity share capital from Rs. 3,000,000,000 (Rupees three thousand million) divided into 75,000,000 equity shares of Rs. 40 each to Rs. 150,000,000 (Rupees one hundred and fifty million) divided into 75,000,000 equity shares of Rs. 2 each full paid up;
- (iii) Consequent to the reduction an amount of Rs. 2,850,000,000 (Rupees two thousand eight hundred and fifty million) will be transferred to the "Securities Premium Account" of the Company; and
- (iv) Pursuant to the above, the capital structure of the Company will be as under:

Particulars	INR Million
Authorised share capital	
1,500,000,000 equity shares of Rs.2 each	3,000.00
10% 750,000,000 preference shares of Rs.10 each	7,500.00
Total	10,500.00
Issued subscribed and paid capital	
75,000,000 equity shares of Rs.2 each	150.00
10% 750,000,000 preference shares of Rs.10 each	7,500.00
Total share capital	7,650.00
Securities premium account	2,850.00
Total	10,500.00

Annexure VI: Restated unconsolidated statement of reserves and surplus

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Hedging reserve (net of tax)				
Opening balance	(505.80)	(182.57)	-	-
(Deduction)/addition during the year	(112.49)	(323.23)	(182.57)	-
	(618.29)	(505.80)	(182.57)	-
Profit and loss account				
Opening balance	573.23	4.41	(0.03)	
Add: Profit for the year	4,342.36	3,151.77	62.14	(0.03)
Less: Depreciation adjusted against retained earning	-	(38.35)	-	-
Less: Deferred tax asset on depreciation charged to retained earning	-	13.27	-	-
	4,915.59	3,131.10	62.11	(0.03)
Less: Appropriation				
(a) Interim dividend paid on equity shares	2,270.01	1,568.22		
(b) Interim dividend paid on preference shares	750.00	581.80	49.32	-
(c) Tax on interim dividend paid on preference and equity shares	614.81	407.85	8.38	-
Balance to be carried forward	1,280.77	573.23	4.41	(0.03)
Total	662.48	67.43	(178.16)	(0.03)

Annexure VII: Restated unconsolidated statement of deferred tax

INR Million

Deferred tax assets / liabilities	Deferred tax (asset)/ liability as at 31-03-2016	Deferred tax (asset)/ liability as at 31-03-2015	Deferred tax (asset)/ liability as at 31-03-2014	Deferred tax (asset)/ liability as at 31-03-2013
Deferred tax liabilities				
Depreciation / amortisation	31.33	87.07	10.80	-
Overseas branch profit transfer tax	219.85	142.09	-	-
Premia income booked in statement of profit and loss on future contracts	133.28	-	-	-
Total	384.46	229.16	10.80	-
Deferred tax assets				
Unpaid statutory liabilities/provision for compensated benefits/timing difference	(242.87)	(174.55)	(10.24)	-
Provision for doubtful debts	(120.57)	(58.90)	-	-
Provision for gratuity	(21.62)	(36.28)	-	-

Particulars	Deferred tax (asset)/ liability as at 31-03-2016	Deferred tax (asset)/ liability as at 31-03-2015	Deferred tax (asset)/ liability as at 31-03-2014	Deferred tax (asset)/ liability as at 31-03-2013
Depreciation adjusted against retained earning	-	(13.27)	-	-
Loss on derivative to be claimed for tax purpose in the year	(327.25)	(267.72)	-	-
Other items giving rise to timing difference	(7.05)	(18.31)	-	-
Total	(719.36)	(569.03)	(10.24)	-
Net deferred tax (assets)/liability	(334.90)	(339.87)	0.56	-

Movement during the year (charge/ (credit))

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Amount charged to statement of profit and loss	64.50	(123.88)	0.56	-
Charged to hedging reserve	(59.53)	140.36	-	-
Charged against retained earnings	-	(13.27)	-	-
Deferred tax (asset)/ liability transferred on acquisition of IES (refer note 9 above)		(343.64)		

Annexure VIII: Restated unconsolidated statement of other long-term liabilities and long-term provisions

(A) Other long-term liabilities

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Other payables	60.05	49.67	11.03	-

(B) Long-term provisions

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Provisions for employee benefits :				
Gratuity	47.49	104.84	-	-
Leave encashment	33.84	285.16	-	-
Post-retirement medical benefits	50.70	-	-	-
Provision for interest rate guarantee (provident fund)	-	7.37	9.27	-
Total	132.03	397.37	9.27	-

Annexure IX: Restated unconsolidated statement of short-term borrowings

(A) Short-term borrowings

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Secured loans *				
Other loans from banks	397.53	909.96	336.87	
	397.53	909.96	336.87	-
Unsecured loans				
Other loans from banks	728.81	643.75	-	-
Inter corporate borrowings	-	-	150.00	-
	728.81	643.75	150.00	-
Total	1,126.34	1,553.71	486.87	-

*Details of secured loans - short-term

INR Million

Nature of term loan	Amount outstanding as on 31 March 2016	Rate of interest	Repayment terms	Prepayment charges	Security offered
Packing credit	265.02	USD LIBOR (1 month) + 0.35%	Full amount payable on maturity and interest payment done on monthly basis till maturity.	None	Secured against hypothecation of the Company's accounts receivable
Packing credit	132.51	USD LIBOR (1 month) + 0.05%	Full amount payable on maturity and interest payment done on monthly basis till maturity.	None	Secured against hypothecation of the Company's accounts receivable

There are no borrowings from related parties including directors and holding company as at 31 March 2016.

Annexure X: Restated unconsolidated statement of trade payables, other current liabilities and short-term provisions

(A) Trade payable

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Due to holding and fellow subsidiaries	892.05	1,170.26	361.07	0.02
Due to others	724.38	475.26	141.82	0.01
Total	1,616.43	1,645.52	502.89	0.03

(B) Other current liabilities

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Forward cover payable	228.77	-	90.84	-
Interest accrued but not due	0.48	0.39	0.18	-
Interest accrued and due	-	-	28.50	-
Other payables	800.11	699.51	67.09	-
Total	1,029.36	699.90	186.61	-

(C) Short-term provisions

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Provisions for employee benefits :				
Gratuity		-	8.55	-
Leave encashment	943.83	504.12	89.05	-
Post-retirement medical benefits	0.01	41.59	5.77	-
Provision for interest rate guarantee (Provident fund)	-	1.25	-	-
	943.84	546.96	103.37	-
Others				
Proposed dividend on preference shares	-	-	49.32	-
Tax on proposed dividend on preference shares	-	-	8.38	-
Tax on interim dividend on preference shares	37.65	36.98	-	-
Tax on interim dividend on equity shares	137.43	78.99	-	-
Income tax provision (net of advance tax payment)	31.15	116.54	6.96	-
	206.23	232.51	64.66	-
Other provisions	1,950.51	1,451.75	154.61	-
	2,156.74	1,684.26	219.27	-
Total	3,100.58	2,231.22	322.64	-

Annexure XI: Restated unconsolidated statement of investments

INR Million

Non-current investments	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
1,520,692 equity shares of Rs. 10 each in L&T Thales Technology Services Private Limited.	60.35	60.35	-	-
1000 common stock of USD 10 each in L&T Technology Services LLC	0.62	0.62	-	-
Total	60.97	60.97	-	-

Annexure XII: Restated unconsolidated statement of long-term loans and advances

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Deposits	305.73	289.79	24.12	-
Advances recoverable in cash or in kind	-	334.66	52.55	-
Forward cover receivable	-	-	78.62	-
Total	305.73	624.45	155.29	-

There are no long-term loans and advances given to related parties including directors and holding company.

Annexure: XIII: Restated unconsolidated statement of current investments

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Investment in mutual funds	555.30	-	-	-
Total	555.30	-	-	-

Details of quoted investments

INR Million

Aggregate amount of quoted current investments and market value thereof:	Amount as at 31-03-2016	Amount as at 31-03-2015	Amount as at 31-03-2014	Amount as at 31-03-2013
Book value	555.30	-	-	-
Market value	555.35	-	-	-

Annexure: XIV: Restated unconsolidated statement of trade receivables

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013
Trade receivables				
Unsecured				
Debts outstanding for a period exceeding six months				
Considered good	184.45	325.23	413.82	-
Considered doubtful	348.36	170.18	-	-
	532.81	495.41	413.82	-
Other debts				
Considered good				
- Due from parent	121.19	86.70	137.77	-
- Due from subsidiaries and associates	434.87	280.44	258.65	-
- Others	6,376.63	5,971.36	689.65	-
	7,465.50	6,833.91	1,499.90	

Particulars	As at	As at	As at	As at
	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Less : Allowance for bad and doubtful debts	(348.36)	(170.18)	-	
Retention Money				
Unsecured:				
Considered good	10.32	9.60	-	
Total	7,127.46	6,673.33	1,499.90	-

Annexure XV: 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

INR Million

Particulars	As at	As at	As at	As at
	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Cash on hand	0.14	0.30		
Balances with bank				
- in current accounts				
Overseas	730.60	409.03	125.38	-
Domestic	77.21	261.78	166.47	0.50
	807.81	670.81	291.85	0.50
Other bank balances				
Fixed deposits	32.43	450.90	3.12	-
	32.43	450.90	3.12	-
Total	840.38	1,122.01	294.97	0.50

(C) Short-term loans and advances

INR Million

Particulars	As at	As at	As at	As at
	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Inter corporate deposits to subsidiary				
L&T Thales Technology Services Private Limited	30.00	11.10	-	-
Deposits	11.63	3.02	-	-
Advances recoverable in cash or in kind	1,911.51	1,342.21	132.24	-
Forward cover receivable	-	135.05	-	-
Total	1,953.14	1,491.38	132.24	-

Annexure XVI: Restated unconsolidated statement of other income

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Foreign exchange gain / (loss)	657.26	191.31	(39.91)	-
Profit on sales of fixed asset	-	1.61	-	-
Income/gain/loss from mutual fund	30.29	-	-	-
Bank interest received	32.82	12.37	0.21	-
Miscellaneous income	33.29	45.06	-	-
Total	753.66	250.35	(39.70)	-

Annexure XVII: Restated unconsolidated statement of other expenses

INR Million

	Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
A	Employee benefit expenses				
	Salaries including overseas staff expenses	15,398.01	13,833.87	704.22	-
	Staff welfare	371.73	263.06	10.21	-
	Contribution to provident and other funds	204.68	200.37	16.28	-
	Contribution to gratuity fund	62.46	104.84	1.19	-
	Total	16,036.88	14,402.14	731.90	-

	Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
B	Operating expenses				
	Subcontracting and component charges	960.97	889.08	36.21	-
	Engineering, professional, technical and consultancy fees	916.09	798.72	35.44	-
	Cost of computer software	476.37	522.91	23.09	-
	Total	2,353.43	2,210.71	94.74	-

	Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
C	Sales, administration and other expenses				
	Salaries non-billable	2,217.51	2,043.86	67.38	-
	Travelling and conveyance	444.51	396.62	30.87	-
	Rent and establishment expenses	550.80	668.53	69.25	-
	Telephone, postage and other communication charges	163.51	171.75	4.05	-
	Legal and professional charges	229.50	307.25	47.77	0.03
	Printing and stationery	17.51	27.31	0.57	-
	Advertisement	72.17	54.46	1.26	-
	Recruitment expenses	83.00	59.90	2.62	-
	Repairs to buildings & machineries	240.59	266.87	10.67	-
	General repairs and maintenance	73.18	62.90	0.80	-

	Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
	Power and fuel	99.98	122.57	0.50	-
	Equipment hire charges	12.63	11.60	-	-
	Insurance charges	61.86	61.14	0.65	-
	Rates & taxes	26.49	21.31	0.31	-
	Provision for doubtful debts (net)	178.18	30.84	-	-
	Commission charges	6.58	22.30	1.19	-
	Books and Periodicals	14.27	16.08	0.02	-
	Overheads charged by group companies	617.51	510.33	0.06	-
	Lease charges	0.70	1.44	-	-
	Loss on sales of fixed asset	0.35	-	-	-
	Miscellaneous expenses	115.17	92.95	1.38	-
	Total	5,226.00	4,950.01	239.35	0.03

ANNEXURE XVIII: Restated unconsolidated statement of finance cost

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Interest paid				
Bank interest paid	14.87	13.46	-	-
Interest paid/payable - others	0.01	17.97	-	-
Interest on share application money	-	-	28.50	-
Interest on bill discounting	1.35	-	-	-
Others	-	-	0.75	-
Total	16.23	31.43	29.25	-

Annexure XIX: Restated unconsolidated statement of provision for taxation

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Current tax	1,362.48	960.50	52.82	-
Deferred tax	64.50	(123.88)	0.56	-
MAT credit	(249.27)	(197.40)	-	-
Total	1,177.71	639.22	53.38	-

Annexure XX: Restated unconsolidated statement of contingent liabilities

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Corporate guarantee *	1,093.21	1,031.25	-	-

*Corporate bank guarantee of USD 16.5 Million issued to Citibank on behalf of L&T Technology Services LLC

Annexure XXI: Restated unconsolidated statement of related parties**(A) List of related parties over which control exists/exercised**

Name	Relationship
L&T Technology Services LLC	Subsidiary
L&T Thales Technology Services Private Limited	Subsidiary

Name	Relationship
Larsen and Toubro Limited	Holding company

(B) Key management personnel:

Name	Status
Dr. Keshab Panda	Chief Executive Officer & Managing Director*
Mr. Amit Chadha	Whole Time Director
Mr. Kumar Prabhas	Whole Time Director**
Mr. P. Ramakrishnan	Chief Financial Officer***
Mr. Y. V. S. Sravankumar	Company Secretary****
Mr. M. V. Govindarajan	Manager*****

* Re-designated as Chief Executive Officer & Managing Director w.e.f January 21, 2016

** Appointed as whole time director w.e.f January 21, 2016

*** Appointed as Chief Financial Officer w.e.f January 21, 2016

**** Appointed as Company Secretary w.e.f January 21, 2016

*****Ceased to be Manager w.e.f the close of working hours of June 30, 2015

(C) List of related parties with whom there were transactions during the four years FY2015-16, FY2014-15, FY2013-14, and FY2012-13:

Name	Relationship
Larsen & Toubro Limited	Holding company
Larsen & Toubro Infotech Limited	Fellow subsidiary
Larsen & Toubro Infotech Canada Limited	Fellow subsidiary
Larsen & Toubro Infotech GmbH	Fellow subsidiary
L&T Information Technology Services (Shanghai) Co. Ltd	Fellow subsidiary
L&T Infotech Financial Services Technologies INC	Fellow subsidiary
Larsen & Toubro LLC	Fellow subsidiary
Larsen &Toubro (East Asia) SDN.BHD	Fellow subsidiary
L&T-MHPS Boilers Private Limited	Fellow subsidiary
L&T Metro Rail (Hyderabad) Limited	Fellow subsidiary
L&T Hydrocarbon Engineering Limited	Fellow subsidiary
Larsen & Toubro T&D SA (PTY) Limited	Fellow subsidiary
L&T Construction Equipment Limited	Fellow subsidiary
L&T-Valdel Engineering Limited	Fellow subsidiary
L&T Infocity Limited	Fellow subsidiary

Name	Relationship
L&T Infrastructure Engineering Limited	Fellow subsidiary
PT. Tamco Indonesia	Fellow subsidiary
Ewac Alloys Limited	Fellow subsidiary
Larsen & Toubro Kuwait Construction General Contracting Company, W.L.L	Fellow subsidiary
L&T Valves Limited	Fellow subsidiary
L&T-Sargent & Lundy Limited	Fellow subsidiary
Larsen & Toubro Electromech LLC	Fellow subsidiary
GDA Technologies Inc.	Fellow subsidiary
Kesun Iron & Steel Company Private Limited	Fellow subsidiary
L&T Overseas Projects Nigeria Limited	Fellow subsidiary
L&T Technology Services LLC	Subsidiary
L&T Thales Technology Services Private Limited	Subsidiary

(D) Restated unconsolidated statement of related party transactions:

INR Million

Transaction	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Sale of services				
<u>Holding Company</u>	295.10	188.64	82.46	-
-Larsen & Toubro Limited	295.10	188.64	82.46	-
<u>Fellow subsidiaries</u>	747.79	900.60	358.37	-
- L&T Hydrocarbon Engineering Limited	40.14	21.55	-	-
- Larsen & Toubro Infotech Limited	666.53	708.29	358.37	-
- Larsen & Toubro Infotech GMBH	-	88.65	-	-
- L&T Information Technology Services (Shanghai) Co. Ltd	-	1.59	-	-
- Larsen & Toubro LLC	24.33	56.04	-	-
- Larsen & Toubro (East Asia) SDN.BHD	9.79	20.43	-	-
- L&T Metro Rail (Hyderabad) Limited	-	0.48	-	-
- L&T Construction Equipment Limited	0.40	0.96	-	-
- L&T-MHPS Boilers Private Limited	5.85	2.45	-	-
- L&T Valves Limited	-	0.16	-	-
- Ewac Alloys Limited	0.75	-	-	-
<u>Subsidiaries</u>	440.95	17.04	-	-
- L&T Thales Technology Services Private Limited	103.65	0.73	-	-
- L&T Technology Services LLC	337.30	16.31	-	-

Transaction	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Purchase of services				
<u>Holding Company</u>	11.67	52.79	53.51	-
-Larsen & Toubro Limited	11.67	52.79	53.51	
<u>Fellow subsidiaries</u>	512.42	512.35	4.18	-
- L&T Hydrocarbon Engineering Limited	-	7.48	-	
- Larsen & Toubro Infotech Limited	79.42	115.32	4.18	
- L&T Metro Rail (Hyderabad) Limited	0.10	-	-	
- L&T-Valdel Engineering Limited	418.68	384.94	-	
- L&T-Sargent & Lundy Limited	-	1.17	-	
- PT. Tamco Indonesia	12.92	-	-	
- L&T Construction Equipment Limited	-	0.35	-	
- L&T Infrastructure Engineering Limited	1.30	3.09	-	
<u>Subsidiaries</u>	42.13	1.59	-	-
- L&T Technology Services LLC	36.37	-	-	
- L&T Thales Technology Services Private Limited	5.76	1.59	-	
Sale of Assets				
<u>Holding Company</u>	2.61	-	-	-
-Larsen & Toubro Limited	2.61	-	-	-
Purchase of Intellectual Property Right				
<u>Fellow subsidiaries</u>	-	-	142.06	-
- GDA Technologies Inc.	-	-	142.06	-
Rent paid				
<u>Holding Company</u>	77.53	236.41	20.30	-
-Larsen & Toubro Limited	77.53	236.41	20.30	-
<u>Fellow subsidiaries</u>	53.65	84.00	-	-
- Larsen & Toubro Infotech Limited	51.70	82.40	-	-
- L&T Infocity Limited	0.65	1.60	-	-
- L&T Infotech Financial Services Technologies INC	0.56	-	-	-
- Larsen & Toubro Infotech GmbH	0.19	-	-	-
- PT. Tamco Indonesia	0.55	-	-	-

Transaction	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
<u>Subsidiaries</u>	1.60	-	-	-
- L&T Technology Services LLC	-	-	-	-
- L&T Thales Technology Services Private Limited	1.60	-	-	-
Commission paid				
<u>Holding Company</u>	0.21	-	-	-
-Larsen & Toubro Limited	0.21	-	-	-
-				
<u>Fellow subsidiaries</u>	5.26	18.17	1.19	-
- Larsen & Toubro Infotech Limited	5.26	18.17	1.19	-
Interest paid				
<u>Holding Company</u>	-	18.62	28.69	-
-Larsen & Toubro Limited	-	18.62	28.69	-
Performance Guarantee Charges				
<u>Holding Company</u>	2.52	-	-	-
-Larsen & Toubro Limited	2.52	-	-	-
Interest receivable				
<u>Subsidiaries</u>	1.33	0.33	-	-
- L&T Thales Technology Services Private Limited	1.33	0.33	-	-
Services availed by the Company				
<u>Holding Company</u>	1,023.02	1,502.03	-	-
-Larsen & Toubro Limited	1,023.02	1,502.03	-	-
<u>Fellow subsidiaries</u>	420.51	771.67	-	-
- Larsen & Toubro Infotech Limited	374.91	712.55	-	-
- L&T Hydrocarbon Engineering Limited	8.98	15.00	-	-
- L&T Infocity Limited	6.72	1.53	-	-
- L&T Information Technology Services (Shanghai) Co. Ltd	19.84	6.34	-	-
- Larsen & Toubro Infotech Canada Limited	1.15	-	-	-
- Larsen & Toubro LLC	1.31	0.06	-	-
- PT. Tamco Indonesia	5.00	11.19	-	-

Transaction	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
- Larsen &Toubro (East Asia) SDN.BHD	0.45	6.88	-	-
- Larsen & Toubro T&D SA (PTY) Limited	2.15	-	-	-
- L&T Construction Equipment Limited	-	0.35	-	-
- L&T Infrastructure Engineering Limited	-	0.29	-	-
-L&T-Sargent & Lundy Ltd.	-	1.17	-	-
-Larsen & Toubro Infotech GmbH	-	14.23	-	-
-Larsen & Toubro Kuwait Construction General Contracting Company, W.L.L	-	2.08	-	-
<u>Subsidiaries</u>	4.37	1.59	-	-
- L&T Thales Technology Services Private Limited	4.37	1.59	-	-
Services rendered by the Company				
<u>Holding Company</u>	1.32	0.39	-	-
-Larsen & Toubro Limited	1.32	0.39	-	-
<u>Fellow subsidiaries</u>	106.71	0.88	-	-
- L&T Thales Technology Services Private Limited	-	-	-	-
- L&T Technology Services LLC	-	-	-	-
- L&T-Valdel Engineering Limited	106.49	-	-	-
- Larsen & Toubro Infotech GmbH	0.14	-	-	-
- Larsen & Toubro Infotech Limited	0.06	0.08	-	-
- L&T-Valdel Engineering Limited	-	0.80	-	-
- L&T Hydrocarbon Engineering Limited	0.02	-	-	-
<u>Subsidiaries</u>	194.71	12.40	-	-
- L&T Thales Technology Services Private Limited	34.35	0.39	-	-
- L&T Technology Services LLC	160.36	12.01	-	-
Reimbursement of expense incurred on the Company's behalf				
<u>Holding Company</u>	12.38	7.94	-	-
-Larsen & Toubro Limited	12.38	7.94		
<u>Fellow subsidiaries</u>	0.54	-	-	-
- Larsen & Toubro Infotech Limited	0.54	-	-	-

Transaction	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Inter corporate deposit to				
<u>Subsidiaries</u>	30.00	11.10	-	-
- L&T Thales Technology Services Private Limited	30.00	11.10	-	-
Inter corporate deposit from				
<u>Holding Company</u>	-	-	150.00	-
-Larsen & Toubro Limited	-	-	150.00	-
Trade receivable				
<u>Holding Company</u>	121.19	86.70	137.77	-
-Larsen & Toubro Limited	121.19	86.70	137.77	-
<u>Fellow subsidiaries</u>	200.52	263.31	258.65	-
- Larsen & Toubro Infotech Limited	155.62	201.11	258.65	-
- L&T Hydrocarbon Engineering Limited	9.73	-		
- L&T-MHPS Boilers Private Limited	0.93	1.27	-	-
- L&T Construction Equipment Limited	0.42	20.28	-	-
- Larsen &Toubro (East Asia) SDN.BHD	31.34	29.56	-	-
- L&T Technology Services LLC	-	-	-	-
- L&T Information Technology Services (Shanghai) Co. Ltd	1.71	-	-	-
- L&T Thales Technology Services Private Limited	-	-	-	-
- Larsen & Toubro LLC	-	10.92	-	-
- L&T Valves Limited	-	0.17	-	-
- Ewac Alloys Limited	0.77	-	-	-
<u>Subsidiaries</u>	234.35	17.13	-	-
- L&T Thales Technology Services Private Limited	85.50	0.82	-	-
- L&T Technology Services LLC	148.85	16.31	-	-
Trade payable				
Holding Company	675.21	849.09	220.64	0.02
-Larsen & Toubro Limited	675.21	849.09	220.64	0.02

Transaction	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
<u>Fellow subsidiaries</u>	216.84	313.12	140.43	-
- Larsen & Toubro Infotech Limited	102.89	238.62	140.43	-
- Larsen & Toubro Infotech Canada Limited	0.06	0.76	-	-
- L&T Infotech Financial Services Technologies INC	0.14	0.14	-	-
- L&T-Sargent & Lundy Limited	-	1.05	-	-
-Larsen & Toubro Kuwait Construction General Contracting Company, W.L.L	-	1.15	-	-
- L&T Information Technology Services (Shanghai) Co. Ltd	0.64	-	-	-
- L&T-Valdel Engineering Limited	97.23	60.86	-	-
- L&T Infrastructure Engineering Limited	-	1.62	-	-
- L&T Infocity Limited	-	0.40	-	-
- L&T Hydrocarbon Engineering Limited	9.87	2.85	-	-
- Larsen &Toubro (East Asia) SDN.BHD	5.95	5.61	-	-
- Larsen & Toubro Electromech LLC	0.06	0.06	-	-
<u>Subsidiaries</u>	-	8.05	-	-
- L&T Thales Technology Services Private Limited	-	1.24	-	-
- L&T Technology Services LLC	-	6.81	-	-
Loans and advances recoverable				
<u>Holding Company</u>	4.62	90.28	-	-
-Larsen & Toubro Limited	4.62	90.28	-	-
<u>Fellow subsidiaries</u>	3.13	6.95	-	-
- Kesun Iron & Steel Company Private Limited	1.90	1.90	-	-
- Larsen & Toubro Infotech GmbH	1.07	0.71	-	-
- L&T Overseas Projects Nigeria Limited	0.16	0.15	-	-
- Ewac Alloys Limited		0.01	-	-
-L&T Metro Rail (Hyderabad) Limited		0.09	-	-
- Larsen & Toubro LLC		4.09	-	-
<u>Subsidiaries</u>	63.15	-	-	-
- L&T Technology Services LLC	31.65	-	-	-
- L&T Thales Technology Services Private Limited	31.50	-	-	-

Transaction	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Equity share capital issued				
<u>Holding Company</u>	-	197.50	102.45	-
-Larsen & Toubro Limited	-	197.50	102.45	-
Preference share capital issued				
<u>Holding Company</u>	-	350.00	400.00	-
-Larsen & Toubro Limited	-	350.00	400.00	-
Advance towards equity commitment				
<u>Holding Company</u>	-	-	2.20	-
-Larsen & Toubro Limited	-	-	2.20	-
Interim dividend paid - equity				
<u>Holding Company</u>	2,270.01	1,568.22	-	-
-Larsen & Toubro Limited	2,270.01	1,568.22	-	-
Interim dividend paid - preference				
<u>Holding Company</u>	750.00	581.80	49.32	-
-Larsen & Toubro Limited	750.00	581.80	49.32	-

(E) Managerial remuneration

INR Million

Name	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Dr. Keshab Panda	57.89	12.34	-	-
Mr. Amit Chadha	35.23	5.25	-	-
Mr. Kumar Prabhas	2.53	-	-	-
Mr. P. Ramakrishnan	0.58	-	-	-
Mr. M. V. Govindarajan	1.89	2.58	-	-
Total managerial remuneration :	98.12	20.17	-	-

*No amounts were written off / provided or written back in respect of related parties during the year

Annexure XXII: Restated unconsolidated statement of accounting ratios

Initially, the Company's equity shares had a face value of Rs.10 each. On 13 January 2016, the Company consolidated its equity share capital of face value of Rs.10 each to Rs.40 per equity share. Subsequently, on 1 April 2016, pursuant to the order of the High Court of Judicature at Bombay, the Company reorganised its share capital and the face value per equity share to Rs. 2 (refer note V above). Accordingly, information for EPS and net asset value is provided for Rs.10, Rs.40 and Rs.2 per equity share.

(A) Basic and diluted earnings per equity share (EPS) at face value of Rs. 10

Basic earnings per equity share	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Profit after tax (INR Million)	-	3,151.77	62.14	(0.03)
Less: Dividend on preference shares (INR Million)	-	581.80	49.32	-
Less: Tax on dividend (INR Million)	-	118.24	8.38	-
Profit attributable to equity shareholders (INR Million)	-	2,451.73	4.44	(0.03)
Weighted average number of equity shares outstanding	-	205,849,315	21,101,370	39,863
Basic EPS (Rs.)	-	11.91	0.21	(0.74)

Diluted earnings per equity share	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Weighted average number of equity shares outstanding	-	205,849,315	21,101,370	39,863
Add - No. of potential equity shares	-	-	-	-
Weighted number of equity shares outstanding	-	205,849,315	21,101,370	39,863
Diluted EPS (Rs.)	-	11.91	0.21	(0.74)

(B) Basic and diluted earnings per equity share (EPS) at face value of Rs. 40

Basic earnings per equity share	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Profit after tax (INR Million)	4,342.36	3,151.77	62.14	(0.03)
Less: Dividend on preference shares (INR Million)	750.00	581.80	49.32	-
Less: Tax on dividend (INR Million)	152.68	118.24	8.38	-
Profit after tax (Rs. Mn)	3,439.68	2,451.73	4.44	(0.03)
Weighted average number of equity shares outstanding	75,000,000	51,462,329	5,275,343	9,966
Basic EPS (Rs.)	45.86	47.64	0.84	(2.94)

Diluted earnings per equity share	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Weighted average number of equity shares outstanding	75,000,000	51,462,329	5,275,343	9,966
Add - No. of potential equity shares	26,690,392	-	-	-
Weighted number of equity shares outstanding	101,690,392	51,462,329	5,275,343	9,966
Diluted EPS (Rs.)	33.82	47.64	0.84	(2.94)

(C) Basic and diluted earnings per equity share (EPS) at face value of Rs. 2

Basic earnings per equity share	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Profit after tax (INR Million)	4,342.36	3,151.77	62.14	(0.03)
Less: Dividend on preference shares (INR Million)	750.00	581.80	49.32	-
Less: Tax on dividend (INR Million)	152.68	118.24	8.38	-
Profit after tax (Rs. Mn)	3,439.68	2,451.73	4.44	(0.03)
Weighted average number of equity shares outstanding	75,000,000	51,462,329	5,275,343	9,966
Basic EPS (Rs.)	45.86	47.64	0.84	(2.94)

Diluted earnings per equity share	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Weighted average number of equity shares outstanding	75,000,000	51,462,329	5,275,343	9,966
Add - No. of potential equity shares	26,690,392	-	-	-
Weighted number of equity shares outstanding	101,690,392	51,462,329	5,275,343	9,966
Diluted EPS (Rs.)	33.82	47.64	0.84	(2.94)

(D) Net asset value per equity share at face value of Rs. 10

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Net asset value per equity share	-	35.22	47.31	9.41

(E) Net asset value per equity share at face value of Rs. 40

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Net asset value per equity share	148.83 #	140.90	189.23	37.66

Net asset value per equity share is Rs. 109.77 after considering 26,690,392 potential equity shares

(F) Net asset value per equity share at face value of Rs. 2

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Net asset value per equity share	148.83 #	140.90	189.23	37.66

Net asset value per equity share is Rs. 109.77 after considering 26,690,392 potential equity shares

(G) Return on net worth

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Profit after tax	4,342.36	3,151.77	62.14	(0.03)
Average net worth	10,864.96	7,708.23	2,424.75	0.47 #
Return on net worth (%)	39.97%	40.89%	2.56%	-6.38%

As the Company got incorporated in financial year 2012-13, for calculation of return on net worth, closing net worth is considered.

1) Earnings per equity share = Net profit attributable to equity shareholders
(Basic)

Weighted average number of equity shares
outstanding during the year

2) Earnings per equity share = Net profit attributable to equity shareholders
(Diluted)

Weighted average number of diluted equity shares
outstanding during the year

3) Net asset value per = Net worth at the end of the year
equity share

Equity shares outstanding at the end of the year

4) Return on net worth = Net profit after tax
Average net worth

Annexure XXIII: Restated unconsolidated capitalisation statement

INR Million

Particulars	Pre issue as at 31-03-2016	As adjusted for IPO (Refer note below)
Secured loans	397.53	397.53
Unsecured loans	728.81	728.81
Total debt	1,126.34	1,126.34
Shareholders' funds		
Share capital (A) #	10,500.00	10,500.00
Reserves and surplus (B)	662.48	662.48
- Hedging reserve	(618.29)	(618.29)
- Profit and loss account	1,280.77	1,280.77
Total shareholders' funds (A) + (B)	11,162.48	11,162.48
Debt equity ratio (Number of times)	0.10	0.10

Pursuant to the order dated 1 April 2016 of the High Court of Judicature at Bombay, sanctioning the scheme of arrangement for reduction in the face value of the equity shares of the Company, the Company reduced the face value of its equity shares from ₹ 40 each to ₹ 2 each. Therefore, with effect from 1 April 2016, the cumulative number of equity shares of the Company pursuant to the sub-division was 75,000,000 equity shares of ₹ 2 each. Consequent to the reduction of the face value of the equity shares of the Company from ₹ 40 to ₹ 2 each, an amount

of ₹ 2,850,000,000.00 was transferred to the securities premium account of the Company. Subsequently, 26,690,392 equity shares of ₹ 2 each were allotted by the Company on June 3, 2016 to its Promoter, Larsen & Toubro Limited, by way of a right issue at a premium of ₹ 279 per equity share, for a total consideration of ₹ 7,500,000,152.00 (the “L&T Allotment”). From the proceeds received for the L&T Allotment, all 750,000,000 outstanding preference shares, of face value of ₹ 10 each, were redeemed in five tranches of 150,000,000 preference shares each, on 16 May 2016, 17 May 2016, 18 May 2016, 19 May 2016 and 20 May 2016, respectively.

Consequently, the issued, subscribed and paid-up equity share capital of the Company aggregates to ₹ 203,380,784 consisting of 101,690,392 equity shares of ₹ 2 each. There are no outstanding preference shares as on date.

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 XXIV: Restated unconsolidated statement of dividend paid

INR Million

A) Equity shares

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Rate of dividend on equity shares (%) (Face value of Rs. 10 per share)	-	52.27%	-	-
Rate of dividend on equity shares (%) (Face value of Rs. 40 per share)	75.67%	-	-	-
Rate of dividend on equity shares (%) (Face value of Rs. 2 per share)	75.67%	-	-	-
Dividend paid per share for equity shares (Face value of Rs. 10 per share)	-	5.23	-	-
Dividend paid per share for equity shares (Face value of Rs. 40 per share)	30.27	-	-	-
Dividend paid per share for equity shares (Face value of Rs. 2 per share)	30.27	-	-	-
Dividend paid on equity shares	2,270.01	1,568.22	-	-
Tax on equity dividend paid	462.13	289.61	-	-

B) Preference shares

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Rate of dividend on preference (%) (Face value of Rs. 10 per share)	10.00%	10.00%	10.00%	-
Dividend paid per share for preference shares (Face value of Rs. 10 per share) (pro-rata from the date of issuance)	1.00	0.78	0.12	-
Dividend paid on preference shares	750.00	581.80	49.32	-
Tax on preference dividend paid	152.68	118.24	8.38	-

Annexure XXV: Restated unconsolidated tax shelter statement

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014	Period ended 31-03-2013
Profit before tax, as restated	5,520.07	3,790.99	115.52	(0.03)
Tax rate	34.61%	33.99%	33.99%	32.45%
Tax at notional rate	1,910.39	1,288.56	39.27	-
Adjustments on account of:				
Permanent differences:				
Dividend Income	(30.24)	-	-	-
Deduction u/s 10A / 10AA	(2,740.90)	(2,452.39)	(3.12)	-
Other permanent differences	9.87	(1.46)	0.02	-
	(2,761.27)	(2,453.85)	(3.10)	-
Temporary differences:				
Premia income on forward contracts	(385.09)			
Difference between book depreciation and tax depreciation	101.70	35.82	(23.79)	-
Provision for doubtful debts	178.18	30.84	-	-
Provision for retirement benefits	155.04	352.68	14.37	-
Preliminary expenditure	(9.30)	(3.82)	41.75	-
Sum disallowed u/s.40(a)(i)	(23.22)	23.22	8.14	-
	17.31	438.74	40.47	-
Net adjustments	(2,743.96)	(2,015.11)	37.37	-
Tax expense/(saving) thereon	(949.63)	(684.94)	12.70	-
Total taxation before DIT relief	960.76	603.63	51.97	-
Less: DIT relief	(148.45)	(116.85)	(11.16)	-
Total taxation (domestic)	812.31	486.78	40.81	-
Add: Taxes paid in overseas countries	300.90	276.32	12.01	-
Total tax charge (domestic and overseas)	1,113.21	763.10	52.82	-
Add/less: Provision for earlier year/excess provision for earlier year written back	-	-	-	-
Total tax charge as per books of accounts, as restated	1,113.21	763.10	52.82	-

Notes:

- The Company has determined Minimum Alternate Tax to be payable under section 115JB of the Income-tax Act, 1961 for the financial years ended 31 March 2016, 31 March 2015 and 31 March 2014.

2. The Central Board of Direct Taxes (CBDT) has notified the Income Computation and Disclosure Standards (ICDS) with effect from 1 April 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 31 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

For and on behalf of the Board of Directors of
L&T Technology Services Limited

FIRDOSH D. BUCHIA
Partner
Membership No.38332
Place: Mumbai
Date: 15 July 2016

P. RAMAKRISHNAN
Chief Financial Officer

KAPIL BHALLA
Company Secretary

A. M. NAIK
Director
(DIN: 00001514)
Place: Mumbai
Date: 15 July 2016

KESHAB PANDA
Chief Executive Officer
& Managing Director
(DIN : 05296942)

The Board of Directors

L&T Technology Services 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 L&T Technology Services Limited ('the Company') and its subsidiaries (together 'the Group') as at March 31, 2016 and 2015 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 and 2015 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 15 July 2016.
- 3 We have examined the restated consolidated summary statements in accordance with:
 - (a) the terms of reference vide our engagement letter dated 02 May 2016 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 revenues of the subsidiaries were as follows:

INR Million		
	Total assets	Total revenues
March 31, 2016	839.43	1803.89
March 31, 2015	867.59	608.21

- 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 and 2015 (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 and 2015 (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 and 2015, (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 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 deferred tax (Annexure VII)
- (d) Restated consolidated statement of other long-term liabilities and long-term provisions (Annexure VIII)
- (e) Restated consolidated statement of short-term borrowings (Annexure IX)
- (f) Restated consolidated statement of trade payables, other current liabilities and short-term provisions (Annexure X)
- (g) Restated consolidated statement of long-term loans and advances (Annexure XI)
- (h) Restated consolidated statement of current investments (Annexure XII)
- (i) Restated consolidated statement of trade receivables (Annexure XIII)
- (j) Restated consolidated statement of unbilled revenue, cash and bank and short-term loans and advances (Annexure XIV)
- (k) Restated consolidated statement of other income (Annexure XV)
- (l) Restated consolidated statement of other expenses (Annexure XVI)
- (m) Restated consolidated statement of finance cost (Annexure XVII)
- (n) Restated consolidated statement of provision for taxes (Annexure XVIII)
- (o) Restated consolidated statement of contingent liabilities (Annexure XIX)
- (p) Restated consolidated statement of related parties (Annexure XX)
- (q) Statement of restated consolidated accounting ratios (Annexure XXI)
- (r) Restated consolidated capitalisation statement (Annexure XXII)
- (s) Restated consolidated statement of dividend paid (Annexure XXIII)

7 In our opinion, the other financial information read with the with the significant accounting policies in Annexure IV A 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
15 July 2016

ANNEXURE I: RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

INR Million

Particulars	Annexure	As at 31-03-2016	As at 31-03-2015
EQUITY AND LIABILITIES			
<u>Shareholders' funds</u>			
Share capital	V	10,500.00	10,500.00
Reserves and surplus	VI	425.29	21.13
Total equity		10,925.29	10,521.13
Minority interest		-	-
<u>Non-current liabilities</u>			
Long-term provisions	VIII	132.03	19.59
Other long term liabilities	VIII	60.05	49.67
		192.08	69.26
<u>Current liabilities</u>			
Short-term borrowings	IX	1,954.52	2,187.69
Trade payables	X	1,739.44	1,689.28
Other current liabilities	X	1,041.73	724.31
Short-term provisions	X	3,360.54	2,951.68
		8,096.23	7,552.96
TOTAL EQUITY AND LIABILITIES		19,213.60	18,143.35
ASSETS			
<u>Non-current assets</u>			
Fixed assets			
Tangible assets		1,070.84	831.68
Intangible assets		5,062.44	4,784.09
Capital work-in-progress		142.64	4.20
Goodwill on consolidation		76.03	76.03
		6,351.95	5,696.00
Deferred tax assets (net)	VII	358.45	367.30
Long-term loans and advances	XI	340.58	720.17
		7,050.98	6,783.47
<u>Current assets</u>			
Current investments	XII	555.30	-
Trade receivable	XIII	7,270.56	6,853.09
Unbilled revenue	XIV	1,470.40	1,753.11
Cash and bank	XIV	864.24	1,153.41
Short-term loans and advances	XIV	2,002.12	1,600.27
		12,162.62	11,359.88
TOTAL ASSETS		19,213.60	18,143.35

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

For and on behalf of the Board of Directors of
L&T Technology Services Limited

FIRDOSH D. BUCHIA
Partner
Membership No.38332
Place: Mumbai
Date: 15 July 2016

P. RAMAKRISHNAN
Chief Financial Officer

KAPIL BHALLA
Company Secretary

A. M. NAIK
Director
(DIN: 00001514)
Place: Mumbai
Date: 15 July 2016

KESHAB PANDA
Chief Executive Officer
& Managing Director
(DIN : 05296942)

ANNEXURE II: RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

INR Million

Particulars	Annexures	2015-16	2014-15
INCOME			
Revenue from operations		30,665.06	26,186.27
Other income	XV	762.18	252.60
Total Revenue		31,427.24	26,438.87
EXPENSES			
Employee benefit expenses	XVI	17,230.73	14,866.10
Operating expenses	XVI	2,656.39	2,300.86
Sales, administration and other expenses	XVI	5,573.66	5,031.95
		25,460.78	22,198.91
OPERATING PROFIT		5,966.46	4,239.96
Finance cost	XVII	24.93	33.84
Depreciation on tangible assets		371.78	333.93
Amortisation of intangible assets		217.41	150.70
		614.12	518.47
PROFIT BEFORE TAX		5,352.34	3,721.49
Provision for taxation	XVIII		
Current tax		1,363.71	960.53
MAT credit		(249.27)	(197.41)
Deferred tax		71.44	(152.72)
		1,185.88	610.40
PROFIT AFTER TAX		4,166.46	3,111.09
Add/(Less) :Minority Interest in Loss/(Income)		-	(2.12)
PROFIT AFTER TAX AND MINORITY INTEREST		4,166.46	3,108.97
Restatement adjustments		-	-
PROFIT AFTER TAX AS RESTATED		4,166.46	3,108.97

As per our report attached
 SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
 by the hand of

For and on behalf of the Board of Directors of
 L&T Technology Services Limited

FIRDOSH D. BUCHIA
 Partner
 Membership No.38332
 Place: Mumbai
 Date:15 July 2016

P. RAMAKRISHNAN
 Chief Financial Officer

KAPIL BHALLA
 Company Secretary

A. M. NAIK
 Director
 (DIN: 00001514)
 Place: Mumbai
 Date: 15 July 2016

KESHAB PANDA
 Chief Executive Officer
 & Managing Director
 (DIN : 05296942)

ANNEXURE III: RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

INR Million

Particulars	2015-16	2014-15
A. Cash flow from operating activities		
Net profit before tax	5,352.34	3,721.49
Adjustments for:		
Depreciation and amortisation	589.19	484.63
Interest (net)	(6.74)	21.56
Unrealised foreign exchange loss (gain)	(663.31)	(23.95)
(Profit)/loss on sale of fixed assets	0.35	(1.61)
Operating profit before working capital changes	5,271.83	4,202.12
Changes in working capital		
(Increase)/decrease in trade receivables	(119.45)	(931.49)
(Increase)/decrease in other receivables	899.22	(963.55)
Increase/(decrease) in trade & other payables	733.67	1,252.12
(Increase)/decrease in working capital	1,513.44	(642.92)
Cash generated from operations	6,785.27	3,559.20
Direct taxes paid	(1,448.11)	(670.13)
Net cash (used in) / from operating activities	5,337.16	2,889.07
B. Cash flow from investing activities		
Purchase of fixed assets	(1,283.73)	(541.19)
Sale of fixed assets	14.85	14.51
Consideration paid towards businesses purchased	-	(6,096.05)
Investment in subsidiary	-	(60.36)
(Purchase) / sale of current investments (net)	(555.30)	-
Interest received	31.67	12.28
Net cash (used in) / from investing activities	(1,792.51)	(6,670.81)
C. Cash flow from financing activities		
Share capital issued (net of advances refund)	-	5,472.80
Advance received towards equity commitment	-	-
Proceeds from/(repayment of) borrowings	(233.17)	1,700.82
Interest paid	(24.93)	(33.84)
Dividend paid	(3,020.01)	(2,199.34)
Dividend tax	(555.71)	(300.26)
Net cash (used in) / from financing activities	(3,833.82)	4,640.18
Net increase in cash and cash equivalents	(289.17)	858.44
Cash and cash equivalents at beginning of year	1,153.41	294.97
Cash and cash equivalents at end of year	864.24	1,153.41

Notes:

1. 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.
2. Purchase of fixed assets includes movements of capital work-in-progress between the beginning and end of the year.

3. Cash and cash equivalents represent cash and bank balances.

4. Bank balances include revaluation loss/(gain) as follows:

INR Million

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Revaluation loss/ (gain)	(20.62)	(19.29)

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

For and on behalf of the Board of Directors of
L&T Technology Services Limited

FIRDOSH D. BUCHIA
Partner
Membership No.38332
Place: Mumbai
Date: 15 July 2016

P. RAMAKRISHNAN
Chief Financial Officer

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A. M. NAIK
Director
(DIN: 00001514)
Place: Mumbai
Date: 15 July 2016

KESHAB PANDA
Chief Executive Officer
& Managing Director
(DIN : 05296942)

Annexure IV A: Notes on material adjustments

(a) Change in accounting policy

There has been no change in the accounting policy from the financial year 2014-15, which was the first year of the consolidated financial statement.

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 and 31 March 2015 in accordance with the requirements of section 26 of the Companies Act, 2013 ('the Act') 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) Regulation, 2009 as amended ('the Regulations'). Accordingly, these restated consolidated 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 a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expense, 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) 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 not amortised, however, it is tested for impairment. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.
- c) Minority interest represents that part of the net profit or loss and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Group.

3. Revenue recognition

- a) Revenue from contracts priced on time and material basis are recognized when services are rendered and related costs are incurred.

Revenue from services performed on "fixed-price" basis is recognized 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) Other items of income are accounted as and when the right to receive arises.

4. 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, and short term compensated absences and performance incentives are recognized 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 recognized during the period in which the employee renders the related service.

(ii) Defined benefit plans:

The provident fund scheme managed by trust, employee's 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 recognizes 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 recognized immediately in the profit and loss account. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized 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 recognized in the similar manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

5. Tangible and intangible fixed assets

Tangible fixed assets are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition less accumulated depreciation.

Intangible fixed assets comprising of computer software and technical know-how are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition less accumulated amortisation. Any expenses on such software licenses for support and maintenance payable annually are charged to the profit and loss account.

Goodwill on acquisition represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired. Goodwill is not amortized but is tested for impairment if events or changes in circumstances indicate that an impairment loss may have occurred.

6. 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.

7. Leases

a. Finance leases:

Assets acquired under lease where the company has substantially all the risk and rewards of ownership are classified as finance leases. Such assets are capitalised at inception of lease at the lower of fair value or 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.

b. Operating leases:

Assets acquired on leases where a significant portion of the risk 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.

8. Depreciation

A. Indian companies :

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.

However, in respect of the following asset categories, the depreciation is provided at the useful life, based on technical evaluation, which is different from the useful life prescribed under schedule II to the Companies Act, 2013.

Asset class	Depreciation rate %
Electrical installation	10.00
Computers	33.33
Servers	25.00
Networking equipment	20.00
Office equipment	25.00
Vehicles	14.29
Leasehold improvements	over the lease period

Fixed assets costing Rs. 5,000 or less are fully depreciated in one year from the date of purchase.

Depreciation for additions to/deductions from, owned assets is calculated pro rata from/to the date of additions / deductions.

B. Foreign companies :

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 lives.

9. Intangible assets and amortisation

The basis of amortization of intangible assets is as follows:

- Computer software : over a period of three to six years
- Technical know-how : over a period of four years
- Customer contracts and relationships : over a period of seven years

10. Impairment of assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a) The provision for impairment loss, if any; and
- b) The reversal of impairment loss recognized in previous periods, if any,

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- a) In the case of an individual asset, at the higher of the net selling price and value in use; and
- b) In case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's net selling price and net value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

11. 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.

Exchange difference on settlement / year end conversion is adjusted to profit and loss account.

- b) 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 as per Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates"- Exchange differences arising on such contracts are recognized in the period in which they arise.

Gains and losses arising on account of roll over/cancellation of such forward contracts are recognized as income/expenses of the period in which such roll over/cancellation takes place.

- 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 recognized 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 (AS) 30 "Financial Instruments: Recognitions and Measurement" for accounting of such derivative contracts, not covered under Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates", as mandated by the ICAI in the aforesaid announcement.

Accordingly, the resultant gains or losses on fair valuation/settlement of the derivative contracts covered under Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" are recognized in the statement of profit and loss or balance sheet as the case may be after applying the test of hedge effectiveness. Where the hedge in respect of off-balance sheet items is effective, the gains or losses are recognized in the hedging reserve which forms part of reserves and surplus in the balance sheet. The amount recognised in the hedging reserve is 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 are recognized in the statement of profit and loss in the period in which such gains or losses are incurred.

- d) Financial statements of overseas non - integral operations are translated as under:

- (i) Assets and liabilities at the rate prevailing at the end of the year. Depreciation and amortization is accounted at the same rate at which assets are converted.
- (ii) Revenues and expenses at yearly average exchange rates prevailing during the year.
- (iii) Exchange differences arising on translation of non-integral operations are accumulated in the foreign currency translation reserve until the disposal of such operations.

- e) The premium paid/received on a foreign currency forward contract is accounted as expenses/income over the life of the contract.

12. Income-tax

A. Indian companies :

Provision for income tax for the current year is based on the taxable profits for the year after considering tax exemptions / allowances.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

B. Foreign subsidiaries :

Foreign subsidiaries recognize tax liabilities and assets in accordance with the applicable local laws.

13. Provisions, contingent liabilities and contingent assets

Provisions are recognized 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 recognized 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 past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) a present obligation arising from past events, when no reliable estimate is possible; or
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

14. 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 results. Expenditure which relate to the company as a whole and not allocable to segments are included under “un-allocable corporate expenditure”.
- c) Income which relates to the Company as a whole and not allocable to is included in “un-allocable corporate income”.
- d) Fixed assets used and liability 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.

15. 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:

- a) transactions of a non-cash nature
- b) any deferrals or accruals of past or future operating cash receipts or payments; and
- c) 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.

16. 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 L&T Technology Services Limited and “the Group” shall mean the Company and its subsidiaries.

17. 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
1	L&T Technology Services LLC	USA	100	100
2	L&T Thales Technology Services Private Limited	India	74	74

18. Additional disclosure as per schedule III of the Companies Act, 2013.

INR Million

Name of the entity	FY 2015-16				FY 2014-15			
	Net assets i.e., total assets minus total liabilities		Share in profit or loss		Net assets i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
A - Parent								
L&T Technology Services Limited	102.17%	11,162.48	104.22%	4,342.36	100.44%	10,567.43	101.38%	3,151.77
B - Indian subsidiary								
L&T Thales Technology Services Private Limited	(0.29)%	(31.57)	(0.44)%	(18.22)	(0.12)%	(13.03)	0.26%	8.14
C - Foreign subsidiary								
L&T Technology Services LLC	(2.02)%	(220.68)	(3.78)%	(157.68)	(0.46)%	(48.20)	(1.57)%	(48.82)
Total - A+B+C	99.86%	10,910.23	100.00%	4,166.46	99.86%	10,506.20	100.07%	3,111.09
Less: Minority interest in subsidiaries	0.00%	-	0.00%	-	-	-	(0.07)%	(2.12)
Add: CFS adjustments and eliminations	0.14%	15.06	0.00%	-	0.14%	14.93	-	-
Total	100.00%	10,925.29	100.00%	4,166.46	100%	10,521.13	100%	3,108.97

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:

INR Million

Particulars	As at	As at
	31-03-2016	31-03-2015
Estimated Amount	177.46	125.38

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:

INR Million

Particulars	As at	As at
	31-03-2016	31-03-2015
Loss on fair valuation	223.18	195.47

The loss/ (gain) on settlement of the options/forwards recognised in statement of profit and loss as follows:

INR Million

Particulars	2015-16	2014-15
Loss/ (gain) on settlement	(509.73)	(105.11)

The particulars of derivative contracts entered into for hedging foreign currency risks outstanding are as under:

INR Million

Category of derivative instruments	Notional amount	Notional amount
	31-03-2016	31-03-2015
Forward contracts for receivables	15,185.03	19,519.41

Un-hedged foreign currency exposures are as under:

INR Million

Particulars	31-03-2016	31-03-2015
Receivables including firm commitments and highly probable forecast transactions	7,251.55	6,496.98
Payables including firm commitments and highly probable forecast transactions	941.13	408.02

3. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

4. Leases

- i) The Company has taken various commercial premises under cancellable operating leases.
- ii) Lease rental expense in respect of operating leases are as follows:

Particulars	2015-16	2014-15
Lease rental expense	705.47	671.17

5. Segmental reporting

- (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:

INR Million

Particulars	2015-16	2014-15
Revenue		
Transportation	9,160.81	7,164.41
Process Industry	5,736.09	4,789.30
Industrial Products	7,742.90	7,284.24
Medical Devices	1,938.95	1,374.91
Telecom & Hitech	6,086.31	5,573.41
Revenue from operations	30,665.06	26,186.27
Segment operating profits		
Transportation	1,036.41	867.45
Process Industry	1,167.83	557.83
Industrial Products	1,769.37	1,781.36
Medical Devices	431.55	280.14
Telecom & Hitech	1,029.38	889.33
Segmental operating profit	5,434.54	4,376.11
Un-allocable expenses (net)	230.26	388.75
Other income	762.18	252.60
Operating profit	5,966.46	4,239.96
Finance cost	24.93	33.84
Depreciation on tangible assets	371.78	333.93
Amortization of intangible assets	217.41	150.70
Profit before extraordinary items and tax	5,352.34	3,721.49

- (ii) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

INR Million

Particulars	2015-16	2014-15
North America	18,531.29	14,700.62
Europe	6,065.97	5,343.78
India	2,541.35	2,607.07
ROW	3,526.45	3,534.80
Revenue from operations	30,665.06	26,186.27

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. 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.
7. The Company acquired the Product Engineering Services business (PES) of Larsen & Toubro Infotech Limited, a wholly-owned subsidiary of Larsen & Toubro Limited (the holding company) on 1 January 2014 for a consideration of INR 4,895.27 million. PES was active in the telecom/entertainment, original equipment manufacturer (OEM) and semi-conductor markets with several cutting edge technological innovations to its credit.

The break-up of the consideration paid is as follows:

INR Million

Fixed assets	103.09	
Loans and advances	90.61	
Current Assets	1,126.39	
Total assets		1,320.09
Hedging Reserve	(389.15)	
Non-current liabilities	130.34	
Current liabilities	480.60	
Total liabilities		221.79
Net asset value		1,098.30
Goodwill on acquisition		3,796.97
Consideration paid		4,895.27

8. The Company acquired the Integrated Engineering Services business (IES) of Larsen & Toubro Limited ('L&T') at book value on 1 April 2014. The prime service offerings of IES were mainly product design analysis, prototyping and testing, embedded system design, manufacturing engineering, plant and construction engineering, asset information management and engineering process support using cutting-edge CAD / CAM / CAE technology in various domains. The net assets taken over from Larsen & Toubro Limited are as follows:

INR Million

Fixed assets	1,177.05	
Deferred tax assets	538.67	
Loans and advances	1,366.26	
Current assets	4,880.82	
Total assets		7,962.80
Hedging reserve	(792.50)	
Deferred tax liability	195.03	
Non-current liabilities	33.48	
Current liabilities	3,032.07	
Total liabilities		2,468.08
Consideration paid / net asset value		5,494.72

9. Acquisition of Product Engineering Services business of Larsen & Toubro Infotech GmbH, a wholly owned subsidiary of Larsen & Toubro Infotech limited, was completed in the financial year ended 31 March 2015. The purchase consideration paid was INR 129.20 million which resulted in goodwill of INR 93.95 million on account of excess of purchase consideration paid over net assets taken over.
10. On 26 June 2014, L&T Technology Services purchased 74 per cent of the equity capital of Thales Software India Private Limited (now known as L&T Thales Technology Services Private Limited), the Indian subsidiary of Thales Services SAS, France- the global technology leader in aerospace, transportation and defence and security markets, for a purchase consideration of INR 60.36 million paid in cash.

11. On 21 November 2014 the Company, through its wholly owned US based subsidiary L&T Technology Services LLC, acquired assets of US-based Dell Product and Process Innovation Services Corp, the Engineering Services division of Dell for total purchase consideration of USD 12.22 million, compensated in cash. USD 9.73 million was paid in the year ended on 31 March 2015 and balance amount of USD 2.49 million was paid in year ended on 31 March 2016.
12. On 21 November 2014 the Company acquired the Dell International Services India Private Limited business having its delivery centres in Bengaluru and Hyderabad for a purchase consideration of INR 13.58 million.

Annexure V: Restated consolidated statement of share capital

INR Million

a)	As at	As at
Particulars	31-03-2016	31-03-2015
Authorised :		
75,000,000 Equity shares of Rs.40 each #	3,000.00	
300,000,000 Equity shares of Rs.10 each		3,000.00
750,000,000 10% Preference shares of Rs.10 each	7,500.00	7,500.00
(Previous year 750,000,000 of Rs. 10 each)		
Issued, subscribed and paid up		
75,000,000 Equity shares of Rs.40 each	3,000.00	-
300,000,000 Equity shares of Rs.10 each		3,000.00
750,000,000 10% Preference shares of Rs.10 each	7,500.00	7,500.00
400,000,000 10% Preference shares of Rs.10 each	-	-
Total issued, subscribed and paid up capital	10,500.00	10,500.00

The Company consolidated 300,000,000 equity shares of Rs. 10/- each to 75,000,000 equity shares of Rs. 40/- each with effect from 13 January 2016.

(b) Terms/rights attached to:

(i) Equity shares

The Company has only one class of equity shares having a par value of Rs. 40 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

(ii) Preference shares

As at March 31, 2015, the preference shares were non - convertible and redeemable at par at the end of 10 years from the date of allotment. The Company had anytime call option and Larsen & Toubro Limited had anytime put option after 5 years.

With effect from April 1, 2015, the preference shares are convertible anytime, at the option of the Issuer or redeemable at par at the end of 10 years from the date of Allotment. The Company reserves the right to convert the preference shares, anytime, partly or fully, to equity shares of face value of Rs. 2 each at a premium of Rs. 279 per share. The conversion terms will be suitably adjusted for any changes in the face value of its equity share, post re-organization of its equity share capital (if any). The put option given to L&T stands cancelled.

(c) Shareholders holding more than 5% of equity shares as at the end of the year:

100% of equity and preference shares are held by Larsen and Toubro Limited, the holding company.

(d) Reconciliation of the number of equity shares & share capital:

Equity shares	2015-16		2014-15	
	No. of shares	Rupees	No. of shares	Rupees
At the beginning of the year	300.00	3,000.00	102.50	1,025.00
Issued during the year	-	-	197.50	1,975.00
Reduction in number of shares consequent to increase in face value	225.00	-	-	-
Outstanding at the end of the year	75.00	3,000.00	300.00	3,000.00
Face value per share (Rs.)		40		10

Preference shares	2015-16		2014-15	
	No. of shares	Rupees	No. of shares	Rupees
At the beginning of the year	750.0	7,500.0	400.0	4,000.0
Issued during the year	-	-	350.0	3,500.0
Outstanding at the end of the year	750.00	7,500.00	750.00	7,500.00

(e) Pursuant to the approval received from the High Court of Judicature at Bombay, the Company has reorganised its share capital from April 1, 2016, as follows:

- (i) The authorised equity share capital of the Company remains unchanged at Rs.3,000,000,000 (Rupees three thousand million) but with revised number of 1,500,000,000 equity shares at Rs. 2 each;
- (ii) The Company shall reduce the existing issued, subscribed and paid up equity share capital from Rs. 3,000,000,000 (Rupees three thousand million) divided into 75,000,000 equity shares of Rs. 40 each to Rs. 150,000,000 (Rupees one hundred and fifty million) divided into 75,000,000 equity shares of Rs. 2 each full paid up;
- (iii) Consequent to the reduction an amount of Rs. 2,850,000,000 (Rupees two thousand eight hundred and fifty million) will be transferred to the "Securities Premium Account" of the Company; and
- (iv) Pursuant to the above, the capital structure of the Company will be as under:

Particulars	INR Million
Authorised share capital	
1,500,000,000 equity shares of Rs.2 each	3,000.00
10% 750,000,000 preference shares of Rs.10 each	7,500.00
Total	10,500.00
Issued subscribed and paid capital	
75,000,000 equity shares of Rs.2 each	150.00
10% 750,000,000 preference shares of Rs.10 each	7,500.00
Total share capital	7,650.00
Securities premium account	2,850.00
Total	10,500.00

Annexure VI: Restated consolidated statement of reserves and surplus

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Hedging reserve (net of tax)		
Opening balance	(505.80)	(182.57)
(Deduction)/addition during the year	(112.49)	(323.23)
	(618.29)	(505.80)
Foreign currency translation reserve		
Opening balance	(0.11)	-
(Deduction)/addition during the year	(14.99)	(0.11)
	(15.10)	(0.11)
Retained earnings		
Opening balance	527.04	4.41
Add: Profit for the year	4,166.46	3,108.97
Less: Depreciation adjusted against retained earning	-	(38.35)
Less: Deferred tax asset on depreciation charged to retained earning	-	13.27
Less: Loss attributable to minority interest	-	(3.39)
	4,693.50	3,084.91
Less: Appropriation		
(a) Interim dividend paid on equity shares	2,270.01	1,568.22
(b) Interim dividend paid on preference shares	750.00	581.80
(c) Tax on interim dividend paid on preference and equity shares	614.81	407.85
Balance to be carried forward	1,058.68	527.04
Total	425.29	21.13

Annexure VII: Restated consolidated statement of deferred tax
INR Million

Particulars	Deferred tax (asset)/ liability as at 31-03-2016	Deferred tax (asset)/ liability as at 31-03-2015
Deferred tax liabilities		
Depreciation / amortisation	31.33	87.07
Overseas branch profit transfer tax	219.84	142.09
Acquired goodwill	7.17	0.58
Premia income booked in statement of profit and loss on future contracts	133.28	-
Total	391.62	229.74
Deferred tax assets		
Unpaid statutory liabilities/provision for compensated benefits/timing difference	(242.87)	(174.55)
Provision for doubtful debts	(120.57)	(58.90)
Provision for gratuity	(21.62)	(36.28)
Depreciation adjusted against retained earning	-	(13.27)
Loss on derivative to be claimed for tax purpose in the year	(327.25)	(267.72)
Other items giving rise to timing difference	(37.76)	(46.32)#
Total	(750.07)	(597.04)
Net deferred tax (assets)/liability	(358.45)	(367.30)

Deferred tax asset of US\$ 353,072 (INR 23.39 million) was erroneously created on certain liabilities transferred at the time of acquisition of the business of Dell Product and Process Innovation Services Corp by L&T Technology Services LLC ('LTTS LLC') in the financial year 2015. Since this formed part of the net assets acquired, the amount was adjusted to goodwill.

LTTS LLC rectified this in the financial year ended 31 March 2016. However, in these restated consolidated financial statements the rectification is done in the financial year ended 31 March 2015.

Movement during the year (charge/ (credit))
INR Million

Particulars	FY 15-16	FY 14-15
Amount charged to statement of profit and loss	71.44	(152.72)
Charged to hedging reserve	(62.59)	140.36
Charged against retained earnings	-	(13.27)
Deferred tax (asset)/ liability transferred on acquisition of IES and engineering services division of Dell Product and Process Innovation Services Corp (refer note 8 and note 11)	-	(342.22)

Annexure VIII: Restated consolidated statement of other long-term liabilities and long term provisions
(A) Other long-term liabilities
INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Other payables	60.05	49.67

(B) Long-term provisions

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Provisions for employee benefits :		
Gratuity	47.49	6.75
Leave encashment	33.84	5.47
Post-retirement medical benefits	50.70	-
Provision for interest rate guarantee (Provident fund)	-	7.37
Total	132.03	19.59

Annexure IX: Restated consolidated statement of short-term borrowings

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Secured loans *		
Other loans from banks	397.53	1,543.94
	397.53	1,543.94
Unsecured loans		
Other loans from banks	1,556.99	643.75
	1,556.99	643.75
Total	1,954.52	2,187.69

***Details of secured loans - short-term**

INR Million

Nature of term loan	Amount outstanding as on 31 March 2016	Rate of interest	Repayment terms	Prepayment charges	Security offered
Packing credit	265.02	USD LIBOR (1 month) + 0.35%	Full amount payable on maturity and interest payment done on monthly basis till maturity.	None	Secured against hypothecation of the Company's accounts receivable
Packing credit	132.51	USD LIBOR (1 month) + 0.05%	Full amount payable on maturity and interest payment done on monthly basis till maturity.	None	Secured against hypothecation of the Company's accounts receivable

There are no borrowings from related parties including directors and holding company as at 31 March 2016.

Annexure X: Restated consolidated statement of trade payables, other current liabilities and short-term provisions

(A) Trade payables

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Due to holding and fellow subsidiaries	909.32	1,162.21
Due to others	830.12	527.07
Total	1,739.44	1,689.28

(B) Other current liabilities

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Other current liabilities		
Forward cover payable	228.77	-
Interest accrued but not due	0.48	0.39
Other payables	812.48	723.92
Total	1,041.73	724.31

(C) Short-term provisions

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Provisions for employee benefits :		
Gratuity	8.46	104.84
Leave encashment	971.83	789.28
Post-retirement medical benefits	0.01	41.59
Provision for interest rate guarantee (PF)	-	1.25
	980.30	936.96
Others		
Tax on interim dividend on preference shares	37.65	36.98
Tax on interim dividend on equity shares	137.43	78.99
Income tax provision (net of advance tax payment)	28.89	291.85
	203.97	407.82
Other provisions	2,176.27	1,606.90
	2,380.24	2,014.72
Total	3,360.54	2,951.68

Annexure XI: Restated consolidated statement of long-term loans and advances

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Deposits	340.58	327.74
Advances recoverable in cash or in kind	-	392.43
Total	340.58	720.17

There are no long-term loans and advances given to related parties including directors and holding company.

Annexure: XII: Restated consolidated statement of current investments

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Investment in mutual funds	555.30	-
Total	555.30	-

Details of quoted investments:

INR Million

Aggregate amount of quoted current investments and market value thereof

Particulars	As at 31-03-2016	As at 31-03-2015
Book value	555.30	-
Market value	555.35	-

Annexure XIII: Restated consolidated statement of trade receivables

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Trade receivables		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	184.45	495.41
Considered doubtful	348.49	170.51
	532.94	665.92
Other debts		
Considered good		
- Due from parent	125.22	86.70
- Due from subsidiaries and associates	176.13	263.31
- Others	6,774.44	5,998.07
	7,608.73	7,014.00
Less : Allowance for bad and doubtful debts	348.49	170.51
Retention Money		
Unsecured:		
Considered good	10.32	9.60
Total	7,270.56	6,853.09

Annexure XIV: 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

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Cash on hand	0.14	0.30
Balances with bank		
- in current accounts		
Overseas	754.46	436.13
Domestic	77.21	266.08
	831.67	702.21
Other bank balances		
Fixed deposits	32.43	450.90
	32.43	450.90
Total	864.24	1,153.41

*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

INR Million

Particulars	As at 31-03-2016	As at 31-03-2015
Deposits	11.66	3.02
Advances recoverable in cash or in kind	1,990.48	1,462.21
Forward cover receivable	-	135.05
Total	2,002.14	1,600.28

There are no short-term loans and advances given to related parties including directors and holding company.

Annexure XV: Restated consolidated statement of other income

INR Million

Particulars	2015-16	2014-15
Foreign exchange gain / (loss)	663.32	193.16
Profit on sales of fixed asset	-	1.61
Income/gain/loss from mutual fund	30.29	-
Bank interest received	31.67	12.28
Miscellaneous income	36.90	45.55
Total	762.18	252.60

Annexure XVI: Restated consolidated statement of other expenses

INR Million

	Particulars	2015-16	2014-15
A	Employee benefit expenses		
	Salaries including overseas staff expenses	16,581.17	14,324.03
	Staff welfare	375.40	264.07
	Contribution to provident and other funds	209.80	174.60
	Contribution to gratuity fund	64.36	103.40
	Total	17,230.73	14,866.10

INR Million

	Particulars	2015-16	2014-15
B	Operating expenses		
	Subcontracting and component charges	1,095.27	922.55
	Engineering, professional, technical and consultancy fees	1,064.45	841.50
	Cost of computer software	496.67	536.81
	Total	2,656.39	2,300.86

INR Million

	Particulars	2015-16	2014-15
C	Sales, administration and other expenses		
	Salaries non-billable	2,395.92	2,035.93
	Travelling and conveyance	467.88	414.90
	Rent and establishment expenses	602.20	699.84
	Telephone, postage and other communication charges	174.64	177.48
	Legal and professional charges	239.22	319.60
	Printing and stationery	18.86	27.56
	Advertisement	73.64	56.78
	Recruitment expenses	85.30	59.71
	Repairs to buildings & machineries	246.41	274.13
	General repairs and maintenance	74.00	62.90
	Power and fuel	106.22	123.78
	Equipment hire charges	12.64	11.60
	Insurance charges	62.70	63.55
	Rates & taxes	33.18	21.35
	Provision for doubtful debts (net)	178.18	31.04
	Commission charges	6.57	22.30
	Books and Periodicals	14.40	16.12
	Overheads charged by group companies	651.16	510.33
	Lease charges	1.10	2.49
	Loss on sales of fixed asset	0.35	-
	Miscellaneous expenses	129.09	100.56
	Total	5,573.66	5,031.95

Annexure XVII: Restated consolidated statement of finance cost

INR Million

Particulars	2015-16	2014-15
Interest paid		
Bank interest paid	23.40	15.87
Interest paid/payable - others	0.18	17.97
Interest on bill discounting	1.35	-
Total	24.93	33.84

Annexure XVIII: Restated consolidated statement of provision for taxation

INR Million

Particulars	2015-16	2014-15
Current tax	1,363.71	960.53
Deferred tax	71.44	(152.72)
MAT credit	(249.27)	(197.41)
Total	1,185.88	610.40

Annexure XIX: Restated consolidated statement of contingent liabilities

INR Million

Particulars	2015-16	2014-15
Corporate guarantee	1,093.21	1,031.25

*Corporate bank guarantee of USD 16.5 Mn issued to Citibank on behalf of L&T Technology Services LLC

Annexure XX: Restated consolidated statement of related parties**(A) Key management Personnel:**

Name	Status
Dr. Keshab Panda	Chief Executive Officer & Managing Director*
Mr. Amit Chadha	Whole Time Director
Mr. Kumar Prabhas	Whole Time Director**
Mr. P. Ramakrishnan	Chief Financial Officer***
Mr. Y. V. S. Sravankumar	Company Secretary****
Mr. M. V. Govindarajan	Manager*****

* Re-designated as Chief Executive Officer & Managing Director w.e.f January 21, 2016

** Appointed as whole time director w.e.f January 21, 2016

*** Appointed as Chief Financial Officer w.e.f January 21, 2016

**** Appointed as Company Secretary w.e.f January 21, 2016

*****Ceased to be Manager w.e.f the close of working hours of June 30, 2015

(B) List of related parties with whom there were transactions during the two years FY2015-16 and FY2014-15:

Name	Relationship
Larsen & Toubro Limited	Holding company
Larsen & Toubro Infotech Limited	Fellow subsidiary
Larsen & Toubro Infotech Canada Limited	Fellow subsidiary
Larsen & Toubro Infotech GmbH	Fellow subsidiary
L&T Information Technology Services (Shanghai) Co. Ltd	Fellow subsidiary
L&T Infotech Financial Services Technologies INC	Fellow subsidiary
Larsen & Toubro LLC	Fellow subsidiary
Larsen &Toubro (East Asia) SDN.BHD	Fellow subsidiary
L&T-MHPS Boilers Private Limited	Fellow subsidiary
L&T Metro Rail (Hyderabad) Limited	Fellow subsidiary
L&T Hydrocarbon Engineering Limited	Fellow subsidiary
Larsen & Toubro T&D SA (PTY) Limited	Fellow subsidiary
L&T Construction Equipment Limited	Fellow subsidiary
L&T-Valdel Engineering Limited	Fellow subsidiary
L&T Infocity Limited	Fellow subsidiary
L&T Infrastructure Engineering Limited	Fellow subsidiary
PT. Tamco Indonesia	Fellow subsidiary
Ewac Alloys Limited	Fellow subsidiary
Larsen & Toubro Kuwait Construction General Contracting Company, W.L.L	Fellow subsidiary
L&T Valves Limited	Fellow subsidiary
L&T-Sargent & Lundy Limited	Fellow subsidiary
Larsen & Toubro Electromech LLC	Fellow subsidiary
Kesun Iron & Steel Company Private Limited	Fellow subsidiary
L&T Overseas Projects Nigeria Limited	Fellow subsidiary

(C) Restated consolidated statement of related party transactions:

INR Million

Transaction	2015-16	2014-15
Sale of services		
<u>Holding Company</u>	295.10	188.64
-Larsen & Toubro Limited	295.10	188.64
<u>Fellow subsidiaries</u>	747.79	900.60
- L&T Hydrocarbon Engineering Limited	40.14	21.55
- Larsen & Toubro Infotech Limited	666.53	708.29
- Larsen & Toubro Infotech GmbH	-	88.65
- L&T Information Technology Services (Shanghai) Co. Ltd	-	1.59
- Larsen & Toubro LLC	24.33	56.04
- Larsen &Toubro (East Asia) SDN.BHD	9.79	20.43
- L&T Metro Rail (Hyderabad) Limited	-	0.48
- L&T Construction Equipment Limited	0.40	0.96
- L&T-MHPS Boilers Private Limited	5.85	2.45
- L&T Valves Limited	-	0.16
- Ewac Alloys Limited	0.75	-

Transaction	2015-16	2014-15
Purchase of services		
<u>Holding Company</u>	11.67	52.79
-Larsen & Toubro Limited	11.67	52.79
<u>Fellow subsidiaries</u>	635.50	512.35
- L&T Hydrocarbon Engineering Limited	0.06	7.48
- Larsen & Toubro Infotech Limited	202.44	115.32
- L&T Metro Rail (Hyderabad) Limited	0.10	-
- L&T-Valdel Engineering Limited	418.68	384.94
- L&T-Sargent & Lundy Limited	-	1.17
- PT. Tamco Indonesia	12.92	-
- L&T Construction Equipment Limited	-	0.35
- L&T Infrastructure Engineering Limited	1.30	3.09
Sale of Assets		
<u>Holding Company</u>	2.61	-
-Larsen & Toubro Limited	2.61	-
Rent paid		
<u>Holding Company</u>	77.53	236.41
-Larsen & Toubro Limited	77.53	236.41
<u>Fellow subsidiaries</u>	53.65	84.00
- Larsen & Toubro Infotech Limited	51.70	82.40
- L&T Infocity Limited	0.65	1.60
- L&T Infotech Financial Services Technologies INC	0.56	-
- Larsen & Toubro Infotech GmbH	0.19	-
- PT. Tamco Indonesia	0.55	-
Commission paid		
<u>Holding Company</u>	0.21	-
-Larsen & Toubro Limited	0.21	-
<u>Fellow subsidiaries</u>	5.26	18.17
- Larsen & Toubro Infotech Limited	5.26	18.17
Interest paid		
<u>Holding Company</u>	-	18.62
-Larsen & Toubro Limited	-	18.62
Performance Guarantee Charges		
<u>Holding Company</u>	2.52	-
-Larsen & Toubro Limited	2.52	-
Services availed by the Company		
<u>Holding Company</u>	1,023.02	1,502.03
-Larsen & Toubro Limited	1,023.02	1,502.03

Transaction	2015-16	2014-15
<u>Fellow subsidiaries</u>	420.51	771.67
- Larsen & Toubro Infotech Limited	374.91	712.55
- L&T Hydrocarbon Engineering Limited	8.98	15.00
- L&T Infocity Limited	6.72	1.53
- L&T Information Technology Services (Shanghai) Co. Ltd	19.84	6.34
- Larsen & Toubro Infotech Canada Limited	1.15	-
- Larsen & Toubro LLC	1.31	0.06
- PT. Tamco Indonesia	5.00	11.19
- Larsen &Toubro (East Asia) SDN.BHD	0.45	6.88
- Larsen & Toubro T&D SA (PTY) Limited	2.15	-
- L&T Construction Equipment Limited	-	0.35
- L&T Infrastructure Engineering Limited	-	0.29
- L&T-Sargent & Lundy Ltd.	-	1.17
- Larsen & Toubro Infotech GmbH	-	14.23
-Larsen & Toubro Kuwait Construction General Contracting Company, W.L.L	-	2.08
Services rendered by the Company		
<u>Holding Company</u>	1.32	0.39
- Larsen & Toubro Limited	1.32	0.39
<u>Fellow subsidiaries</u>	106.71	0.88
- L&T-Valdel Engineering Limited	106.49	-
- Larsen & Toubro Infotech GmbH	0.14	-
- Larsen & Toubro Infotech Limited	0.06	0.08
- L&T-Valdel Engineering Limited	-	0.80
- L&T Hydrocarbon Engineering Limited	0.02	-
Reimbursement of expense incurred on the Company's behalf		
<u>Holding Company</u>	12.38	7.94
- Larsen & Toubro Limited	12.38	7.94
<u>Fellow subsidiaries</u>	2.72	-
- Larsen & Toubro Infotech Limited	2.72	-
Trade receivable		
<u>Holding Company</u>	125.22	86.70
- Larsen & Toubro Limited	125.22	86.70
<u>Fellow subsidiaries</u>	176.13	263.31
- Larsen & Toubro Infotech Limited	131.23	201.11
- L&T Hydrocarbon Engineering Limited	9.73	-
- L&T-MHPS Boilers Private Limited	0.93	1.27
- L&T Construction Equipment Limited	0.42	20.28
- Larsen &Toubro (East Asia) SDN.BHD	31.34	29.56
- L&T Information Technology Services (Shanghai) Co. Ltd	1.71	-
- Larsen & Toubro LLC	-	10.92

Transaction	2015-16	2014-15
- L&T Valves Limited	-	0.17
- Ewac Alloys Limited	0.77	-
Trade payable		
<u>Holding Company</u>	675.21	849.09
-Larsen & Toubro Limited	675.21	849.09
<u>Fellow subsidiaries</u>	234.11	313.12
- Larsen & Toubro Infotech Limited	120.09	238.62
- Larsen & Toubro Infotech Canada Limited	0.06	0.76
- L&T Infotech Financial Services Technologies INC	0.14	0.14
- L&T-Sargent & Lundy Limited	-	1.05
-Larsen & Toubro Kuwait Construction General Contracting Company, W.L.L	-	1.15
- L&T Information Technology Services (Shanghai) Co. Ltd	0.64	-
- L&T-Valdel Engineering Limited	97.23	60.86
- L&T Infrastructure Engineering Limited	-	1.62
- L&T Infocity Limited	-	0.40
- L&T Hydrocarbon Engineering Limited	9.94	2.85
- Larsen &Toubro (East Asia) SDN.BHD	5.95	5.61
- Larsen & Toubro Electromech LLC	0.06	0.06
Loans and advances recoverable		
<u>Holding Company</u>	4.62	90.28
-Larsen & Toubro Limited	4.62	90.28
<u>Fellow subsidiaries</u>	3.13	6.95
- Kesun Iron & Steel Company Private Limited	1.90	1.90
- Larsen & Toubro Infotech GmbH	1.07	0.71
- L&T Overseas Projects Nigeria Limited	0.16	0.15
- Ewac Alloys Limited	-	0.01
- Larsen & Toubro LLC	-	4.09
- L&T Metro Rail (Hyderabad) Limited	-	0.09
Equity share capital issued		
<u>Holding Company</u>	-	197.50
- Larsen & Toubro Limited	-	197.50
Preference share capital issued		
<u>Holding Company</u>	-	350.00
- Larsen & Toubro Limited	-	350.00
Interim dividend paid - equity		
<u>Holding Company</u>	2,270.01	1,568.22
- Larsen & Toubro Limited	2,270.01	1,568.22

Transaction	2015-16	2014-15
Interim dividend paid - preference		
Holding Company	750.00	581.80
- Larsen & Toubro Limited	750.00	581.80

Annexure XXI: Restated consolidated statement of accounting ratios

Initially, the Company's equity shares had a face value of Rs.10 each. On 13 January 2016, the Company consolidated its equity share capital of face value of Rs.10 each to Rs.40 per equity share. Subsequently, on 1 April 2016, pursuant to the order of the High Court of Judicature at Bombay, the Company reorganised its share capital and the face value per equity share to Rs. 2 (refer note V above). Accordingly, information for EPS and net asset value is provided for Rs.10, Rs.40 and Rs.2 per equity share.

(A) Basic and diluted earnings per equity share (EPS) at face value of Rs. 10

Basic earnings per equity share	2015-16	2014-15
Profit after tax (INR Million)	-	3,108.97
Less: Dividend on preference shares (INR Million)	-	581.80
Less: Tax on dividend (INR Million)	-	118.24
Profit attributable to equity shareholders (INR Million)	-	2,408.93
Weighted average number of equity shares outstanding	-	205,849,315
Basic EPS (Rs.)	-	11.70

Diluted earnings per equity share	2015-16	2014-15
Weighted average number of equity shares outstanding	-	205,849,315
Add - No. of potential equity shares	-	-
Weighted number of equity shares outstanding	-	205,849,315
Diluted EPS (Rs.)	-	11.70

(B) Basic and diluted earnings per equity share (EPS) at face value of Rs. 40

Basic earnings per equity share	2015-16	2014-15
Profit after tax (INR Million)	4,166.46	3,108.97
Less: Dividend on preference shares (INR Million)	750.00	581.80
Less: Tax on dividend (INR Million)	152.68	118.24
Profit attributable to equity shareholders (INR Million)	3,263.78	2,408.93
Weighted average number of equity shares outstanding	75,000,000	51,462,329
Basic EPS (Rs.)	43.52	46.81

Diluted earnings per equity share	2015-16	2014-15
Weighted average number of equity shares outstanding	75,000,000	51,462,329
Add - No. of potential equity shares	26,690,392	-
Weighted number of equity shares outstanding	101,690,392	51,462,329
Diluted EPS (Rs.)	32.10	46.81

(C) Basic and diluted earnings per equity share (EPS) at face value of Rs. 2

Basic earnings per equity share	2015-16	2014-15
Profit after tax (INR Million)	4,166.46	3,108.97
Less: Dividend on preference shares (INR Million)	750.00	581.80
Less: Tax on dividend (INR Million)	152.68	118.24
Profit attributable to equity shareholders (INR Million)	3,263.78	2,408.93
Weighted average number of equity shares outstanding	75,000,000	51,462,329
Basic EPS (Rs.)	43.52	46.81

Diluted earnings per equity share	2015-16	2014-15
Weighted average number of equity shares outstanding	75,000,000	51,462,329
Add - No. of potential equity shares	26,690,392	-
Weighted number of equity shares outstanding	101,690,392	51,462,329
Diluted EPS (Rs.)	32.10	46.81

(D) Net asset value per equity share at face value of Rs. 10

Particulars	2015-16	2014-15
Net asset value per equity share	-	35.07

(E) Net asset value per equity share at face value of Rs. 40

Particulars	2015-16	2014-15
Net asset value per equity share	145.67	140.28

Net asset value per equity share is Rs. 107.44 after considering 26,690,392 potential equity shares

(F) Net asset value per equity share at face value of Rs. 2

Particulars	2015-16	2014-15
Net asset value per equity share	145.67	140.28

Net asset value per equity share is Rs. 107.44 after considering 26,690,392 potential equity shares

(G) Return on net worth

Particulars	2015-16	2014-15
Profit after tax	4,166.46	3,111.09
Average net worth	10,723.21	10,521.13 #
Return of net worth (%)	38.85%	29.57%

As financial year 2014-15 was the first year of consolidated financial statements, for calculation of return on net worth, closing net worth is considered.

- 1) Earnings per equity share (Basic) = $\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$
- 2) Earnings per equity 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 equity 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 = $\frac{\text{Net profit after tax}}{\text{Average net worth}}$

Annexure XXII: Restated consolidated capitalisation statement

INR Million

Particulars	Pre issue as at 31-03-2016	As adjusted for IPO (Refer note below)
Secured loans	397.53	397.53
Unsecured loans	1,556.99	1,556.99
Total debt	1,954.52	1,954.52
Shareholders' funds		
Share capital (A) #	10,500.00	10,500.00
Reserves and surplus (B)	425.29	425.29
- Hedging reserve	(618.29)	(618.29)
- Foreign currency translation reserve	(15.10)	(15.10)
- Profit and loss account	1,058.68	1,058.68
Total shareholders' funds (A) + (B)	10,925.29	10,925.29
Debt equity ratio	0.18	0.18

Pursuant to the order dated 1 April 2016 of the High Court of Judicature at Bombay, sanctioning the scheme of arrangement for reduction in the face value of the equity shares of the Company, the Company reduced the face value of its equity shares from ₹ 40 each to ₹ 2 each. Therefore, with effect from 1 April 2016, the cumulative number of equity shares of the Company pursuant to the sub-division was 75,000,000 equity shares of ₹ 2 each. Consequent to the reduction of the face value of the equity shares of the Company from ₹ 40 to ₹ 2 each, an amount of ₹ 2,850,000,000.00 was transferred to the securities premium account of the Company. Subsequently, 26,690,392 equity shares of ₹ 2 each were allotted by the Company on June 3, 2016 to its Promoter, Larsen & Toubro Limited, by way of a right issue at a premium of ₹ 279 per equity share, for a total consideration of ₹ 7,500,000,152.00 (the "L&T Allotment"). From the proceeds received for the L&T Allotment, all 750,000,000 outstanding preference shares, of face value of ₹ 10 each, were redeemed in five tranches of 150,000,000 preference shares each, on 16 May 2016, 17 May 2016, 18 May 2016, 19 May 2016 and 20 May 2016, respectively.

Consequently, the issued, subscribed and paid-up equity share capital of the Company aggregates to ₹ 203,380,784 consisting of 101,690,392 equity shares of ₹ 2 each. There are no outstanding preference shares as on date.

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 XXIII: Restated consolidated statement of dividend paid

A) Equity shares

INR Million

Particulars	2015-16	2014-15
Rate of dividend on equity shares (%) (Face value of Rs. 10 per share)	-	52.27%
Rate of dividend on equity shares (%) (Face value of Rs. 40 per share)	75.67%	-
Rate of dividend on equity shares (%) (Face value of Rs. 2 per share)	75.67%	-
Dividend paid per share for equity shares (Face value of Rs. 10 per share)	-	5.23
Dividend paid per share for equity shares (Face value of Rs. 40 per share)	30.27	-
Dividend paid per share for equity shares (Face value of Rs. 2 per share)	30.27	-
Dividend paid on equity shares	2,270.01	1,568.22
Tax on equity dividend paid	462.13	289.61

B) Preference shares

Particulars	2015-16	2014-15
Rate of dividend on preference (%) (Face value of Rs. 10 per share)	10.00%	10.00%
Dividend paid per share for preference shares (Face value of Rs. 10 per share) (pro-rata from the date of issuance)	1.00	0.78
Dividend paid on preference shares	750.00	581.80
Tax on preference dividend paid	152.68	118.24

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

For and on behalf of the Board of Directors of
L&T Technology Services Limited

FIRDOSH D. BUCHIA
Partner
Membership No.38332
Place: Mumbai
Date:15 July 2016

P. RAMAKRISHNAN
Chief Financial Officer

KAPIL BHALLA
Company Secretary

A. M. NAIK
Director
(DIN: 00001514)
Place: Mumbai
Date: 15 July 2016

KESHAB PANDA
Chief Executive Officer
& Managing Director
(DIN : 05296942)

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 Draft Red Herring Prospectus.

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Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
1.	Ind AS 1	Presentation of Financial Statements	Other Comprehensive Income: 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.	Other Comprehensive Income: 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.
			Statement of Change in Equity: 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.	Statement of Change in Equity: 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.
			Minority Interest: Under Indian GAAP, minority interest is presented separately from liabilities and equity.	Minority Interest: Under Ind AS-1, minority interest (referred to as non-controlling interest) is presented as a component of equity.
			Other disclosures: There are no specific disclosure requirements under Indian GAAP for: (a) Critical judgments made by the management in applying accounting policies; (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 (c) Information that enables users of its financial statements to evaluate the entity’s objectives, policies and processes for managing capital.	Other disclosures: Ind AS-1 requires disclosure of: (a) Critical judgments made by the management in applying accounting policies; (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 (c) Information that enables users of its financial statements to evaluate the entity’s objectives, policies and processes for managing capital.
			Dividends: Under Indian GAAP, proposed dividend is shown as appropriation of profit in profit and loss account balance forming part of reserves.	Dividends: 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.

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
2.	Ind AS 109	Financial Instruments - Premium 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 recognized in the period in which they arise. 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. 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. 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. 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.	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. To the extent that the hedge is ineffective, changes in fair value are 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. 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. 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.
3.	Ind AS 19	Employee Benefits -Treatment for actuarial gains or losses on	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	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

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
		retirement benefits	obligations are determined at every balance sheet date. All actuarial gains or losses are recognized in the statement of profit and loss account.	statements do not differ materially from the amounts that would have been determined at the end of the reporting period. Actuarial gains or losses representing changes in the present value of 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: 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

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
				return through its profit and loss over the life of the deposit.
6.	Ind AS 109	Financial Instruments - Provision for doubtful debts	Under Indian GAAP, provisions are made for specific receivables based on circumstances such as. Credit default of customer or disputes with customers. 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. Different methods are used for making provisions for bad debts, including ageing analysis and individual assessment of recoverability.	In addition to the specific provisions under Indian GAAP, under Ind AS, at each reporting date, an entity shall assess whether the credit risk on trade receivables has increased significantly since initial recognition. 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. An entity shall measure expected credit losses to reflect the following: • an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; • the time value of money; and • 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.
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 investment	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.	A financial asset is measured at amortized cost if it meets the following criteria: • the asset is held to collect its contractual cash flows. • the asset's contractual cash flows represent 'solely payments of principal and interest' ('SPPI'). 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

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
				requirements: - the objective of the business model is achieved both by collecting contractual cash flows and by selling financial assets. - the asset's contractual cash flows represent SPPI. Financial assets included within the Fair value through other comprehensive income (FVTOCI) category are initially recognized and subsequently measured at fair value. 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. Fair value through profit & 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')
9.	Ind AS 109	Financial guarantee contract	Under Indian GAAP, the financial guarantee contracts (i.e. guarantees given on behalf of subsidiary, associate or joint venture companies) are disclosed by way of contingent liabilities in the standalone financial statements of the parent company. Guarantees given on behalf of associate and joint venture companies are disclosed by way of contingent liabilities in the consolidated financial statements of the parent company.	Ind AS 109 requires all financial guarantee contracts to be recognised at fair value at inception. The fair value of the contract will be equal to the amount of premium receivable (or net present value of the premium if the same is paid over the period) determined on an arm's length basis. Thereafter, the same is required to be carried at the amount initially recognised less the cumulative amortisation of income over the period of the contract.
10.	Ind AS 21	Effects of changes in Foreign Exchange Rates: Functional and presentation	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	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

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
		currency	concept of functional currency.	statements are presented.
		Translation of foreign subsidiaries	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. 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. 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. 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.	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 on disposal is recognized. 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.
11.	Ind AS 103	Accounting of acquisitions (business combinations) - measurement of Goodwill	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. The goodwill is tested for impairment at each balance sheet date.	Upon an acquisition, the purchase price allocation should be made by fair valuation of all assets including intangibles. Goodwill is measured as the difference between; - the aggregate of a) the fair value of the consideration transferred on the acquisition date; b) the amount of any non-controlling interest; and - the net of the acquisition date fair values of the identifiable assets acquired and the liabilities assumed after adjusting deferred tax assets and liabilities The goodwill is tested for impairment at each balance sheet date.
12.	Ind AS 12	Deferred Taxes:	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the statement of

Sr. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
		P&L vs. Balance Sheet Approach	purpose of financial reporting and for income taxes.	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 on settlement of forward contracts.	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. 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.
13.	Ind AS 111	Subsidiary v. joint arrangements	Under Indian GAAP, a company is treated as a subsidiary company if the parent is holding more than 50% of the equity/voting rights during the year. Accordingly, the financial statements of the parent and its subsidiaries are consolidated on a line by line basis by adding together like items of assets, liabilities, income and expenses.	Joint arrangement is an arrangement in which two or more parties have joint control. Joint control is contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Based on legal form of separate vehicle, terms of contractual agreement and other facts, joint arrangement shall be classified either into joint venture or joint operation. In case of joint venture, equity method in accordance with Ind AS 28 is applied at the time of consolidation.

FINANCIAL INDEBTEDNESS

Our Company and LTTS LLC have availed loans in the ordinary course of business for the purposes of meeting working capital requirements. Further, our Company has provided a corporate guarantee in relation to a term loan availed by LTTS LLC.

Set forth below is a brief summary of the aggregate borrowings of our Company and LTTS LLC, as of March 31, 2016:

Category of borrowing	Sanctioned Amount (in ₹ million)	Outstanding amount (in ₹ million) as on March 31, 2016
Borrowings of our Company		
A. Fund based limits		
Working capital facilities		
Secured	1,000.0	397.5
Unsecured	1,000.0	728.8
B. Non-fund based limits		
Working capital facilities		
Secured	500.0	71.6
Unsecured	-	-
Total (A+B)	2,500.0	1,197.9
Borrowings of LTTS LLC		
Term Loans		
Unsecured	1,037.4	828.2
Total	1,037.4	828.2

Principal terms of the borrowings/ limits availed by us:

1. **Interest:** In terms of the loan documentation entered into by us, the interest rate is (i) mutually decided by us and the relevant lender; or (ii) the base rate plus basis points as specified by a given lender.
2. **Tenor:** The tenor of our fund based working capital facilities typically ranges from one month to six months and term loan of up to one year. The tenor of bank guarantees issued under our non-fund based limits is up to five years.
3. **Security:** In terms of our outstanding borrowings where security needs to be created, we are typically required to create security by way of hypothecation of book debts and receivables, both present and future. There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.
4. **Re-payment:** Our outstanding borrowings are typically repayable on maturity date. Some of our lenders have a right to modify or cancel the facilities without prior notice and require immediate repayment of all outstanding amounts.
5. **Covenants:** Borrowing arrangements entered into by us contain certain covenants, including:
 - a) Submission of financial statements to our lenders, within a specified period;
 - b) Notification to our lenders upon change in the capital structure of the borrower including prior written consent from the lenders (wherever applicable) for carrying out such change, notification to our lenders upon entering into any amalgamation, consolidation, reconstitution, demerger, merger and upon breach of any of the covenants of the borrowing arrangements;
 - c) No reduction in promoter's shareholding in the borrower to below 51.0%;
 - d) 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;
 - e) Compliance with certain financial covenants such as maintenance of current financial ratio and ensuring that there is no cash loss and negative variation in sales of more than 20.0% between provisional and audited results; and
6. **Events of Default:** Borrowing arrangements entered into by us contain standard events of default, including:
 - a) Change in constitution of the borrower which would in the opinion of the bank would adversely affect the interest of the bank;
 - b) Cross defaults;

- c) Misuse of the working capital facilities for any purpose other than for which the said facilities have been sanctioned;
- d) Material adverse change to the business, assets or condition of the borrower which is likely to have a material adverse effect on the financial condition of the borrower; and
- e) Breach of the obligations under any term of the relevant agreement or any other borrowing agreement entered into by the borrower.

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, and 2015, and our restated unconsolidated financial information as of and for the Financial Year ended March 31, 2014 including the notes thereto and reports thereon, each included in this Draft Red Herring Prospectus, and our assessment of the factors that may affect our prospects and performance in future periods. Our restated financial information for the Financial Year ended March 31, 2014 is prepared on an unconsolidated basis as we did not have any subsidiaries in this period. Our restated financial information included in this Draft Red Herring 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 163 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 "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.

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 20 and 17, 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 (or to FY) are to the 12 months ended March 31 of that year.

Overview

We are the leading global pure-play ER&D services company. (Source: Zinnov Report) We provide ER&D services, which is defined as the set of services provided to manufacturing, technology and process engineering companies, to help them develop and build products, processes and infrastructure required to deliver products and services to their end customers.

We operate in a large and growing global market derived from a global corporate ER&D spend of US\$1,007 billion in 2015, of which the ER&D spend of the top 500 global ER&D spending companies ("G500 ER&D spend") was US\$614 billion in 2015. (Source: Zinnov Report) The estimated addressable ER&D outsourcing opportunity for ER&D service providers was US\$365 billion of the G500 ER&D spend in 2015. (Source: Zinnov Report) US\$67 billion of the corporate ER&D spend of US\$1,007 billion is currently addressed, which represents a penetration of 6.7% and offers potential growth opportunities. (Source: Zinnov Report)

By region, we derive 80.2% of our revenues from customers in North America and Europe, which are the two largest regions of corporate ER&D spend and represented over 73% of the US\$1,007 billion corporate ER&D services spend in 2015. (Source: Zinnov Report) The top 100 spenders in the G500 ER&D spend contribute 66.3% of the G500 ER&D spend and our key global customers include 43 of the top 100 global ER&D spenders, which offers significant growth opportunities for existing customer accounts. (Source: Zinnov Report)

We operate in five industry segments (transportation, industrial products, telecom and hitech, process industry and medical devices, each of which represent a significant component of G500 ER&D spend. 50.3% of our revenue in FY 2016 was derived from the three segments of industrial products, process industry and medical devices. These three segments represent US\$205 billion of G500 ER&D spend (Source: Zinnov Report) and have low penetration by India based third-party ER&D service providers, which gives us a competitive advantage.

We offer design and development solutions throughout the product development chain and provide solutions in the areas of mechanical and manufacturing engineering, embedded systems, software engineering and process engineering. For "new" technologies, we provide services and solutions in the areas of product lifecycle management, engineering analytics, power electronics, M2M connectivity and IoT. We focus on innovation driven technology leadership and have set up research and test laboratories that are specific to particular industry verticals and that seek to replicate our customer's work environment, enabling us to work very closely with the customers' research and development teams on product innovation through leveraging our technology. We have invested in IoT, digital technologies (smart products, smart services, smart manufacturing and smart operations) and lab infrastructure to strengthen our position in these areas. Our ER&D services help customers reduce time-to-market for their end products and services, innovate to create new products and solutions, reduce cost of development and meet increasing regulatory requirements more effectively.

The key decision makers at our customers belong to the engineering or product development or R&D departments, which tend to have distinct budgets, where industry domain knowledge and focus on R&D is highly critical in the choice of an

outsourcing ER&D service provider. As a result, we believe our customers value our focus as a pure-play services provider focused solely on ER&D services, giving us a competitive advantage over generalist IT service providers who also provide ER&D services.

We have been recognised by Zinnov in the “leadership zone” in eight industry verticals (industrial automation, construction and heavy machinery, medical devices, aerospace, automotive, rail and marine, telecom, energy and utilities) and two horizontal service offerings (embedded systems and mechanical) in Zinnov's GSPR Ratings 2015). See “Industry Overview” on page 87. We are ranked “high” by ARC Advisory Group for our deep capabilities in consumer IoT, industrial-internet-of-things, and smart manufacturing. We have also won a number of industry accolades.

We deliver our services through a network of delivery centres located across the U.S. and India and from our customers' locations. The majority of our work is executed by employees based out of delivery centres in India using an offshore delivery model, giving us a competitive advantage in terms of talent pool availability and lower costs compared to our US and European competitors.

Established through a group restructuring exercise, we leverage the strengths of our parent company, L&T, a leading Indian conglomerate in technology, engineering, construction, manufacturing and finance, which has provided us with a broad engineering and design heritage. Prior to January 1, 2014, our business was conducted as a division (called Integrated Engineering Services (“IES”)) of L&T and as a sub-segment (called Product Engineering Services (“PES”)) of L&T's subsidiary, LTIL. As part of a business restructuring exercise, the PES business from LTIL, (except its unit in Germany, which was transferred with effect from September 1, 2014), and the IES business from L&T was transferred to our Company with effect from January 1, 2014 and April 1, 2014, respectively. As part of the restructuring, we brought together engineers with domain expertise in product and process industry from IES and PES to create a specialised talent pool in ER&D services to deliver higher value to our customers. During FY 2015, our Company also acquired a majority of the equity share capital of Thales Software India Private Limited, a company engaged in the business of, among others, software development, IT consulting, software evaluation, design, implementation, research and training in relation to computer software. Further, during FY 2015, we also acquired certain of the assets and liabilities of Dell Product and Process Innovation Services, the engineering services division of Dell, and also acquired its operations in India from Dell International Services India Private Limited. For further details, see “History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets” beginning on page 124.

As of the date of this Draft Red Herring Prospectus, we have 27 sales offices, 12 delivery centres and 31 labs globally. As of the date of this Draft Red Herring Prospectus, we have filed 34 proprietary patents and 134 patents have been filed by our customers along with our employees. As of March 31, 2016, we have more than 8,000 engineers from nine nationalities serving over 200 customers, including more than 50 Fortune 500 customers. The average age of our employees is 31 years.

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.

Our ability to develop new services or enhance existing services for our customers

As a pure play ER&D company, we develop a comprehensive range of innovative and complex solutions and service offerings for our customers. See “Our Business – Our Competitive Strengths - Leading global pure play ER&D services company” and “Our Business – Our Competitive Strengths – Focused on driving innovation through in-house R&D, IP and strategic alliances” on pages 100 and 101 respectively. We depend on our ability to innovate, in terms of both developing new services and enhancing existing services for our customers to drive the growth of our revenues.

The requirements of our customers vary across a broad range of industries, geographies and service or technical requirements. To service and grow our relationships with our existing customers and to win new customers, we must be able to provide them with specialised service offerings that address their requirements, to anticipate and understand trends in their relevant markets, and to continually address their requirements as those requirements change and evolve. In this regard, our strong culture of innovation, our dedicated workforce and our state-of-the-art research and testing labs have enabled us to expand the range of our offerings to customers and improve the delivery of our solutions and services. In the future, we may also seek to monetise our portfolio of patented solutions and services by licensing them in the future.

If we are able to anticipate and respond to our customers' requirements on a timely and cost-efficient basis, we would expect to receive repeat business from existing customers. Further, we aim to develop new customer relationships by identifying potential customers that operate within the same verticals as our existing customers and engage in cross-selling of our solutions. Repeat business from our existing customers and the growth of new customers would increase our revenues and, assuming similar margins, our profits. In addition, if customer demand for our services grows, we may be able to raise our pricing, either on an hourly basis or on fixed-fee contracts, which would increase our revenues and profit margins. Conversely, if we are unable to provide innovative services or solutions to our customers, either at all or at an acceptable price, or if our customers are dissatisfied with our work for any other reason, we would expect to lose business from our existing clients or to find it difficult to expand our business, which would have a deleterious effect on our revenue and our profits. See also “Risk Factors - Our success depends on our ability to innovate and our business will be adversely affected of

we fail to develop new services and solutions or enhance existing services and solutions or if we fail to make changes to our pricing model to keep up with customer expectations” on page 21.

Customer relationships

Customer relationships are at the core of our business. We have a history of high customer 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 FY 2016 and FY 2015, we generated 94.6% and 98.7%, respectively, of our revenue from operations from existing customers. In addition, we are dependent on certain key customers who may exert pricing pressure upon us. For further details, see “Our Business- Our Customers”, “Risk Factors- Our revenue depends to a large extent on a limited number of customers, and our revenue could decline if we lose a major customer” from pages 113 to 114 and 24 respectively.

As a customer relationship matures and deepens, we seek to maximise our revenues and profitability by expanding the scope of ER&D services and solutions offered to that customer with the objective of winning more business from our customers. To do this, we take part in customer analysis to identify opportunities with our portfolio of existing customers, and use our relevant industry and service line experience to cross-sell additional offerings to our customers. We view this approach as important in order to re-evaluate the relevance and criticality of our ER&D service offerings to our customers’ businesses as they grow and evolve, as well as an opportunity to further strengthen and build long-term relationships with such customers. We believe that our ability to establish and strengthen customer relationships and expand the scope of ER&D services we offer to customers will be an important factor in our future growth and our ability to continue increasing our profitability.

Composition of revenue portfolio

Our revenues depend on the composition of our work portfolio and the demand for our services in any particular segment, both in terms of industry verticals and geographic focus, as well as in terms of the proportion of onsite work and offshore work performed through our integrated global delivery model (see “Our Business – Sales and Marketing – Delivery” on page 113).

Our revenue growth and margin performance will depend on the potential demand for ER&D services and solutions in the business segments and the geographies in which we operate. As particular industry verticals or geographies experience more (or less) growth, we would expect these trends to be reflected in our results in those areas, and we may need to shift resources from one area to another in order to capture additional revenue and/or higher margins.

A key part of our strategy is to prioritise our growth in key verticals, solutions and geographies. In relation to verticals, our key priority areas are currently automotive (which forms part of our transportation segment), all verticals categorised under the industrial products segment, consumer electronics and product software (both of which forms part of our telecom and hitech segment).

In relation to solutions, we intend to focus on developing and strengthening our digital engineering solutions. With respect to geographies, we intend to continue our focus on North America and Europe along with APAC and Japan. For details, see “Our Business – Our Strategy – Drive higher growth in key segments, verticals and geographies” on page 103.

Our offshore revenues consist of revenues from ER&D services performed at our customers’ premises or from our Delivery Centres in India. Our onsite revenues consist of revenues from ER&D services performed at customers’ premises or from our Delivery Centres outside India. In FY 2016, our onsite revenues contributed 52.9% and our offshore revenues contributed 47.1% of our total revenue from operations, while in FY 2015, our onsite revenues contributed 47.5% and our offshore revenues contributed 52.5% respectively of our total revenue from operations. Onsite services typically generate higher revenues than the same services performed offshore, and our profit margins are typically higher if we perform the work offshore as compared to onsite. Accordingly, the mix of ER&D 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, customer-by-customer basis and at an overall organisation level in order to achieve an optimal level of revenues and margins.

Our ability to sustain increasing revenues and margins is depends on our ability to maintain an optimal mix of revenues generated from our various business verticals, in the geographies in which we work and from our onsite and offshore services, and to successfully implement these strategies.

Our pricing models, employee utilization and recovery rates

Our revenues are generated principally from services provided on either a time-and-materials or a fixed-price basis. For contracts on a time-and-materials basis, we charge our customers on the basis of the hourly billable rates of our employees. For such contracts, our profits and margins are affected by the utilization rates of our employees (with higher utilization typically driving higher revenues) and the recovery rates of the fees billed to our clients.

We define utilization as an individual's total billed hours divided by total available/billable hours. In FY 2016 and FY 2015, the utilization of our employees (including trainees) was 71.4% and 69.5%, respectively. We manage utilization by monitoring project requirements and timetables. Further, the number of employees that we assign to a project will vary

according to the size, complexity, duration, and demands of the project. We endeavour to focus on higher margin work and accordingly periodically analyse our margins across our segments and geographies.

See also, “Risk Factors - Our pricing structures and scope of offerings may 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. Further, our strategy to shift to an annuity based revenue model may not be successful” on page 30.

Employees and employee costs

Our success depends in large part on our ability to attract, retain and train our employees, in particular, highly skilled engineering professionals. The principal component of our total expenses is employee benefits expenses, which, in FY 2016 and FY 2015, constituted 54.8% and 56.2%, respectively of our total revenue. Our employee benefits expense consists of salaries for fee-earning employees (including overseas staff expenses), staff welfare, contributions to provident and other funds and contributions to gratuity funds. In addition, we also incur expenses in relation to salaries paid to our employees employed in enabling functions (such as sales and finance), which form part of our sales, administration and other expenses (as part of salaries non-billable). Our salaries non-billable constituted 7.6% and 7.7% of our total revenue for FY 2016 and FY 2015, respectively.

Wage costs in India, including in the ER&D services industry, have historically been lower 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, Vietnam, 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 resource mix. For example, any increases in visa fees on visas for the United States, including the recent increases in fees for H-1B and L-1 visas, would increase our employee costs. See also “Risk Factors –Challenges in relation to immigration laws, rules and policies may affect our ability to compete for, and provide services to, customers in the United States and 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 and delays in, or losses of, customer engagements. We cannot assure you that we will not be subject to penalties in relation to employment visa violations in the future” from pages 28 to 29.

In addition, as we continue to invest in the recruitment and retention of sales staff in line with our growth strategies, we are likely to incur costs in relation to our market penetration, sales and marketing initiatives, and for the recruitment of sales employees located in India and overseas.

Foreign currency fluctuations

Since our key customers are foreign corporations 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” on pages 254 and 255) 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 29 and 30). 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 primarily denominated in USD, and Euro. For further details in relation to our unhedged receivables and payables, see “Financial Statements - Annexure IV(C)(2)” in our consolidated Restated Financial Statements on pages 217. We manage, in part, our foreign exchange risk by entering into forward contracts. In FY 2016 and FY 2015, we experienced net foreign exchange gain of ₹663.32 million and ₹193.16 million, respectively. For further information, see “– FY 2016 Compared to FY 2015 – Other Income” and “– Quantitative and Qualitative Disclosures about Market Risk - Foreign Currency Exchange Rate Risk” on pages 257 to 264.

In addition, one of the factors driving the overall competitiveness of the Indian ER&D industry in the global market is 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, while we would expect a significant depreciation of the Rupee to have a positive effect on our levels of revenues and profits.

To manage our foreign exchange risk, we enter into various hedging arrangements relating to the major currencies in which we transact business, primarily USD and Euro. These arrangements typically consist of forward contracts typically for a period of up to three years, with the quantity of the hedge decided on a net exposure basis. 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 29 and 30.

Tax benefits for Indian ER&D companies

We have historically benefited from the direct and indirect tax benefits given by the Government for the export of ER&D 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 22.2% and 16.4% respectively in FY 2016 and FY 2015. For further details, see “Risk Factors – We claim deductions under special tax holidays for units set up in special economic zones in India, and any change in these tax holidays or in other tax laws and regulations could materially and adversely affect our financial position and results of operation” from pages 32 to 33. We also enjoy indirect tax benefits for our business through our centres registered under the STPI Scheme.

Transitioning from Indian GAAP to Ind AS

Pursuant to relevant regulations in India, we are required to report our financial results in accordance with new Indian accounting standards, Ind AS, from April 1, 2016 onwards. The transition from the prior applicable accounting standards, Indian GAAP, to Ind AS may impact the levels of our revenues, expenses and profits. See “Summary of Significant Differences between Indian GAAP and Ind AS” on page 238 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 page 40.

Results of Operations

The following table shows a breakdown of our results of operations and each item as a percentage of total revenue for the periods indicated:

	For Financial Year					
	2016		2015		2014 ⁽¹⁾	
	(₹ million)	% of total revenue	(₹ million)	% of total income	(₹ million)	% of total income
Income						
Revenue from operations	30,665.06	97.6%	26,186.27	99.0%	1,261.7	103.2%
Other income	762.18	2.4%	252.60	1.0%	(39.7)	(3.2)%
Total Revenue	31,427.24	100%	26,438.87	100%	1,222.0	100%
Expenses						
Employee benefit expenses	17,230.73	54.8%	14,866.10	56.2%	731.9	59.9%
Operating expenses	2,656.39	8.5%	2,300.86	8.7%	94.74	7.8%
Sales, administration and other expenses	5,573.66	17.7%	5,031.95	19.0%	239.35	19.6%
	25,460.78	81.0%	22,198.91	84.0%	1,065.99	87.2%
Operating profit	5,966.46	19.0%	4,239.96	16.0%	156.01	12.8%
Finance costs	24.93	0.1%	33.84	0.1%	29.25	2.4%
Depreciation on tangible assets	371.78	1.2%	333.93	1.3%	6.86	0.6%
Amortisation of intangible assets	217.41	0.7%	150.70	0.6%	4.38	0.4%
	614.12	2.0%	518.47	2.0%	40.49	3.3%
Profit before tax	5,352.34	17.0%	3,721.49	14.1%	115.52	9.5%
Provision for taxation:						
- Current tax	1,363.71	4.3%	960.53	3.6%	52.82	4.3%
- MAT credit	(249.27)	(0.8%)	(197.41)	(0.7%)	-	0.0%
- Deferred tax	71.44	0.2%	(152.72)	(0.6%)	0.56	0.04%
	1,185.88	3.8%	610.40	2.3%	53.38	4.4%
Profit after tax	4,166.46	13.3%	3,111.09	11.8%	62.14	5.1%
Add/(Less): Minority Interest in Loss/(Income)	-	0.0%	(2.12)	0.0%		
Profit after tax and minority interest	4,166.46	13.3%	3,108.97	11.8%	62.14	5.1%
Restatement adjustments	-	0.0%	-	0.0%	-	0.0%
Profit after tax, as restated	4,166.46	13.3%	3,108.97	11.8%	62.14	5.1%

Note:

- ⁽¹⁾ Our results of operations for FY 2014 only include the results of operations of the PES business for a period of three months (from January 1, 2014 to March 31, 2014). The operations of the PES business were concentrated in a single segment (telecom and hitech) in North America, Europe and certain other countries (mainly Japan and Korea). Further, our restated financial information for the FY 2014 is prepared on an unconsolidated basis as we did not have any subsidiaries in this period. See “ – FY 2015 (consolidated) Compared to FY 2014 (unconsolidated) -Note Regarding Non-Comparability of Results of Operations” on page 259.

Segmental Reporting

Our segmental reporting comprises business and geographic segmentation.

Business segmentation

We report our continuing business operations in five business segments: transportation (comprising automotive, off-highway equipment, aerospace and commercial vehicles), process industry (comprising fast moving consumer goods/consumer packaged goods; speciality chemicals; and oil and gas), industrial products (comprising power, electrical, drives and utilities, building automation, home and office products and machinery) telecom and hitech (comprising consumer electronics, semiconductors and telecom). See “Our Business” beginning on page 98 for further information on our business segments.

The following table shows a breakdown of our segmental revenue by our business segments, with each item represented as a percentage of revenue from operations for the periods indicated:

	For Financial Year					
	2016		2015		2014 ⁽¹⁾	
	(₹million)	% of revenue from operations	(₹million)	% of revenue from operations	(₹million)	% of revenue from operations
Revenue from operations						
Transportation	9,160.81	29.9%	7,164.41	27.3%	—	—
Process Industry	5,736.09	18.7%	4,789.30	18.3%	—	—
Industrial Products	7,742.90	25.3%	7,284.24	27.8%	—	—
Medical Devices	1,938.95	6.3%	1,374.91	5.3%	—	—
Telecom & Hitech	6,086.31	19.8%	5,573.41	21.3%	1,261.70	100%
Total revenue from operations	30,665.06	100%	26,186.27	100%	1,261.70	100%

Note:

- (1) Our results of operations for FY 2014 only include the results of operations of the PES business for a period of three months (from January 1, 2014 to March 31, 2014). The operations of the PES business were concentrated in a single segment (telecom) in North America, Europe and certain other countries (mainly Japan and Korea). Further, our restated financial information for the FY 2014 is prepared on an unconsolidated basis as we did not have any subsidiaries in this period. See “ – FY 2015 (consolidated) Compared to FY 2014 (unconsolidated) -Note Regarding Non-Comparability of Results of Operations” on page 249.

The following table shows a breakdown of our segmental operating profit by our business segments, with each item represented as a percentage of total operating profit for the periods indicated:

	For Financial Year					
	2016		2015		2014 ⁽¹⁾	
	(₹millions)	% of segmental operating profit	(₹millions)	% of segmental operating profit	(₹millions)	% of segmental operating profit
Segmental Operating Profit						
Transportation	1,036.41	19.1%	867.45	19.8%	—	—
Process Industry	1,167.83	21.5%	557.83	12.7%	—	—
Industrial Products	1,769.37	32.6%	1,781.36	40.7%	—	—
Medical Devices	431.55	7.9%	280.14	6.4%	—	—
Telecom & Hitech	1,029.38	18.9%	889.33	20.3%	195.71	100%
Segmental Operating Profit	5,434.54	100.0%	4,376.11	100.0%	195.71	100%

Note:

- (1) Our results of operations for FY 2014 only include the results of operations of the PES business for a period of three months (from January 1, 2014 to March 31, 2014). The operations of the PES business were concentrated in a single segment (telecom and hitech) in North America, Europe and certain other countries (mainly Japan and Korea). Further, our restated financial information for the FY 2014 is prepared on an unconsolidated basis as we did not have any subsidiaries in this period. See “ – FY 2015 (consolidated) Compared to FY 2014 (unconsolidated) -Note Regarding Non-Comparability of Results of Operations” on page 259.

Geographic segmentation

Our revenues are generated from four main geographic markets: North America, Europe, India and the rest of the world. We present our revenues by customer location based on the location of the specific customer site that we serve, irrespective of the location of the headquarters of the customer or the location of the Delivery Centre where the work is performed. See “Our Business – Our Customers” from pages 113 to 114 for further details of our customers.

The following tables show a breakdown of our revenue from our operations on the basis of the geographic location of our customers, with each item represented as a percentage of revenue from operations for the periods indicated:

	For Financial Year					
	2016		2015		2014 ⁽¹⁾	
	(₹million)	% of revenue from operations	(₹million)	% of revenue from operations	(₹million)	% of revenue from operations
North America	18,531.29	60.4%	14,700.62	56.1%	676.21	53.6%
Europe	6,065.97	19.8%	5,343.78	20.4%	48.66	3.9%

	For Financial Year					
	2016		2015		2014 ⁽¹⁾	
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations
India	2,541.35	8.3%	2,607.07	10.0%	154.79	12.3%
Rest of the world	3,526.45	11.5%	3,534.80	13.5%	382.04	30.3%
Revenue from operations	30,665.06	100.0%	26,186.27	100.0%	1,261.7	100%

Note:

- ⁽¹⁾ Our results of operations for FY 2014 only include the results of operations of the PES business for a period of three months (from January 1, 2014 to March 31, 2014). The operations of the PES business were concentrated in a single segment (telecom and hitech) in North America, Europe and certain other countries (mainly Japan and Korea). Further, our restated financial information for the FY 2014 is prepared on an unconsolidated basis as we did not have any subsidiaries in this period. See “ – FY 2015 (consolidated) Compared to FY 2014 (unconsolidated) -Note Regarding Non-Comparability of Results of Operations” on page 259.

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

We generate revenue from our operations through time-and-materials contracts and fixed-price contracts by providing ER&D services and solutions to our customers.

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 attributable to 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 of fee-earning employees (including overseas staff expenses); staff welfare; contributions to provident and other funds; and contributions to gratuity funds.

Operating expenses

Operating expenses comprise sub-contracting and component charges; engineering, professional, technical and consultancy fees, and costs of computer software.

Sales, administration and other expenses

Sales, administration and other expenses primarily comprise salaries non-billable (i.e. salaries of our sales and support staff), rent and establishment expenses, overheads charged by group companies (i.e. rent and related expenses for shared facilities owned by group companies), travelling and conveyance, legal and professional charges, repairs to buildings and machinery and other miscellaneous expenses.

Finance costs

Finance costs comprise interest paid on working capital and term loans.

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.

Tax expenses

Tax expenses for operations comprise current tax, MAT credit 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. MAT credit is the difference between Minimum Alternate Tax (MAT) paid under section 115JB of the Income Tax Act, 1961 and taxes calculated under normal provisions of the Income Tax Act, 1961. Deferred income tax reflects the impact of timing differences between taxable income and accounting income.

FY 2016 Compared to FY 2015

Income

Our total revenue increased by 18.9% to ₹31,427.24 million for FY 2016 from ₹26,438.87 million for FY 2015, primarily due to an increase in our revenue from operations and other income primarily on account of foreign exchange gains.

Revenue from operations

Our revenue from operations increased by 17.1% to ₹30,665.06 million for FY 2016 from ₹26,186.27 million for FY 2015, primarily as a result of growth in our revenues in our transportation, process industry and medical devices segments and the impact of the greater appreciation of the US dollar and Euro (in which we transact most of our business) during FY 2016 as compared to FY 2015. Our USD revenue from operations (calculated as our revenue from operations denominated in Rupees

converted into USD using the exchange rates for the relevant period) increased by 9.4% to USD 468.4 million for FY 2016 from USD 428.3 million for FY 2015. Our revenue from operations in FY 2016 were impacted due to the economic slowdown in the oil and gas (which forms part of our process industry segment) and U.S agricultural equipment industries (which forms part of our transportation segment) and the currency appreciation of the U.S. dollar against other currencies such as the Euro, Great Britain Pound and Japanese Yen. Further, we also took the initiative of phasing out certain non-performing accounts from our portfolio in FY 2016, which reduced our revenues from these non-performing accounts by ₹1,116.1 million in FY 2016 compared to FY 2015.

Had the average exchange rate between various currencies and the U.S. dollar remained constant during FY 2016 in comparison to FY 2015, our revenues from operations in constant currency terms would have increased by 11.9% from USD 427.6 million to USD 478.4 million. The growth in our revenues in FY 2016 compared to FY 2015 was driven by an increase in our billing rates to our customers, an increase in the time billed to our customers and higher utilization of our employees.

Revenue from operations in North America increased by 26.1% to ₹18,531.29 million for FY 2016 from ₹14,700.62 million for FY 2015, primarily as a result of growth in our medical devices, process industry and transportation verticals. Revenue from operations in Europe increased by 13.5% to ₹6,065.97 million for FY 2016 from ₹5,343.78 million for FY 2015, primarily as a result of increase in revenue from existing customers in Germany, Sweden, UK and Netherlands and revenue from new customers added during the year. Revenue from operations in the rest of the world including APAC decreased slightly by 0.2% to ₹3,526.45 million for FY 2016 from ₹3,534.80 million for FY 2015. Revenue from operations in India decreased by 2.5% to ₹2,541.35 million for FY 2016 from ₹2,607.07 million for FY 2015, primarily as a result of a decrease in revenue contribution from the existing customers in the process industry segment in India.

Revenue from operations from our transportation segment increased by 27.9% to ₹9,160.81 million for FY 2016 from ₹7,164.41 million for FY 2015, primarily as a result of an increase in revenue from existing customers in the automotive and aerospace verticals in North America as well as India in addition to revenue from new customers added in North America, partially offset by the reduction in revenue from our clients in the agricultural equipment industry in the United States. Revenue from operations from our process industry segment increased by 19.8% to ₹5,736.09 million for FY 2016 from ₹4,789.30 million for FY 2015, primarily as a result of growth in our revenues from existing clients in the CPG vertical in North America and the rest of the world, partially offset by the reduction in revenues from our clients in the oil and gas industry. Our solutions on smart manufacturing also helped us in increasing our revenue from operations from this segment. This was partly offset by a decrease in revenue from our existing customers in India. Revenue from operations from our telecom and hitech segment increased by 9.2% to ₹6,086.31 million for FY 2016 from ₹5,573.41 million for FY 2015. Our customers in North America primarily contributed to the revenues in our telecom and hitech segment and the region continued to show increased revenue growth for FY 2016. Further, in FY 2016, our existing telecom and hitech customers in Europe region registered a healthy revenue growth which contributed to the overall growth of our telecom segment because of higher number of projects. Revenue from operations of our industrial products segment increased by 6.3% to ₹7,742.90 million for FY 2016 from ₹7,284.24 million for FY 2015, primarily as a result of growth in operations in the building automation, machinery, electrical, drives and power verticals. Revenue from operations of our medical devices segments increased by 41.0% to ₹1,938.95 million for FY 2016 from ₹1,374.91 million for FY 2015, primarily as a result of higher revenue growth from existing customers in North America and Europe and the rest of the world as well as new customers added in Europe and the rest of the world.

Other Income

Our other income increased to ₹762.18 million for FY 2016 from ₹252.60 million for FY 2015. This was primarily due to a foreign exchange gain of ₹663.32 million in FY 2016 compared to a foreign exchange gain of ₹193.16 million in FY 2015.

In order to manage our foreign exchange risk, we have a hedging policy that is subject to periodic review. We hedge the major currencies in which we transact business (for example, the US dollar and the Euro) primarily through forward contracts. The quantum of hedge is decided on a net exposure basis and, accordingly, forward contracts are entered 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.

For details of our accounting policies in relation to foreign exchange transactions, see “- Critical Accounting Policies – Foreign Currency Transactions” and “Annexure IVB: Significant Accounting Policies – 11. Foreign Currency Transactions” in our consolidated Restated Financial Statements beginning on page 267 and 214 respectively.

In FY 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 ₹663.32 million in FY 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” on pages 29 and 30.

Expenses

Our expenses increased by 14.7% to ₹25,460.78 million for FY 2016 from ₹22,198.91 million for FY 2015, in line with the growth of our operations.

Employee benefit expenses

Our employee benefit expenses increased by 15.9% to ₹17,230.73 million for FY 2016 (which represented 54.8% of our total revenue for such period) from ₹14,866.10 million for FY 2015 (which represented 56.2% of our total revenue for such period). This was primarily as a result of a 15.9% increase in salaries including overseas staff expenses to ₹16,581.17 million in FY 2016 from ₹14,324.03 million in FY 2015, which was attributable to a 9.0% increase in onsite headcount, an increase in US visa fee charges, and the impact of the depreciation of the Rupee against the US dollar.

Operating expenses

Our operating expenses increased by 15.5% to ₹2,656.39 million for FY 2016 (which represented 8.5% of our total revenue for such period) from ₹2,300.86 million for FY 2015 (which represented 8.7% of our total revenue for such period). This was primarily as a result of a 26.5% increase in our consultancy charges to ₹1,064.45 million in FY 2016 from ₹841.50 million in FY 2015, primarily as a result of an increase in services performed for customers requiring us to work with external sub-contractors and an increase of 18.7% in subcontracting and components cost which increased to ₹1,095.27 million in FY 2016 from ₹922.55 million in FY 2015. This increase in costs was partially offset by a decrease in the costs of software license used for delivering services to customers to ₹496.67 million in FY 2016 from ₹536.81 million in FY 2015.

Sales, administration and other expenses

Our sales, administration and other expenses increased by 10.8% to ₹5,573.66 million for FY 2016 (which represented 17.7% of our total income for such period) from ₹5,031.95 million for FY 2015 (which represented 19.0% of our total income for such period). This was primarily as a result of an increase in the salaries of our sales and support staff (salaries non-billable) which increased to ₹2,395.92 million in FY 2016 from ₹2,035.93 million in FY 2015, an increase in travelling and conveyance expenses to ₹467.88 million in FY 2016 from ₹414.90 million in FY 2015 in line with the increase in our operations and the impact of the depreciation of the Rupee. In addition, there was an increase in overheads charged by group companies to ₹651.16 million in FY 2016 from ₹510.33 million in FY 2015 as well as an increase in provision for doubtful debts to ₹178.18 million in FY 2016 from ₹31.04 million in FY 2015, in line with our Company's policy, in effect from FY 2016, of reviewing overdue receivables for more than one year every quarter and providing for the same on case-to-case basis.

Finance costs

Our finance costs decreased by 26.3% to ₹24.93 million for FY 2016 from ₹33.84 million for FY 2015. This was primarily due to a reduction in average borrowings during the year.

Profit before tax

As a result of the foregoing factors, our profit before tax was ₹5,352.34 million for FY 2016 (which represented 17.0% of our total income for such period) and ₹3,721.49 million for FY 2015 (which represented 14.1% of our total income for such period).

Tax expenses

Our current tax increased by 42.0% to ₹1,363.71 million for FY 2016 from ₹960.53 million for FY 2015. This increase was primarily due to an increase in our current taxes in line with increase in profit before tax corresponding to an increase in our operations. 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 163. 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 MAT credit increased by 26.3% to ₹249.27 million for FY 2016 from ₹197.41 million for FY 2015 primarily as a result of an increase in book profits.

Our deferred tax charge for FY 2016 was ₹71.44 million as against our deferred tax credit for FY 2015 of ₹152.72 million owing to the application of ICDS as explained above.

Our total tax expense has increased by 94.3% to ₹1,185.88 million for FY 2016 from ₹610.40 million for FY 2015 primarily due to increase in profit before tax by 43.8% to ₹5,352.34 million for FY 2016 from ₹3,721.49 million for FY 2015.

Net profit after tax, as restated

As a result of the foregoing factors, our net profit after tax as restated was ₹4,166.46 million for FY 2016 and ₹3,108.97 million for FY 2015.

FY 2015 (consolidated) compared to FY 2014 (unconsolidated)

Note Regarding Non-Comparability of Results of Operations

As part of a business restructuring exercise conducted by the L&T group, our Company acquired the PES Business of LTIL, a wholly-owned subsidiary of L&T effective January 1, 2014 and L&T Infotech GmbH, a wholly-owned subsidiary of LTIL, on September 1, 2014. Our results of operations for FY 2014 only include the results of operations of the PES business for a period of three months (from January 1, 2014 to March 31, 2014). The operations of the PES business were concentrated in a single segment (telecom and hitech) in North America, Europe and certain other countries (mainly Japan and Korea). Further, our restated financial information for FY 2014 is prepared on an unconsolidated basis as we did not have any subsidiaries in this period. We acquired the IES Business of L&T on April 1, 2014. We also acquired equity and assets in other companies during FY 2015. For details, see “History and certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets”, and “Financial Statements - Annexure IVC: Other Notes on Accounts” to our consolidated Restated Financial Information beginning on page 124 and 219.

As a result of the foregoing, our results of operations for the two FYs presented below are not comparable with one another.

Income

Our total revenue increased to ₹26,438.87 million for FY 2015 from ₹1,222.0 million for FY 2014, primarily because FY 2015 represented a full year of operations across all five of our business segments whereas in FY 2014 we only had three months of operations in a single business segment (telecom and hitech).

Revenue from operations

Our revenue from operations increased to ₹26,186.27 million for FY 2015 from ₹1,261.70 million for FY 2014, primarily because FY 2015 represented a full year of operations across all five of our business segments whereas in FY 2014 we only had three months of operations in a single business segment (telecom and hitech).

Other Income

Our other income increased to ₹252.60 million for FY 2015 from a loss of ₹39.70 million for FY 2014.

In FY 2015, 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 ₹193.16 million in FY 2015.

In FY 2014, we had a foreign exchange loss of ₹39.91 million, primarily on account of losses on long term forward contracts which was partially offset by interest received. This led to a loss of ₹39.70 million.

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 expenses increased to ₹22,198.91 million for FY 2015 from ₹1,065.99 million for FY 2014, primarily because FY 2015 represented a full year of operations across all five of our business segments whereas in FY 2014 we only had three months of operations in a single business segment (telecom and hitech).

Employee benefit expenses

Our employee benefit expenses increased to ₹14,866.10 million for FY 2015 (which represented 56.2% of our total revenue for such period) from ₹731.90 million for FY 2014 (which represented 59.9% of our total revenue for such period). This was primarily because FY 2015 represented a full year of operations across all five of our business segments whereas in FY 2014 we only had three months of operations in a single business segment (telecom and hitech) and also due to the acquisition of the IES business from April 1, 2014.

Operating expenses

Our operating expenses increased to ₹2,300.86 million for FY 2015 (which represented 8.7% of our total revenue for such period) from ₹94.74 million for FY 2014 (which represented 7.8% of our total revenue for such period). This was primarily because FY 2015 represented a full year of operations across all five of our business segments whereas in FY 2014 we only had three months of operations in a single business segment (telecom and hitech).

Sales, administration and other expenses

Our sales, administration and other expenses increased to ₹5,031.95 million for FY 2015 (which represented 19.0% of our total income for such period) from ₹239.35 million for FY 2014 (which represented 19.6% of our total income for such period). This was primarily because FY 2015 represented a full year of operations across all five of our business segments whereas in FY 2014 we only had three months of operations in a single business segment (telecom and hitech).

Finance costs

Our finance costs increased to ₹33.84 million for FY 2015 from ₹29.25 million for FY 2014.

Depreciation and amortisation

Our depreciation on tangible assets increased to ₹333.93 million for FY 2015 from ₹6.86 million for FY 2014. This was primarily because FY 2015 represented a full year of operations across all five of our business segments whereas in FY 2014 we only had three months of operations in a single business segment (telecom and hitech). Our amortisation of intangible assets increased to ₹150.70 million for FY 2015 from ₹4.38 million for FY 2014 primarily as a result of This was primarily because FY 2015 represented a full year of operations across all five of our business segments whereas in FY 2014 we only had three months of operations in a single business segment (telecom and hitech).

Profit before tax

As a result of the foregoing factors, our profit before tax was ₹3,721.49 million for FY 2015 (which represented 14.1% of our total income for such period) and ₹115.52 million for FY 2014 (which represented 9.5% of our total income for such period).

Tax expenses

Our current tax increased to ₹960.53 million for FY 2015 from ₹52.82 million for FY 2014. This increase was primarily due to increased taxes on higher profits in FY 2015, as FY 2015 represented a full year of operations across all five of our business segments whereas in FY 2014 we only had three months of operations in a single business segment (telecom and hitech).

Our MAT credit was ₹197.41 million for FY 2015. We did not have MAT credit in FY 2014.

Our deferred tax credit for FY 2015 was ₹152.72 million as against our deferred tax charge for FY 2014 of ₹0.56 million

Our total tax expense has increased to ₹610.40 million for FY 2015 from ₹53.38 million for FY 2014. This was primarily because FY 2015 represented a full year of operations across all five of our business segments whereas in FY 2014 we only had three months of operations in a single business segment (telecom and hitech).

Net profit after tax, as restated

As a result of the foregoing factors, our net profit after tax as restated was ₹3,108.97 million for FY 2015 and ₹62.14 million for FY 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 and short-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 Draft Red Herring 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 ⁽¹⁾
	(₹million)	(₹million)	(₹million)
Net cash (used in) / from operating activities (A)	5337.16	2,889.07	(136.74)
Net cash (used in) / from investing activities (B)	(1,792.51)	(6,670.81)	(5,053.12)
Net cash (used in) / from financing activities (C)	(3,833.82)	4,640.18	5,484.33
Net increase / (decrease) in cash and cash equivalents (D = A+B+C)	(289.17)	858.44	294.47
Opening cash and cash equivalents (E)	1,153.41	294.97	0.50

Cash Flow Data	For Financial Year		
	2016	2015	2014 ⁽¹⁾
	(₹million)	(₹million)	(₹million)
Closing cash and cash equivalents (D + E)	864.24	1,153.41	294.97

Note:

⁽¹⁾ Our results of operations for FY 2014 only include the results of operations of the PES business for a period of three months (from January 1, 2014 to March 31, 2014). The operations of the PES business were concentrated in a single segment (telecom and hitech) in North America, Europe and certain other countries (mainly Japan and Korea). Further, our restated financial information for the FY ended March 31, 2014 is prepared on an unconsolidated basis as we did not have any subsidiaries in this period. See “ – FY 2015 (consolidated) Compared to FY 2014 (unconsolidated) -Note Regarding Non-Comparability of Results of Operations” on page 259.

Cash flow from operating activities

Net cash generated from our operating activities was ₹5,337.16 million for FY 2016. Our net profit before tax was ₹5,352.34 million for FY 2016, which was adjusted mainly for depreciation and amortisation of ₹589.19 million and unrealised foreign exchange gain of ₹663.31 million. As a result, our operating profit before working capital changes was ₹5,271.83 million for FY 2016. This was further adjusted primarily for a decrease in our working capital of ₹1,513.44 million. The decrease in our working capital was primarily attributable to a decrease in other receivables of ₹899.22 million and an increase in trade and other payables of ₹733.67 million, which was partially offset by an increase in our trade receivables of ₹119.45 million. Cash generated from our operations was ₹6,785.27 million in FY 2016, adjusted for direct taxes paid of ₹1,448.11 million. As a result, our net cash generated from operating activities was ₹5,337.16 million for FY 2016.

Net cash generated from our operating activities was ₹2,889.07 million for FY 2015. Our net profit before tax was ₹3,721.49 million for FY 2015, which was adjusted mainly for depreciation and amortisation of ₹484.63 million. As a result, our operating profit before working capital changes was ₹4,202.12 million for FY 2015. This was further adjusted primarily for an increase in our working capital of ₹642.92 million. The increase in our working capital was primarily increase in trade receivables of ₹931.49 million and increase in other receivables of ₹963.55 million, partially offset by an increase in trade and other payables of ₹1,252.12 million. Cash generated from our operations was ₹3,559.20 million in FY 2015, adjusted for direct taxes paid of ₹670.13 million. As a result, our net cash generated from operating activities was ₹2,889.07 million for FY 2015.

Net cash generated used in our operating activities was ₹136.74 million for FY 2014. Our net profit before tax was ₹115.52 million for FY 2014, which was adjusted mainly for interest of ₹29.03 million and depreciation and amortisation of ₹11.24 million. As a result, our operating profit before working capital changes was ₹155.79 million for FY 2014. This was further adjusted primarily for an increase in our working capital of ₹246.68 million. The increase in our working capital was primarily attributable to an increase in trade receivables of ₹721.22 million and an increase in other receivables of ₹203.78 million, which was partially offset by an increase in our trade and other payables of ₹678.32 million. Cash generated used in our operations was ₹90.89 million in FY 2014, adjusted for direct taxes paid of ₹45.85 million. As a result, our net cash generated from operating activities was ₹136.74 million for FY 2014.

Cash flow used for/from investing activities

Net cash used for investing activities was ₹1,792.51 million for FY 2016, which was primarily attributable to our purchase of fixed assets (such as office equipment, furniture and fixtures, IT assets and specialised software) amounting to ₹1,283.73 million and our purchase of current investments amounting to ₹555.30 million.

Net cash used for investing activities was ₹6,670.81 million for FY 2015, which was primarily attributable to consideration paid towards the businesses purchased in FY 2015 amounting to ₹6,096.05 million and our purchase of fixed assets (such as office equipment, furniture and fixtures, IT assets and specialised software) amounting to ₹541.19 million.

Net cash used for investing activities was ₹5,053.12 million for FY 2014, which was primarily attributable to consideration paid towards the businesses purchased in FY 2015 amounting to ₹4,895.27 million and our purchase of fixed assets (such as office equipment, furniture and fixtures, IT assets and specialised software) amounting to ₹158.06 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” beginning on page 248.

Cash flow used in financing activities

Net cash used in financing activities was ₹3,833.82 million for FY 2016, mainly consisting of the payment of dividends of ₹3,020.01 million, the payment of dividend tax of ₹555.71 million and the repayment of borrowings of ₹233.17 million.

Net cash from financing activities was ₹4,640.18 million for FY 2015, mainly consisting of share capital issued amounting to ₹5,472.80 million and proceeds from borrowings amounting to ₹1,700.82 million, partially offset by dividend paid of ₹2,199.34 million.

Net cash from financing activities was ₹5,484.33 million for FY 2014, mainly consisting of share capital issued amounting to ₹5,024.50 million and proceeds from borrowings amounting to ₹486.87 million.

Borrowings

To fund our working capital and capital expenditure requirements, we enter into short-term credit facilities. Our borrowings are foreign currency borrowings.

The following table shows certain information about our borrowings as of March 31, 2016:

	As of March 31, 2016 (₹ million)
Long-term borrowings:	
Secured	—
Unsecured	—
Total	—
Short-term borrowings:	
Secured	397.53
Unsecured	1,556.99
Total	1,954.52
Current maturities of long-term borrowings:	
Secured	—
Unsecured	—
Total	—
Total borrowings	1,954.52

Our total outstanding borrowings of ₹1,954.52 million as of March 31, 2016 were denominated in USD. The principal amounts outstanding under our borrowings bear interest at a floating rate.

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 246.

Contractual Obligations and Commitments

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
	(₹ million)			
Short-term borrowings	1,954.52	1,954.52	-	-
Long-term borrowings	-	-	-	-
Lease obligations	-	-	-	-
Trade payables	1,739.44	1,739.44	-	-
Contracts on capital account	177.46	177.46	-	-
Total	3,871.42	3,871.42	-	-

Contingent Liabilities

Set forth below is a breakdown of our contractual obligations and commercial commitments as of March 31, 2016 and 2015 as classified by maturity on the basis of our consolidated Restated Financial Statements. For further details, see “Financial Statements- Restated consolidated statement of contingent liabilities” on page 229:

	As of March 31,	
	2016	2015
	(₹ million)	
Contingent liabilities		
Corporate guarantee given on behalf of subsidiary	1,093.21	1,031.25
Total	1,093.21	1,031.25

Off-Balance Sheet Arrangements

Except as set forth above, we do 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.

Capital Expenditures

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.

FY 2016

During FY 2016, our capital expenditures were ₹1,127.35 million and primarily comprised:

Tangible assets: We incurred major capital expenditure on facilities for the expansion of our delivery center in Bangalore, which included expenditure on civil work, electrical/network installations/false ceiling, office equipment and furniture and fixtures, and on IT assets (i.e. computers) across our delivery centers; and

Intangible assets: We incurred major expenditure on specialised software purchased for delivering services.

FY 2015

During FY 2015, our capital expenditures were ₹3,045.04 million and primarily comprised of tangible and intangible assets acquired as part of the transfer of the IES business from our Promoter in addition to capital expenditure incurred in the normal course of our business

Tangible assets: In the normal course of business, the major capital expenditure incurred was on IT assets (i.e. computers); and

Intangible assets: In the normal course of business, the major capital expenditure incurred was on specialised software. This was in addition to goodwill on purchase of PES business from L&T Infotech GmbH and goodwill on consolidation of our Subsidiaries.

Planned Capital Expenditure

We expect our future capital expenditures to consist of various investments into our tangible and intangible assets in the ordinary course of our business. We plan to fund these investments through funds generated from our operations in a manner that is generally consistent with our 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 FYs 2015 to 2016. For further details, see "Related Party Transactions" on page 161.

Seasonality

Our revenues experience some seasonal variations across certain of our business lines, primarily in the second quarter of our financial year in Europe largely due to the summer holidays and third quarter of our financial year in North America and India largely due to seasonal holidays in these jurisdictions and a concomitant decrease in working days for our customers during these periods.

We consider these variations to be non-material.

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 91.7% and 90.0% of our revenue from operations in FYs 2016 and 2015, 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 indebtedness in currencies in the form of packing credit in foreign currency, 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 manage our foreign exchange risk, we have a hedging policy that is subject to periodic review. We hedge the major currencies in which we transact business (for example, the US dollar and the Euro) primarily through forward contracts. The quantum of hedge is decided on a net exposure basis and, accordingly, forward contracts are entered 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.

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. 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 ₹1,954.52 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 packing credit in foreign currency). 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 customers. If our customers do not pay us promptly, or at all, we may have to make provisions for, or write-off, such amounts. As at March 31, 2016 and 2015, our trade receivables were ₹7,270.56 million and ₹6,853.09 million, respectively. Our average debtor cycle was 81 days and 92 days in FYs 2016 and 2015 respectively.

Critical Accounting Policies

We have prepared our consolidated Restated Financial Statements (beginning on page 204) 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 211 to 216. 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 211 to 216 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, "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" beginning on page 40.

Preparation of financial statements

The restated consolidated financial statements are prepared from the audited financials for the years ended March 31, 2016 and March 31, 2015 and unconsolidated financials statements ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 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 SEBI 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 our Company.

Revenue recognition

- (a) Revenue from contracts priced on time and material basis are recognized when services are rendered and related costs are incurred.

Revenue from services performed on “fixed-price” basis is recognized 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) Other items of income are accounted as and when the right to receive arises.

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, and short term compensated absences and performance incentives are recognized 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 recognized during the period in which the employee renders the related service.

- (ii) *Defined benefit plans:*

The provident fund scheme managed by trust, employee’s gratuity fund scheme managed by LIC and post-retirement medical benefit scheme are our 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 recognizes 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 recognized immediately in the profit and loss account. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized 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 recognized in the similar manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

Fixed assets

Tangible fixed assets are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition less accumulated depreciation.

Intangible fixed assets comprising of computer software and technical know-how are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition less accumulated amortisation. Any expenses on such software licenses for support and maintenance payable annually are charged to the profit and loss account.

Goodwill on acquisition represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired. Goodwill is not amortized but is tested for impairment if events or changes in circumstances indicate that an impairment loss may have occurred.

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.

Leases

(a) *Finance leases:*

Assets acquired under lease where the company has substantially all the risk and rewards of ownership are classified as finance leases. Such assets are capitalised at inception of lease at the lower of fair value or 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.

(b) *Operating leases:*

Assets acquired on leases where a significant portion of the risk 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.

Depreciation

(a) *Indian companies:*

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.

However, in respect of the following asset categories, the depreciation is provided at the useful life, based on technical evaluation, which is different from the useful life prescribed under Schedule II to the Companies Act, 2013.

Asset Class	Depreciation Rate (%)
Electrical Installation	10.00
Computers	33.33
Servers	25.00
Networking Equipment	20.00
Office Equipment	25.00
Vehicles	14.29
Leasehold Improvements	over the lease period

(b) *Foreign companies:*

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 lives.

Intangible assets and amortisation

The basis of amortisation of intangible assets is as follows:

Computer software:	over a period of three to six years
Technical know-how:	over a period of four years
Customer contracts and relationships:	over a period of seven years

Impairment of assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- (a) The provision for impairment loss, if any; and
- (b) The reversal of impairment loss recognized in previous periods, if any,

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- (a) In the case of an individual asset, at the higher of the net selling price and value in use; and
- (b) In case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's net selling price and net value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

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.

Exchange difference on settlement / year end conversion is adjusted to profit and loss account.

- (b) 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 as per Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates"- Exchange differences arising on such contracts are recognized in the period in which they arise.

Gains and losses arising on account of roll over/cancellation of such forward contracts are recognized as income/expenses of the period in which such roll over/cancellation takes place.

- (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 recognized 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 (AS) 30 "Financial Instruments: Recognitions and Measurement" for accounting of such derivative contracts, not covered under Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates", as mandated by the ICAI in the aforesaid announcement. Accordingly, the resultant gains or losses on fair valuation/settlement of the derivative contracts covered under Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" are recognized in the Statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the hedge in respect of off-balance sheet items is effective, the gains or losses are recognized in the "hedging reserve" which forms part of "reserves and surplus" in the Balance Sheet. The amount recognized in the "hedging reserve" is 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 are recognized in the Statement of Profit and Loss in the period in which such gains or losses are incurred.

- (d) Financial statements of overseas non – integral operations are translated as under:
 - (i) Assets and liabilities at the rate prevailing at the end of the year. Depreciation and amortisation is accounted at the same rate at which assets are converted.
 - (ii) Revenues and expenses at yearly average exchange rates prevailing during the year.
 - (iii) Exchange differences arising on translation of non-integral operations are accumulated in the foreign currency translation reserve until the disposal of such operations.
- (e) The premium paid/received on a foreign currency forward contract is accounted as expenses/income over the life of the contract.

Income-tax

- (a) **Indian companies:**

Provision for income tax for the current year is based on the taxable profits for the year after considering tax exemptions / allowances.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(b) **Foreign subsidiaries:**

Foreign subsidiaries recognize tax liabilities and assets in accordance with the applicable local laws.

Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- (a) our 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 recognized 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 past events, when it is not probable that an outflow of resources will be required to settle the obligation
- (b) a present obligation arising from past events, when no reliable estimate is possible
- (c) a possible obligation arising from past events, where the probability of outflow of resources is not remote Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

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 results. Expenditure which relate to the company as a whole and not allocable to segments are included under “un-allocable corporate expenditure”.
- (c) Income which relates to our Company as a whole and not allocable to is included in “un- allocable corporate income”.
- (d) Fixed assets used and liability contracted for performing our Company’s business have not been identified to any of the above reported segments as the fixed assets and services are used inter-changeably among segments.

Analysis of Certain Changes

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 249 and 20, respectively. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors that we expect to have a material adverse impact on our revenues or income from 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 Draft Red Herring 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 20, there are no known factors that might affect the future relationship between cost and revenue.

Significant developments subsequent to the last financial period

Other than as disclosed in this Draft Red Herring 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 12 months.

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 from the date of incorporation (being less than five years), details of default and non-payment of statutory dues, details of acts of material frauds committed against our Company since the date of incorporation (being less than five years), details of pending proceedings initiated against our Company for economic offences, if any, and details of pending litigation involving our Company and our Subsidiaries, whose outcome could have material adverse effect on the position of our Company.

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 revenue 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 revenue of our Company for the Financial Year 2016 was ₹ 31,427.2 million and the consolidated net profit of our Company was ₹ 4,166.5 million. Accordingly, in addition to the above, we have disclosed all outstanding litigation involving our Company and our Subsidiaries where the aggregate amount involved exceeds ₹ 200.0 million (being approximately five percent of the consolidated net profit of our Company in the Financial Year 2016) and the litigation involving an aggregate amount below ₹ 200.0 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 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 creditors, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 87.0 million (being approximately five per cent of total dues owed by our Company to 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” from page 271. 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 page 280. For details of the manner of disclosure of litigation involving our Directors, see “Outstanding Litigation and Material Developments – Litigation involving our Directors” on page 286.

I. Litigation involving our Company

A. Litigation filed against our Company

Indirect tax matters

Two indirect tax matters involving our Company are pending before the Commissioner (Appeals), Central Excise and Customs, Vadodara, involving an aggregate amount of ₹ 4.4 million in relation to rejection of service tax refund claims. The matters are currently pending.

Other matters

There is no outstanding litigation against our Company exceeding ₹ 200.0 million.

Other matters filed against our Company where the aggregate amount is below ₹ 200.00 million relate to, among others, complaint filed by an ex-employee before the Court of Civil Judge (S.D.) at Vadodara for wrongful termination of employment by our Company and a plaint filed against our Company before the High Court of Judicature at Madras by an ex-landlord for recovery of arrears of rent and repair charges. The matters are against our Promoter. Pursuant to the IES Business Transfer Agreement, the IES Business of our Promoter was transferred to our Company, and accordingly, our Company is in the process of getting the matters transferred to in its own name. These matters are currently pending.

B. Litigation by our Company

Criminal matters

Our Company (the “Complainant”) filed two criminal complaints (the “Complaints”) against Rochem Green Energy Private Limited and Prayas Goel before the Judicial Magistrate First Class (“JMFC”) at Vadodra under Section 138 read with Section 142 of the Negotiable Instruments Act, 1888, as amended, in relation to dishonour of cheques for

an aggregate amount of ₹ 1.0 million. The 3rd Additional Chief Judicial Magistrate, Vadodra, pursuant to its orders, returned the Complaints for presentation to the proper court within 30 days from the date of receipt of record. The Complaints were thereafter filed before the Court of the Metropolitan Magistrate, Mumbai. The Court of the Metropolitan Magistrate, Mumbai, pursuant to its order, returned the Complaints for presentation to the proper court. The Complaints were thereafter transferred before the Additional Chief Judicial Magistrate, Vadodara.. The Complaints are filed in the name of our Promoter. Pursuant to the IES Business Transfer Agreement, the IES Business of our Promoter was transferred to our Company, and accordingly, our Company is in the process of getting the Complaints transferred to itself. The matter is currently pending.

Other matters

There is no outstanding litigation filed by our Company exceeding ₹ 200.0 million.

Notices

There are no notices served by our Company where the aggregate amount exceeds ₹ 200.0 million.

Other notices served by our Company where the aggregate amount is below ₹ 200.0 million relate to notices issued by our Company to its employees in relation to various matters, including, among other things, breach of employment terms and conditions.

Small scale undertakings or any other creditors

Our Company does not owe any small scale undertakings any amounts exceeding ₹ 87.0 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 ₹ 1,739.4 million which are due towards other creditors. As of March 31, 2016, our Company owed an aggregate amount of ₹ 962.0 million towards other creditors where dues to each creditor exceeded ₹ 87.0 million. There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such other creditors exceeding ₹ 87.0 million as of March 31, 2016 are available on the website of our Company at the following link: <http://www.lnttechservices.com/about-us/financials/>. 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 Draft Red Herring Prospectus.

II. Litigation involving our Subsidiaries

1. Litigation involving L&T Thales

Direct tax matters

Four income tax related matters involving L&T Thales are pending before various forums in relation to issues, including, among others, an upward adjustment on account of transfer pricing for assessment years 2008-09, 2010-11, 2011-12 and 2012-13. The aggregate amount involved in the matters is ₹ 78.2 million. The matters are currently pending.

Indirect Tax Matters

Four indirect tax cases involving L&T Thales are pending before various forums involving an aggregate amount of ₹ 8.2 million further to inclusion of interest and penalty, if any. The said matters are in relation to matters including, among other things, demand of service tax in connection with maintenance of TSIPL's website, internet and communication networks under the category 'business auxiliary service' for years 2007-08 to 2011-12, determination of assessable value of imports made by TSIPL from Thales Services SAS France and rejection of refund claim of CENVAT on input service. The matters are 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 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.

Given the nature and extent of operations of our Promoter, the board of directors of our Promoter has considered the outstanding civil litigation involving our Promoter which exceeds the lower of one per cent of consolidated revenue or five per cent of the consolidated net profit of our Promoter in the last audited financial year as being material for our Promoter. Our Board has also approved of this threshold. 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.

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 individually in this section;*
- (iv) all outstanding litigation involving our Promoter where the aggregate amount involved exceeds ₹ 2,500.0 million (being approximately five percent of the consolidated net profit of our Promoter in the Financial Year 2016) have been disclosed individually in this section and litigation below ₹ 2,500.0 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 ₹ 2,500.0 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 have been disclosed individually in this section.*

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. NHAH 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. NHAH alleged sub-contracting of more than 10.0% of the total value of the Project in contravention of the Contract causing a loss of ₹ 220.0 million to NHAH. Pursuant to the disputes between the parties, NHAH 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 NHAH. NHAH 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 our 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 66th 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 page 276.
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 and S. N. Subrahmanyam, 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 our 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 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 287.
3. 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) of 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 ₹ 33.5 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 ₹ 33.5 million. The writ petition was disposed of by the Gujarat High Court and our 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 our 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 ₹ 44.9 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 ₹ 1,600.0 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 ₹ 44.9 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 ₹ 6,197.5 million in the payment of stamp duty paid on the engineering, procurement and construction agreement entered into with L&T MRHL and paid a stamp duty of ₹ 100.0 on the same. The Registrar issued a show cause notice (the “Notice”) to our Promoter and L&T MRHL demanding payment of deficit stamp duty amounting to ₹ 6,197.5 million. The Hyderabad High Court has suspended the Notice by way of an interim order. The amount involved in the matter is ₹ 6,197.5 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 ₹ 2.4 million from our Promoter. Our Promoter raised objection to the same and paid an amount of ₹ 0.5 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 ₹ 2.4 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 ₹ 1.1 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 ₹ 3.1 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 ₹ 3.1 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 relating to alleged damage to cables caused while laying down pipe lines by our Promoter. The Kerala High Court has granted a stay order on the Demand. The amount involved in the matter is ₹ 2.0 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 ₹ 2.4 million by our Promoter. Our Promoter deposited an amount of ₹ 2.4 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 ₹ 2.4 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 ₹ 380.0 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 ₹ 380.0 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 ₹ 36.6 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 ₹ 837.8 million. The matter is currently pending.

9. Our Promoter has filed a 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 ₹ 25.8 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 ₹ 0.1 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, Sundargadh. 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 ₹ 0.1 million towards arrear of employee state insurance contribution to be made by our Promoter. The amount involved in the matter is ₹ 0.1 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 ₹ 20.0 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 our 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 ₹ 33.7 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 ₹ 33.7 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 ₹ 25.3 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 ₹ 16.1 million. The matter is currently pending.

4. Our Promoter has filed a writ petition against the Labour Department, Vizag before the Hyderabad High 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 ₹ 14.1 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 1.0% 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 ₹ 24.4 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 1.0% 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 ₹ 1,400.0 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 ₹ 10,000.0. 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 ₹ 1.5 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 ₹ 3.9 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 ₹ 0.4 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 ₹ 70.5 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 ₹ 207.9 million and ₹ 5.3 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 ₹ 17.0 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.

- 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 ₹2.6 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

- 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.
- 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.
- 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.
- 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 ₹ 20.7 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 ₹ 20.7 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 ₹ 19,108.4 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 ₹ 43,153.0 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 ₹2,500.0 million

- Our Promoter has filed a writ petition against the demand made by the Collector and District Registrar, Hyderabad before the High Court of Hyderabad for the State of Telangana and the State of Andhra Pradesh relating to alleged deficiency of ₹ 6,197.5 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 page 274.
- 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 ₹ 4,420.0 million. The matter is currently pending.

Other matters involving an amount below ₹2,500.0 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 ₹ 2,500.0 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 ₹ 2,500.0 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 274 to 278.

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 17.7 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 Company – Litigation by our Company - Criminal Matters” on 271.

Other matters involving an amount above ₹2,500.0 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 Dumarpali 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 ₹ 6,029.8 million along with interest of 18.0% per annum till realisation of the same. Visa Power filed a counter claim of ₹ 18,298.7 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 ₹ 2,510.0 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 ₹ 3,390.0 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 ₹ 9,126.0 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 ₹500.0 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 ₹2,236.5 million and (ii) price adjustment claims aggregating to ₹1,085.4 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 ₹ 1,617.2 million before the arbitrator in relation to, among others, 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 ₹3,929.2 million for payment of damages by our Promoter. The amounts involved in the matter are claim of ₹ 1,617.2 million and counter claim of ₹3,929.2 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 Mahanagarपालिका, 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

Given the nature and extent of operations of our Group Companies, our Board has considered the outstanding litigation involving our Group Companies which exceed the lower of one per cent of the consolidated revenue or five per cent of the consolidated net profit of our Promoter in the last audited financial year as being material for our Company. 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.

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 have been disclosed 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 ₹ 2,500.0 million have been disclosed individually in this section and litigation below ₹ 2,500.0 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 have been disclosed individually in this section.*

1. Litigation involving Larsen & Toubro Infotech Limited (“LTIL”)

A. Litigation filed against LTIL

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 LTIL in his capacity as a representative of LTIL, before the Court of Special Judge, Thane, for alleged unauthorised use of electricity by LTIL under Section 135 of the Electricity Act, 2003. LTIL filed an application for compounding of the alleged offence with MSEDCL. MSEDCL has approved the application for compounding the offence and LTIL has paid an amount of ₹ 0.4 million towards compounding charges. The matter is currently pending.
2. Certain officials and ex-officials of LTIL, 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 ₹ 6.5 million. Subsequently, the Petitioners filed discharge applications, which were rejected by the Magistrate. LTIL had also filed two writ petitions before the Bombay High Court seeking quashing of the FIR lodged. LTIL has withdrawn one of the writ petitions and the Bombay High Court has disposed the other writ petition filed by LTIL. The matter is currently pending.

Actions by regulatory/ statutory authorities

The Recovery Officer, Employees’ Provident Fund Organisation (the “Recovery Officer”), issued an order to LTIL 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 LTIL. Marg Constructions failed to remit statutory dues amounting to ₹ 5.7 million between the period December 2006 to June 2013. The Recovery Officer has alleged that the aforesaid statutory dues are to be recovered by LTIL. The amount involved in the matter is ₹ 5.7 million. LTIL 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 LTIL are pending before various forums such as CIT (Appeals), ITAT the Bombay High Court and the Supreme Court involving an aggregate amount of ₹ 970.2 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 LTIL) involving LTIL 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 ₹ 256.2 million and rejection of refunds claimed by LTIL amounting to approximately ₹ 170.5 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 LTIL exceeding ₹ 2,500.0 million.

Other matters filed against LTIL where the aggregate amount is below ₹ 2,500.0 million relate to *inter alia*, complaints filed by ex-employees for wrongful termination of employment by LTIL before the Commissioner of Labour, Thane under Sections 2A and 25(f) of the Industrial Disputes Act in relation to alleged unfair dismissal by LTIL, before the Labour Disputes Settlement Department, Muscat in relation to non-payment of dues by LTIL, petition filed by NHAH against LTIL 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 LTIL and the NHAH, claim filed before the Magistrates' Court for the district of Johannesburg in relation to alleged non-payment of fees by LTIL to a recruitment company, complaint filed against LTIL 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 LTIL by *inter alia* employees of LTIL including in relation to non-refund of tax deducted at source by LTIL, dismissal on grounds of insufficient performance, alleged harassment by an employee of LTIL and alleged wrongful cancellation of offer of intent. The matters are currently pending.

Notices

One of the former employees of LTIL has issued a legal notice, through his attorney, indicating intention of the former employee to file a civil action against LTIL 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 LTIL 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 LTIL has issued a legal notice, through his advocate, to LTIL 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. LTIL 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 LTIL.

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 ₹ 4.6 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 ₹ 2.0 million and a refund of ₹ 0.7 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.

C. Litigation by LTIL

Criminal matters

T. N. Srinivasan, assistant manager- administration of LTIL, filed an FIR on behalf of LTIL, 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 LTIL. The matter is currently pending.

Other matters

There is no outstanding litigation filed by LTIL exceeding ₹ 2,500.0 million.

Other matters filed by LTIL where the aggregate amount is below ₹ 2,500.0 million relate to *inter alia*, arbitration proceedings initiated by LTIL against its 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 LTIL to the ex-employees and breach of the appointment letters by the ex-employees.

Notices

LTIL has 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 its employment without serving the period stipulated under the respective appointment letters.

2. Litigation involving L&T Infotech Financial Services Technologies Inc. (“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 ₹ 5.8 million. The matters are currently pending.

Other matters

There is no outstanding litigation filed against LTIFST exceeding ₹ 2,500.0 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.

3. Litigation involving EWAC Alloys Limited

Direct Tax Matters

Two income tax matters involving EWAC Alloys have been filed before the ITAT involving an aggregate amount of ₹3.9 million in relation to disallowance of expenses and disallowance of ESOP paid to employees. The matters are currently pending.

Indirect Tax matters

Nine indirect tax matters involving EWAC Alloys have been filed before various forums involving an aggregate amount of ₹ 591.9 million relating to demand for duty for availing CENVAT credit, demand for duty for sales through interconnected units, pending C-forms, disallowance of high-sea sales, disallowance of set off of 14B sales, disallowance of branch transfer, and disallowance under BST. The matters are currently pending.

4. Litigation involving L&T Infrastructure Engineering Limited (“LNTIEL”)

Direct Tax matters

One direct tax matter involving LNTIEL has been filed before the CIT involving an aggregate amount of ₹ 6.0 million in relation to appeal against AO's order for AY 2012-13. The matter is currently pending.

Indirect Tax matters

One indirect tax matter involving LNTIEL has been filed before Assistant Commissioner's office pursuant to a show cause notice involving an aggregate amount of ₹ 1.4 million. The matter is currently pending.

Other matters

There is no outstanding litigation against LNTIEL exceeding ₹ 2,500.0 million.

Other matters filed against LNTIEL where the aggregate amount is below ₹ 2,500.0 million include a civil suit filed by LNTIEL against Mr. Padmanabhan before City Civil Court, Chennai for recovery of rent deposit paid to Mr. Padmanabhan. The matter is currently pending.

5. 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 ₹ 12.1 million, in relation to reassessment under the Income Tax Act. The matter is currently pending.

Indirect tax matters

One matter involving L&T MHPS has been filed before the Deputy Commissioner (Appeals) involving an aggregate amount of ₹ 1.5 million, in relation to reversal of amount with respect to capital goods credit. The matters are currently pending.

6. 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 ₹ 2,500.0 million

L&T MRHL has filed a writ petition against the demand made by the Collector and District Registrar, Hyderabad before the High Court of Hyderabad for the State of Telangana and the State of Andhra Pradesh (“Hyderabad High Court”) relating to alleged deficiency of ₹ 6,197.5 million in the payment of stamp duty paid on the engineering, procurement and construction agreement entered into with 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 274.

Other matters involving an amount below ₹ 2,500.0 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 the 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.

7. 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 ₹ 0.1 million towards employee provident fund dues. The amount involved in the matter is ₹ 0.1 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 ₹ 39.1 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 ₹ 4,991.8 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 ₹ 2,500.0 million.

Other matters involving L&T HEL relate to, among other things, 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 10.0% 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.

8. 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 ₹ 139.5 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 ₹ 1,589.2 million, which relate to, among other things, 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 ₹ 2,500.0 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.

9. 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 ₹ 2,500.0 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.

10. 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 ₹ 0.4 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 ₹ 4.2 million. The matter is currently pending.

11. 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 ₹ 217.8 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 ₹ 1.6 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.

12. 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 forum such as ITAT, Commissioner of Income Tax and Assistant Commissioner of Income Tax involving an aggregate amount of ₹ 13.4 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, High Courts, Supreme Court involving an aggregate amount of ₹ 30.7 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 ₹ 2,500.0 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.

13. Litigation involving Larsen & Toubro Electomech LLC (“ L&T Electomech”)

Direct tax matters

Two direct tax matters involving L&T Electomech 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 1.6 million (equivalent to ₹ 103.5 million as of the date of filing of objection). The aggregate amount involved in the matter is USD 0.2 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 Electomech LLC which exceeds ₹ 2,500.0 million.

Other matters involving L&T Electomech LLC has been filed before the Court of Muscat in relation to termination of employment by L&T Electomech LLC of certain employees and default in payment of outstanding dues in relation to Salalah airport project. The matters are currently pending.

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 also disclosed details of inquiry or investigation conducted by SEBI against our Directors.

Given the nature and extent of operations of our Company and our Subsidiaries, our Board has approved the outstanding litigation involving our Directors which exceed the lower of one per cent of the consolidated revenue or five per cent of the consolidated net profit of our Company in the last audited financial year as being material for our Company. The consolidated revenue of our Company for the Financial Year 2016 was ₹31,427.2 million and the consolidated net profit of our Company was ₹4,166.5 million. Accordingly, in addition to the above, we have disclosed all outstanding litigation involving our Directors where the aggregate amount involved exceeds ₹200.0 million (being approximately five percent of consolidated net profit of our Company in the Financial Year 2016) have been disclosed individually and the litigation below ₹200.0 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 page 273.
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 and S. N. Subrahmanyam, 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 273.
3. Patekar, a retired workman of our Promoter filed a miscellaneous criminal complaint before the 66th 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 273.

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, 1992 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 ₹0.5 million and ₹0.9 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 exceeds ₹200.0 million.

Other matters involving A. M. Naik where the aggregate amount involved is below ₹200.0 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.

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 273.
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 and S. N. Subrahmanyam, 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 273.

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 274.

Litigation involving Renuka Ramnath

Criminal Matters

1. Hasham Investments and Trading Company Private Limited filed a criminal complaint against Renuka Ramnath, in her capacity as a director on the board of directors of Subhiksha Trading Services Limited (“Subhiksha Trading”), before the 21st Additional Chief Metropolitan Magistrate Court, Bengaluru (the “Court”), under Section 138 of the Negotiable Instruments Act, alleging dishonor of certain cheques issued by Subhiksha Trading (the “Complaint”). A discharge application filed by Renuka Ramnath before the Court seeking discharge of the Complaint was rejected by the Court by its order dated November 26, 2015 (the “Order”). A petition seeking quashing of the Order was filed by Renuka Ramnath before the Karnataka High Court. The Karnataka High Court has granted a stay on the trial court proceedings against Renuka Ramnath. The amount involved in the matter is ₹ 313.1 million. The matter is currently pending.
2. R. Subramanian (the “Complainant”) filed three criminal complaints against Renuka Ramnath, in her capacity as a director on the board of directors of Subhiksha Trading, before the Additional Chief Metropolitan Magistrate Court, Egmore, Chennai (the “Court”), under Section 629 of the Companies Act, 1956 in relation to imposition of penalty for giving false evidence (the “Complaints”). Renuka Ramnath has filed written objections to the Complaints challenging the *locus standi* of the Complainant. Renuka Ramnath has also filed three petitions before the Madras High Court seeking quashing of the Complaints. The Madras High Court has granted a stay on the trial court proceedings against Renuka Ramnath. The matter is currently pending.
3. R. Subramanian (the “Complainant”) filed three criminal complaints against Renuka Ramnath, in her capacity as a director on the board of directors of Subhiksha Trading, before the XIV Metropolitan Magistrate Court, Egmore, Chennai, under Section 499 and Section 500 of the IPC alleging defamation of the Complainant by Renuka Ramnath (the “Complaints”). Renuka Ramnath has filed three petitions before the Madras High Court seeking quashing of the Complaints. The Madras High Court has granted a stay on the trial court proceedings against Renuka Ramnath. The matter is currently pending.

Actions by Statutory/Regulatory Authority

1. Employee’s Provident Fund Organization, Chennai issued a show cause notice to Renuka Ramnath, in her capacity as a director on the board of directors of Subhiksha Trading, under Section 14 of the EPF Act, in relation to payment of provident fund dues in respect of Subhiksha Trading (the “Notice”). Renuka Ramnath has filed an interim and detailed response to the Notice. The matter is currently pending.
2. The Trade Development Officer, Ministry of Commerce (the “Ministry of Commerce”) issued a show cause notice to Renuka Ramnath, in her capacity as a director of Videocon Appliances Limited (“Videocon”), under Section 14 read with Section 11(2) of the Foreign Trade (Development and Regulation) Act, 1992 in relation to non-submission of certain documents by Videocon pertaining to its export obligations under the license dated July 3, 2009 (the “License”). Renuka Ramnath has filed replies with the Ministry of Commerce stating that she had resigned from the directorship on the board of directors of Videocon effective from September 30, 2002, which was prior to the date of the License and has requested the Ministry of Commerce to seek details of Form 32 filed by Videocon in relation to her resignation from the board of directors of Videocon. The matter is currently pending.

Indirect Tax

A letter has been issued by the Karnataka Commercial Tax Officer to Renuka Ramnath, in her capacity as a director on the board of directors of Subhiksha Trading, in relation to commercial tax dues of Subhiksha Trading. Renuka Ramnath has responded to the letter stating that she had resigned from the directorship effective from January 8, 2009, and is not in charge of the affairs of Subhiksha. The matter is currently pending.

Other matters

There is no outstanding litigation involving Renuka Ramnath which exceeds ₹ 200.0 million.

Other matters involving Renuka Ramnath where the aggregate amount involved is below ₹ 200.0 million include two suits filed against Renuka Ramnath, in her capacity as the director on the board of directors of Subhiksha Trading, in relation to recovery of dues for supply of goods. In one of the suits, Renuka Ramnath filed a civil revision application before the Bombay High Court challenging the order rejecting the application filed by her for dismissal of the suit. The Bombay High Court subsequently granted a stay on the trial court proceedings in relation to said suit. The matters are currently pending.

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, 1992 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 page 287.
2. SEBI has initiated adjudication proceedings against our Promoter, in which A. M. Naik and S. N. Subrahmanyam, 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) of the SEBI Insider Trading Regulations, 2015. For further details, see “Outstanding Litigation and Material Developments - Litigation involving our Promoter - Actions taken by SEBI” on page 274.

V. 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 248.

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.

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 292.

Incorporation Details of our Company and Subsidiaries

1. Certificate of incorporation dated June 14, 2012 issued by the RoC to our Company.
2. Certificate for commencement of business dated June 20, 2012 issued by the RoC to our Company.
3. Fresh certificate of incorporation consequent upon change in name dated July 25, 2012 issued by the RoC to our Company.
4. For incorporation details of our Subsidiaries, see “Our Subsidiaries” beginning on page 126.

Business Related Approvals

Our Company requires various approvals to carry on our business in India and overseas. The approvals that we require include the following:

1. General approvals and registrations in India

- a) Consent from the various state pollution control boards in relation discharge of trade effluents and emissions under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 framed under the Environment Protection Act, 1986.
- b) Certificate issued under the relevant shops and establishment legislation of various Indian states in which we operate.
- c) Certificate of importer-exporter code issued by the Ministry of Commerce and Industry.

2. General approvals and registrations outside India

We have several branches operating overseas and one of our Subsidiaries is 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.

3. Approvals related to STPI and SEZ units

- a) Letter of approval, letter of permission for allocation of additional space and approval for change in name pursuant to transfer of business from our Promoter obtained from the Office of the Development Commissioner, Special Economic Zone, Ministry of Commerce and Industry, Government of India for extension of all the facilities and entitlements admissible to units in a special economic zone, subject to the provisions of the SEZ Act and rules made thereunder for establishment of a unit in SEZ with respect to, among others, CAD/CAE/CIM services, embedded services, design automation, asset information management, documents management services, engineering process support and engineering change management, technical authoring, e-cataloging and technical testing and analysis and technical inspection and certification services, information technology, information technology enabled services, design, development of prototype and testing, and development and supply of prototype samples.
- b) Letter of permission, letter of no objection for expansion of operations and approval for change in name pursuant to transfer of business from our Promoter obtained from the STPI, Department of Electronics and Information Technology, Ministry of Communication & Information Technology, for setting up of an EOU under the STP scheme of the Government of India.
- c) In bond manufacturing sanction from the Office of the Assistant Commissioner of Central Excise, Ministry of Finance, Department of Revenue, Government of India under the Customs Act, 1962 and Warehouse Regulations, 1966 for use of imported capital goods including plant and machinery components required for development of computer software/IT enabled services and export of the same from the unit set up under

the EOU scheme and to use indigenously available raw materials, capital goods and other goods in the manufacture as provided under the relevant central excise notifications.

- d) Approval from the Office of the Commissioner of Customs, Ministry of Finance, Government of India, under the Customs Act, 1962 for storage of capital goods including computers and servers, networking equipment, power equipment and office equipment.
- e) License for private bonded warehouse from the Office of the Assistant Commissioner of Central Excise, Ministry of Finance, Department of Revenue, Government of India under the Customs Act, 1962 for storage of imported customs goods and indigenously procured goods as prescribed under Customs Notification No.52/2003 and 22/2003 dated March 31, 2003 and March 31, 2006, as amended.

4. Employees and Labour related approvals

- a) Registration with the Employees' State Insurance Corporation and Employees' Provident Fund Organisation for applicability of the ESI Act and EPF Act, respectively, to our Company and its employees.
- b) Registration with the Department of Labour of the state governments under the Contract Labour Act for the contract labour engaged by our Company.

5. Tax Related Approvals and Other Registrations

Our Company and our Subsidiaries have obtained various tax related approvals including, permanent account number, tax deduction 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 Corporation Act, 1949. Our Company also maintains registration for VAT and sales tax in the states where our Company operates.

Pending approvals

- a) Application dated May 3, 2016 filed by our Company with the Central Board of Excise and Customs for change in address of centralised service tax registration of our Company with respect to the unit in Vadodara.
- b) Application dated June 13, 2016 for renewal under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 for our facility in Tamil Nadu.

For details in relation to patents and trademarks, see "Business – Intellectual Property" on page 116.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at their meeting held on July 15, 2016.

The Offer for Sale has been authorised by the Selling Shareholder pursuant to resolution passed by its board of directors on July 15, 2016.

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 this 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 [●] and [●] respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, 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.

Except Renuka Ramnath, an Independent Director on our Board, none of our Directors are associated with the securities market. Renuka Ramnath is related to the following entities registered with SEBI:

Sr. No.	Name of the entity	SEBI Registration Number of the entity	If registration has elapsed, reasons for non-renewal	Details of any inquiry/investigation conducted by SEBI at any time	Penalty imposed by SEBI (Penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation/prohibitory orders)	Outstanding fees payable to SEBI by the entity, if any
1.	Multiples Private Equity Fund	IN/AIF2/13-14/ 0089	Not applicable	Nil	Nil	Nil
2.	Multiples Private Equity Fund II LLP	IN/AIF2/15-16/ 0151	Not applicable	Nil	Nil	Nil
3.	Multiples Private Equity Fund II	IN/AIF2/15-16/ 0201	Not applicable	Nil	Nil	Nil

Except as disclosed in “Outstanding Litigation and Material Developments” from pages 287 to 289, 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 have been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

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 ₹ 30.0 million in each of the preceding three full years (of 12 months each). As the Offer is being made entirely through an offer for sale, the limit of not more than 50.0% of net tangible assets being monetary assets, is not applicable;
- Our Company has a minimum average pre-tax operating profit of ₹ 150.0 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 Draft Red Herring Prospectus as at, and for the last four years ended March 31 are set forth below:

(In ₹ million, unless otherwise stated)

Particulars	Financial year ended 31 March 2016		Financial year ended 31 March 2015		Financial year ended 31 March 2014*	Financial year ended 31 March 2013*
	Unconsolidated	Consolidated	Unconsolidated	Consolidated	Unconsolidated	Unconsolidated
Net tangible assets	1,059.43	1,070.84	827.72	831.68	85.30	-
Pre-tax Operating Profit	6,077.73	5,966.46	4,293.36	4,239.96	156.01	(0.03)
Net Worth	11,162.48	10,925.29	10,567.43	10,521.13	4,849.04	0.47

* Our Company did not have any subsidiary in the years ended March 31, 2014 and March 31, 2013.

Notes:

- 'Net Tangible Assets' means tangible fixed assets excluding capital work in progress.
- 'Pre – tax Operating Profits' means operating profit as restated for change in accounting policy.
- '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, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, DSP MERRILL LYNCH LIMIED, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS 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 THIS 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 JULY 15, 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 AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH.
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 DEMATERIALIZED 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 Draft Red Herring 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 this Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus.

The filing of this Draft Red Herring 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 will be complied with at the time of filing of the Red Herring 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, Directors, the Selling Shareholder and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring 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.lnttechservices.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 to be 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 will be required to confirm and will be 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.

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. Kotak Mahindra Capital Company Limited

Table 1: Price information of past issues handled by Kotak:

Sr. No.	Issue Name	Issue Size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Mahanagar Gas Limited ⁽¹⁾	1038.88	421	July 1, 2016	540	-	-	-
2.	Parag Milk Foods Limited ⁽²⁾	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 ⁽³⁾	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 ⁽⁴⁾	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 ⁽⁵⁾	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 – 30 th calendar days from listing			No. of IPOs trading at premium – 30 th calendar days from listing			No. of IPOs trading at discount – 180 th calendar days from listing			No. of IPOs trading at premium – 180 th 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

* The information is as on the date of this Draft Red Herring Prospectus.

B. DSP Merrill Lynch Limited

Table 1: Price information of past issues handled by DSPML:

Sr. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	% Change in closing price, (% change in closing benchmark) - 30 th calendar day from listing ^{(2) (3) (4)}	% Change in closing price, (% change in closing benchmark) - 90 th calendar day from listing ^{(2) (3) (5)}	% Change in closing price, (% change in closing benchmark) - 180 th calendar day from listing ^{(2) (3) (6)}
1.	Inox Wind Limited ⁽¹⁾	10,205.27	325.00	April 9, 2015	400.00	+28.54% [-6.68%]	+42.42% [-3.05%]	+11.20% [-7.51%]

Source: www.nseindia.com

Notes:

1. In Inox Wind Limited, price for retail individual bidders and eligible employees was ₹ 310.00 per equity share.
2. Benchmark index is CNX Nifty.
3. In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of next trading day is considered.
4. 30th listing day has been taken as listing date plus 29 calendar days.
5. 90th listing day has been taken as listing date plus 89 calendar days.
6. 180th listing day has been taken as listing date plus 179 calendar days.

Table 2: Summary statement of price information of past issues handled by DSPML:

Financial year	Total no. of IPOs ⁽¹⁾	Total funds raised (₹ in million)	Nos. of IPOs trading at discount – 30 th calendar day from listing			Nos. of IPOs trading at premium – 30 th calendar day from listing			Nos. of IPOs trading at discount – 180 th calendar day from listing			Nos. of IPOs trading at premium – 180 th calendar day 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-2016	1	10,205.27	-	-	-	-	1	-	-	-	-	-	-	1
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Based on the date of listing

C. JM Financial Institutional Securities Limited

Table 1: Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial:

Sr. No.	Issue Name	Issue Size (₹ in crore)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹) ⁽²⁾	+/- % change in closing price ⁽³⁾ , [+/- % change in closing benchmark] ⁽⁴⁾ - 30 th calendar days from listing	+/- % change in closing price ⁽³⁾ , [+/- % change in closing benchmark] ⁽⁴⁾ - 90 th calendar days from listing	+/- % change in closing price ⁽³⁾ , [+/- % change in closing benchmark] ⁽⁴⁾ - 180 th calendar days from listing
1.	Parag Milk Foods Limited	750.54	215 ⁽¹⁾	May 19, 2016	215.70	+17.19% [+4.83%]	NA	NA
2.	Thyrocare Technologies Limited	479.21	446	May 9, 2016	665.00	+36.85% [+5.09%]	NA	NA
3.	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%]

Source: www.nseindia.com; <http://www.bseindia.com> for price information and prospectus/ basis of allotment for issue details

Notes:

- Issue Price for Anchor Investors was ₹227 per equity share and a discount of Rs. 12 per equity share had been offered to eligible employees and retail individual bidders.
- Opening Price information as disclosed on the website of designated stock exchange viz. NSE (for issues listed as item 2 and 3) or BSE (for issue listed as item 1).
- Change in closing price over the issue/offer price as disclosed at designated stock exchange viz. NSE (for issues listed as item 2 and 3) or BSE (for issue listed as item 1).
- Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50 (for issues listed as item 2 and 3) or SENSEX (for issue listed as item 1).
- In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.

6. 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.

Table 2: Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in crore)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th 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	2	1,229.75	-	-	-	-	1	1	-	-	-	-	-	-
2015-2016	1	508.17	-	-	-	-	-	1	-	-	-	-	-	1
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com; <http://www.bseindia.com>/

The discount/premium has been calculated based on the closing stock price at respective designated stock exchanges.

D. SBI Capital Markets Limited

Table 1: Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by SBICAP:

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 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Monte Carlo Fashions Limited	3,504.30	645.00	December 19, 2014	585.00	-26.53% [+3.25%]	-23.37% [+4.57%]	-21.01% [-2.50%]
2	Navkar Corporation Limited	6,000.00	155.00	September 9, 2015	152.00	+0.71% [+4.38%]	+25.81% [-0.74%]	+6.13% [-4.12%]
3	Prabhat Dairy Limited	3,561.88	115.00	September 21, 2015	115.00	+11.78% [+3.57%]	+30.83% [-1.79%]	-5.48% [-4.67%]
4	Precision Camshafts Limited	4,101.90	186.00	February 8, 2016	163.10	-14.68% [+1.53%]	-20.43% [+5.77%]	NA
5	Infibeam Incorporation Limited	4,500.00	432.00	April 4, 2016	458.00	+20.37% [-0.67%]	+61.31% [+7.40%]	NA

Notes:

1. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
2. The designated exchange for the issue has been considered for the price, benchmark index and other details.

Table 2: Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by SBICAP:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	4	18,163.78	-	-	1	-	-	3	-	-	1	-	-	1
2014-15	1	3,504.30	-	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 the websites of the BRLMs, as set out in the table below:

Sr. No	Name of the BRLM	Website
1.	Kotak	http://www.investmentbank.kotak.com
2.	DSP Merrill Lynch	www.dspml.com
3.	JM Financial	www.jmfl.com
4.	SBICAP	http://www.sbicans.com/index.php/track-record-of-public-issue

Disclaimer in respect of Jurisdiction

This Offer is being 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). This Draft Red Herring 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 this Draft Red Herring 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 this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, 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

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this 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 would be 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. [●] 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 in pursuance of the Red Herring 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 the 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 Equity Shares are not Allotted pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, our Company 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 Members, the Escrow Collection Banks, Refund Banks and the Registrar to the Offer to act in their respective capacities, have been obtained / will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring 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 July 15, 2016 on unconsolidated Restated Financial Statements and consolidated Restated Financial Statements and the statement of tax benefits dated May 20, 2016 included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring 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 Draft Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the audit reports dated July 15, 2016 on unconsolidated Restated Financial Statements and consolidated Restated Financial Statements and the statement of tax benefits dated May 20, 2016 and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Zinnov to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Zinnov Reports and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from the ARC to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the ARC Reports and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

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” on page 79.

Except listing fees which shall be borne by our Company, all 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 October 14, 2016 with the BRLMs and the Syndicate Agreement. For further details of Offer expenses, see “Objects of the Offer” on page 79.

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” on page 79.

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 Registrar Agreement, a copy of which will be 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 will be 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 since incorporation

Other than as disclosed in “Capital Structure”, on pages 72 and 73, our Company has not made any public or rights issues since its incorporation.

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 our Company, listed Group Companies and Subsidiaries of our Company

For details including the year of issue, type of issue, and amount of issue in relation to previous capital issue during the previous three years by our Company, see “Capital Structure” on page 72 and 73. Further, the date of closure of the issue and the date of completion of delivery of share certificates in relation to previous capital issues during the previous three years by our Company is the same as the date of allotment of shares. Furthermore, for details of the rate of dividend paid in relation to the previous capital issue during the previous three years by our Company, see “Dividend Policy” on 162.

None of our Group Companies or Subsidiaries have their equity shares listed on any stock exchange. L&T Metro Rail (Hyderabad) Limited has issued debt securities which are listed on the stock exchanges.

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 pages 72 and 73, 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 this 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 Draft Red Herring Prospectus.

Outstanding Preference Shares or other convertible instruments issued by our Company

Our Company does not have any outstanding preference shares or other convertible instruments as on date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring 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 Registrar Agreement 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.

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 (i) Renuka Ramnath (Chairman); (ii) Dr. Keshab Panda; and (iii) Sudip Banerjee. For details, see "Our Management- Committees of our Board - Stakeholders' Relationship Committee" on page 140.

Our Company has also appointed Kapil Bhalla, 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:

Kapil Bhalla

5th Floor, West Block-II
L&T Knowledge City (IT/ITES) SEZ
N.H. No. 8, Ajwa Waghodia Crossing
Vadodara 390 019

Tel: (91 265) 670 5000

Fax: (91 265) 670 5955

E-mail: investor@LntTechservices.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 38 investor complaints during the three years preceding this Draft Red Herring Prospectus and all the investor complaints since then have been disposed off. There are no investor complaints pending as on the date of this Draft Red Herring 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 Red Herring Prospectus and the number of complaints disposed off during that period are as follows:

Period	Complaints received	Complaints disposed off
For the Financial Year 2017	25	24
Financial Year 2016	50	50
Financial Year 2015	62	62
Financial Year 2014	91	91
Total	228	227

There is one investor complaint pending as on the date of this Draft Red Herring 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 163, 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 and Articles of Association, the terms of the Red Herring Prospectus, the 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

Except listing fees which shall be borne by our Company, 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 351.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and the Articles of Association and provisions of the Listing Regulations, as applicable. For further details in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on pages 162 and 351, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹ 2 per Equity Share and the Offer Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Selling Shareholder in consultation with the BRLMs and will be advertised in [●] editions of the English national newspaper [●],[●] editions of the Hindi national newspaper [●], and in [●] editions of Marathi newspaper [●] (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 shall be 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.

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 351.

Option to Receive Securities in Dematerialised Form and Market Lot and Trading Lot

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, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated May 25, 2016 entered into between NSDL, our Company and the Registrar to the Offer; and
- Agreement dated May 26, 2016 entered into between CDSL, our Company and the Registrar to the Offer.

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 [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai.

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 our 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, our 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, our 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.

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.

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. 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.

Bid/Offer Programme

BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON	[●] ⁽²⁾

(1) Our Company and the Selling Shareholder, may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI Regulations.

(2) Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

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 extension of the Bid/Offer Period by our Company and the Selling Shareholder, revision of the Price Band or 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.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be 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.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

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 are 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 are 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 will be 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 this Draft Red Herring Prospectus is Indian Standard Time.

Our Company and the Selling Shareholder in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120.0% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20.0% on either side i.e. the Floor Price can move up or down to the extent of 20.0% of the Floor Price and the Cap Price will be revised accordingly.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members.

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 73 and 74 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 351.

OFFER STRUCTURE

Public Offer of up to 10,400,000 Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million by way of the Offer of Sale by the Selling Shareholder. The Offer will constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation ⁽²⁾	5,200,000 Equity Shares	Not less than 1,560,000 Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not less than 3,640,000 Equity Shares or Offer less allocation to QIB Bidders and Non Institutional Bidders shall be available for allocation
Percentage of Offer Size available for Allotment/allocation	50.0% of the Offer However at least 5.0% of the QIB Portion net of the Anchor Investor Portion ("Net QIB Portion") shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5.0% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15.0% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not less than 35.0% of the Offer or Offer less allocation to QIB Bidders and Non Institutional Bidders shall be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): up to 104,000 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only and 19,76,000 Equity Shares shall be available for allocation on a proportionate basis to all other QIBs. Up to 3,120,000 Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	For details see, "Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs" from pages 339 to 342
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000.0	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000.0	[●] Equity Shares
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 ₹200,000.0
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share		
Trading Lot	One Equity Share		
Who can apply ⁽³⁾	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	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, societies and trusts, Category III Foreign Portfolio Investors,	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs ⁽¹⁾	Non Institutional Bidders	Retail Individual Bidders
	Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250.0 million, pension fund with minimum corpus of ₹250.0 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	sub-accounts of FIIs which are foreign corporate or foreign individuals	
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. ⁽⁴⁾		

- (1) Our Company and the Selling Shareholder in consultation with the BRLMs may allocate up to 60.0% of the QIB Category to Anchor Investors on a discretionary basis. 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 made to other Anchor Investors. For details, see “Offer Procedure” beginning on page 313.
- (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 10.0% of the post Offer paid up equity share capital of our Company. The Offer is being made through the Book Building Process wherein 50.0% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder in consultation with the BRLMs may allocate up to 60.0% of the QIB Category to Anchor Investors on a discretionary basis. 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 Anchor Investor Allocation Price. Post allocation to Anchor Investors, the QIB Portion will be reduced by such number of Equity Shares. 5.0% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be 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 15.0% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.0% of the Offer shall be 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) 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.
- (4) Full Bid Amount shall be 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 339 to 342.

Under-subscription, if any, in any category except the QIB Category, would 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.

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 this Draft Red Herring 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 this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein 50.0% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60.0% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them 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. 5.0% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be 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 15.0% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.0% of the Offer shall be 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 will be available with the Designated Intermediaries at Bidding Centers and the Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com), at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be 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 Members and persons related to them

The BRLMs and the Syndicate Members 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 Members 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 Members, 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 our Promoter, Promoter Group and any persons related to our 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 10.0% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.0% 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 10.0% 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 FII 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 10.0% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.0% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.0% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.0% may be increased up to the sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by our Shareholders 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 10.0% 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 no transfer of offshore derivative instrument is made by, or on behalf of it, is made subject to the following: (i) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and (b) prior consent of the FPI 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 FPI.

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 25.0% 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 25.0% of the investible funds in one investee company. A category III AIF cannot invest more than 10.0% 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 1/3rd 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 10.0% of the paid-up share capital of the investee company or 10.0% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate equity investment made in all subsidiaries and other entities engaged in financial and non-financial services including overseas investments cannot exceed 20.0% of the bank's paid-up share capital and reserves. A banking company may hold up to 30.0% of the paid-up share capital of the investee

company with the prior approval 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 10.0% of the outstanding Equity Shares (face value) or 10.0% of the respective fund in case of life insurer or 10.0% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15.0% of the respective fund in case of a life insurer or 15.0% of investment assets in case of a general insurer or reinsurer or 15.0% 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 15.0% of the fund of a life insurer or a general insurer or a reinsurer or 15.0% 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 10.0% 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 ₹ 250.0 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250.0 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 Draft Red Herring 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 Draft Red Herring Prospectus.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of this Draft Red Herring 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 ₹200,000.0 (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 the Red Herring 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.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account 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 Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●], and in [●] editions of the Marathi newspaper [●] (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 intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be 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 the Red Herring 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 shall deposit 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.

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).

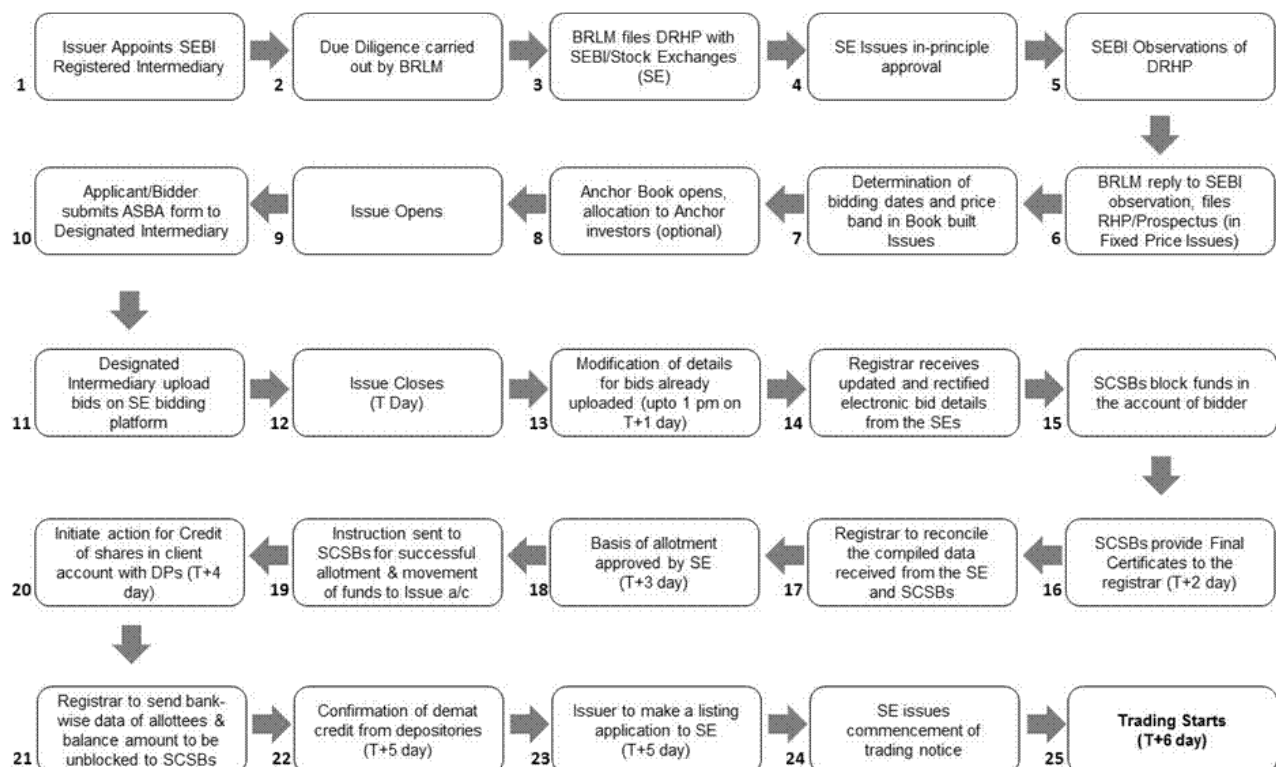
In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at 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

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : _____ Contact Details: _____ CIN No. _____	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS																																											
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Application Form – For Non – Residents

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : _____ Contact Details: _____ CIN No. _____	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS		
LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">BOOK BUILT ISSUE</td> </tr> <tr> <td style="text-align: center;">ISIN : _____</td> </tr> </table>	BOOK BUILT ISSUE	ISIN : _____	Bid cum Application Form No. _____
BOOK BUILT ISSUE				
ISIN : _____				

SYNDICATE MEMBER'S STAMP & CODE SUB-BROKER'S / SUB-AGENT'S STAMP & CODE BANK BRANCH SERIAL NO.	BROKER/SCSB/DP/RTA STAMP & CODE ESCROW BANK/SCSB BRANCH STAMP & CODE SCSB SERIAL NO.	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ 2. PAN OF SOLE / FIRST BIDDER _____

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID 4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF") <table 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="4">Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> <tr> <td>Option 1</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>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td>☐</td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td>☐</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)				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	☐	(OR) Option 2					☐	(OR) Option 3					☐	5. CATEGORY ☐ Retail Individual Bidder ☐ Non-Institutional Bidder ☐ QIB 6. INVESTOR STATUS ☐ NRI Non-Resident Indian(s) (Repatriation basis) ☐ FII FI or Sub-account not a Corporate/Foreign Individual ☐ FIISA FI Sub-account Corporate/Individual ☐ FVCI Foreign Venture Capital Investor ☐ FPI Foreign Portfolio Investors ☐ OTH Others (Please Specify) _____
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)																									
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(OR) Option 2					☐																								
(OR) Option 3					☐																								

7. PAYMENT DETAILS 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 AGREED 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.	PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

8A. SIGNATURE OF SOLE/ FIRST BIDDER Date : _____	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the time: 1) _____ 2) _____ 3) _____	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

LOGO XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No. _____ PAN of Sole / First Bidder _____

DPID / CLID _____	Amount paid (₹ in figures) _____ Bank & Branch _____	Stamp & Signature of SCSB Branch _____

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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

- (a) 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.
- (b) 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.
- (c) 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.

- (d) 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.
- (e) 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.
- (f) 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.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder/Applicant including QIB Bidder/Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (i) 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:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : Contact Details : CIN No.	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
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	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr./Ms.
		Address :
		Tel. No (with STD code) / Mobile :
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER
		Email :
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS
		NSDL ☐ CDSL ☐
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		
PLEASE CHANGE MY BID		
4. FROM (AS PER LAST BID OR REVISION)		
Bid Options	No. of Equity Shares: Bid (Bid: must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)
Option 1	8 7 6 5 4 3 2 1	Bid Price Retail Discount Net Price "Cut-off" (Please tick)
(OR) Option 2	~~OLD BID~~	☐
(OR) Option 3	☐	☐
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")		
Bid Options	No. of Equity Shares: Bid (Bid: must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)
Option 1	8 7 6 5 4 3 2 1	Bid Price Retail Discount Net Price "Cut-off" (Please tick)
(OR) Option 2	~~REVISED BID~~	☐
(OR) Option 3	☐	☐
6. PAYMENT DETAILS		
Additional Amount Paid (₹ in figures) :		PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐
(₹ 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 REVISION FORM AND THE ATTACHED ABBREVED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("CII") 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 REVISION FORM GIVEN OVERLEAF.		
7A. SIGNATURE OF SOLE/ FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue: 1) 2) 3)	
TEAR HERE		
LOGO	XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA
		Bid cum Application Form No.
PAN of Sole / First Bidder		
DPID / CLID	Stamp & Signature of SCSB Branch	
Additional Amount Paid (₹) :		Stamp & Signature of SCSB Branch
ASBA Bank A/c No. :		
Received from Mr./Ms. :		
Telephone / Mobile : Email :		
TEAR HERE		
XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1 Option 2 Option 3	Stamp & Signature of Broker / SCSB / DP / RTA
No. of Equity Shares		Stamp & Signature of Broker / SCSB / DP / RTA
Bid Price		
Additional Amount Paid (₹)		
ASBA Bank A/c No. :		
Bank & Branch :		Acknowledgement Slip for Bidder
		Bid cum Application Form No.

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 Members, 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 Members (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 GROUNDS 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 Equity Shares which are not in multiples as 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 GROUNDS 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 Red Herring 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
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(s)/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

Term	Description
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
Business Day	Monday to Saturday (except 2 nd and 4 th 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

Term	Description
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 http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
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 (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) 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 (www.bseindia.com and www.nseindia.com)
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(s) 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
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(s) 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

Term	Description
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	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
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

Term	Description
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

Term	Description
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
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 http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
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 Members
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 the 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 the 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. 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 Draft Red Herring Prospectus. Bidders 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, thinks 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 this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected 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 July 15, 2016 between our Company, the Selling Shareholder and the BRLMs.
2. Agreement dated July 15, 2016 between our Company, the Selling Shareholder and the Registrar to the Offer.
3. Escrow Agreement dated [●] between our Company, the Selling Shareholder, the BRLMs, the Registrar to the Offer, the Escrow Collection Bank(s), the Public Offer Account Bank(s) and the Refund Bank(s).
4. Share Escrow Agreement dated [●] between the Selling Shareholder, the BRLMs, our Company and the Escrow Agent.
5. Syndicate Agreement dated [●] between our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.
6. Underwriting Agreement dated [●] 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 June 14, 2012.
3. Certificate for commencement of business dated June 20, 2012.
4. Fresh certificate of incorporation consequent upon change in name dated July 25, 2012.
5. Resolution of the Board of Directors dated July 15, 2016 in relation to the Offer.
6. Resolution of the board of directors of our Promoter dated July 15, 2016 approving the Offer for Sale.
7. Copies of the annual reports of our Company for the Financial Years 2016, 2015, 2014 and 2013.
8. The audit reports of the Statutory Auditors dated July 15, 2016 in relation to our Company's unconsolidated Restated Financial Statements and consolidated Restated Financial Statements, included in this Draft Red Herring Prospectus.
9. Consent of the Directors, the BRLMs, 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, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
10. Consent letter dated July 15, 2016 from the Statutory Auditors for inclusion of their name as experts.
11. Consent letter dated June 20, 2016 and May 6, 2016 from Zinnov and ARC, respectively, for inclusion of their name as experts.
12. The Statement of Tax Benefits dated May 20, 2016 from the Statutory Auditors.
13. Employment agreement dated May 7, 2015 and supplemental agreement dated July 15, 2016 entered into between our Company and Dr. Keshab Panda.
14. Employment agreement dated May 7, 2015 and supplemental agreement dated July 15, 2016 entered into between our Company and Amit Chadha.
15. Employment agreement dated February 21, 2016 entered into between our Company and Kumar Prabhas.

16. Scheme of arrangement (under sections 391 to 394 read with sections 100 to 104 of the Companies Act, 1956) of L&T Technology Services Limited, its Shareholders and creditors sanctioned by the Bombay High Court by its order dated April 1, 2016.
17. Business Transfer Agreement dated December 16, 2013 entered into between LTIL and our Company, as amended by addendum dated March 31, 2014 and addendum No. 1 dated June 19, 2014 and Business Transfer Agreement dated August 28, 2014 entered into between our Company and L&T Infotech GmbH.
18. Business Transfer Agreement dated March 15, 2014 entered into between our Company and our Promoter.
19. Share Purchase and Shareholders' Agreement dated April 28, 2014 entered into amongst our Company, TSIPL, Thales Services SAS, France, and Thales S A France.
20. Asset Purchase Agreement dated July 22, 2014 and first amendment to Asset Purchase Agreement dated November 20, 2014 entered into between our Company and Dell India.
21. Asset Purchase Agreement dated July 22, 2014 and first amendment to Asset Purchase Agreement dated November 20, 2014 entered into amongst LTTS LLC, Dell U.S.A., and Perot Systems Corporation.
22. Due Diligence Certificate dated July 15, 2016 addressed to SEBI from the BRLMs.
23. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
24. Tripartite agreement dated May 25, 2016 entered into between our Company, NSDL and the Registrar to the Offer.
25. Tripartite agreement dated May 26, 2016 entered into between our Company, CDSL and the Registrar to the Offer.
26. SEBI observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring 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 Draft Red Herring 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 15, 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 Draft Red Herring 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

_____	A. M. Naik (Chairman, Non-Executive Director)
_____	S. N. Subrahmanyam (Non-Executive Director)
_____	Dr. Keshab Panda (Chief Executive Officer and Managing Director)
_____	Amit Chadha (Chief Sales Officer and Whole-time Director)
_____	Kumar Prabhas (Chief Operating Officer and Whole-time Director)
_____	Samir Desai (Independent Director)
_____	Renuka Ramnath (Independent Director)
_____	Arjun Gupta (Independent Director)
_____	Sudip Banerjee (Independent Director)
_____	Narayanan Kumar (Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

_____	P. Ramakrishnan (Chief Financial Officer)

Date: July 15, 2016

Place: Mumbai