RED HERRING PROSPECTUS
Dated: June 5, 2017
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

TEJAS NETWORKS LIMITED

Our Company was originally incorporated as Tejas Networks India Private Limited on April 24, 2000 at Bengaluru, Karnataka, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted into a public limited company and its name was changed to Tejas Networks India Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Karnataka ("**RoC**") on October 23, 2002. Thereafter, the name of our Company was changed to Tejas Networks Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on March 18, 2008. For details in relation to the change in the name and Registered Office of our Company, see "History and Certain Corporate Matters" on page 165.

Registered and Corporate Office: J.P. Software Park, Plot No. 25, Sy. No. 13, 14, 17 and 18, Konnapana Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India.
Contact Person: Krishnakanth G. V., Company Secretary and Compliance Officer; **Tel**: +91 80 4179 4600; **Fax**: +91 80 2852 0201
E-mail: corporate@tejasnetworks.com; **Website**: www.tejasnetworks.com
Corporate Identity Number: U72900KA2000PLC026980

Our Company is a professionally managed company and does not have an identifiable promoter either in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"), or in terms of the Companies Act, 2013

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF TEJAS NETWORKS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹4,500 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 12,711,605 EQUITY SHARES BY THE SELLING SHAREHOLDERS (AS DEFINED HEREUNDER), AGGREGATING UP TO ₹[●] MILLION ("OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE UP TO [●]% OF THE POST-OFFER ISSUED EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF ENGLISH NATIONAL NEWSPAPER THE FINANCIAL EXPRESS, ALL EDITIONS OF HINDI NATIONAL NEWSPAPER JANSATTA AND BENGALURU EDITION OF KANNADA NEWSPAPER VISHWAVANI (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), 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", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") 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 in 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 website of the BRLMs and at the terminals of the Syndicate Member and by intimation to Self Certified Syndicate Banks ("**SCSBs**") and the Registered Brokers.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") and in accordance with Regulation 26(2) of the SEBI ICDR Regulations, the Offer is being made through the Book Building Process, wherein at least 75% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**") at the Anchor Investor Allocation Price. One-third of the Anchor Investor Portion 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 ICDR Regulations. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net 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 more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR 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 accounts which will be blocked by the SCSBs to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 391.

RISK 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 ₹10 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 in consultation with the BRLMs as stated under "Basis for Offer Price" on page 113) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments 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 entire 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 Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 19.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 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, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only statements specifically confirmed or undertaken by such Selling Shareholder in this Red Herring Prospectus to the extent that the statements specifically pertain to such Selling Shareholder and its portion of the Equity Shares offered under the Offer for Sale and confirms that such statements are true and correct in all material aspects and are not misleading in any material respect.

LISTING

The Equity Shares offered through this 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 March 2, 2017 and March 6, 2017, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE.

BOOK RUNNING LEAD MANAGERS TO THE OFFER				REGISTRAR TO THE OFFER
Axis Capital Limited 1st Floor Axis House C-2, Wadia International Centre Pandurang Budhkar Marg Worli Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 Fax: +91 22 4325 3000 E-mail: tejas.ipo@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact person: Kanika Goyal SEBI registration number: INM000012029	**Citigroup Global Markets India Private Limited** 1202, 12th Floor, First International Financial Center, G-Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India Tel: +91 22 6175 9999 Fax: +91 22 6175 9961 E-mail: tejasnetworks.ipo@citi.com Investor grievance e-mail: investors.cgmib@citi.com Website:www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact person: Rahul Roy SEBI registration number: INM000010718	**Edelweiss Financial Services Limited** 14th Floor, Edelweiss House Off C.S.T. Road Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 Fax: +91 22 4086 3610 E-mail: tn.ipo@edelweissfin.com Investor grievance e-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Nishita John/ Yash Modi SEBI registration number: INM0000010650	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11, Plot F Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India Tel.: +91 22 4037 4037 Fax: +91 22 4037 4111 E-mail: tejasipo@nomura.com Investor grievance e-mail: investorgrievances-in@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.html Contact person: Sumit Sukhramani/ Aneesha Chandra SEBI registration number: INM000011419	**Link Intime India Private Limited** C-101, 1st Floor 247 Park, L.B.S. Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: tnl.ipo@linkintime.co.in Investor grievance e-mail: tnl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI registration number: INR000004058

BID/OFFER PROGRAMME	
BID/OFFER OPENS ON	**June 14, 2017**[(1)]
BID/OFFER CLOSES ON	**June 16, 2017**

[(1)] *Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date*

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TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, as amended from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

General Terms

Term	Description
"our Company", "the Company" or "the Issuer"	Tejas Networks Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at J.P. Software Park, Plot No. 25, Sy. No. 13, 14, 17 and 18, Konnapana Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries

Company and Selling Shareholders Related Terms

Term	Description
Articles of Association/AoA	Articles of association of our Company, as amended
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, Deloitte Haskins & Sells, Chartered Accountants
Board/Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Consolidated Restated Financial Information	The restated audited consolidated financial information of our Company, along with our Subsidiaries as at and for the Financial Years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and comprises of the restated audited consolidated balance sheet, the restated audited consolidated profit and loss statement and the restated audited consolidated cash flow information, together with the annexures and notes thereto
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹10 each
ESOP 2000	Tejas Employees Stock Option Plan 2000
ESOP 2007 – I	Employee Stock Option Plan 2007 – I
ESOP 2007 – II	Employee Stock Option Plan 2007 – II
ESOP 2008	Employee Stock Option Plan 2008
ESOP 2008 – I	Tejas Networks India Limited Employee Stock Option Plan 2008 – I
ESOP 2009	Tejas Networks Limited Employee Stock Option Plan 2009
ESOP 2009 – I	Tejas Networks Limited Employee Stock Option Plan 2009 – I
ESOP 2014	Tejas Networks Limited Employee Stock Option Plan 2014
ESOP 2014A	Tejas Networks Limited Employee Stock Option Plan 2014 A
ESOP 2016	Tejas Networks Limited Employee Stock Option Plan 2016
ESOP Schemes	Collectively, ESOP 2000, ESOP 2007 – I, ESOP 2007 – II, ESOP 2008, ESOP 2008 – I, ESOP 2009, ESOP 2009 – I, ESOP 2014, ESOP 2014A and ESOP 2016
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act, 2013 and as disclosed in "Our Management" on page 183
Memorandum of Association/MOA	Memorandum of Association of our Company, as amended
Registered and Corporate Office	Registered office of our Company located at J.P. Software Park, Plot No. 25, Sy. No. 13, 14, 17 and 18, Konnapana Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India
Registrar of Companies/RoC	Registrar of Companies, Karnataka, located at 'E' Wing, 2nd Floor, Kendriya Sadan, Koramangala, Bengaluru 560 034, Karnataka, India
Restated Financial Information	Collectively, the Consolidated Restated Financial Information and the Standalone Restated Financial Information
Selling Shareholders	Selling shareholders offering Equity Shares as part of the Offer for Sale, namely: 1. Ashwavaidhyam Nagaraja Anand 2. Arnob Roy 3. B. N. Satyesh 4. Cascade Capital Management Mauritius 5. Chakradhar Grandhi

Term	Description
	6. Dattatreya Prasad B.N. 7. Dharma Rao P. V. 8. Dileep Kumar S. 9. Ganesh Subramonian 10. Gajendra Singh Ranka 11. Gopalkrishna Adyar Nayak 12. Gopi Krishna M. 13. Govindan Kutty Thrithala 14. Gururaj N. 15. Harry C. D. 16. Hirenkumar Thakorlal Desai 17. India Industrial Growth Fund Limited 18. Intel Capital (Cayman) Corporation 19. Jishnu A. 20. Kiran Kumar Kella 21. Kishore Yetikuri 22. Kumar N. Sivarajan 23. Manish Gangey 24. Milind M. Kulkarni 25. Mithun Gopal V. V. 26. Motamarri Siva Prasad 27. Murali G. D. 28. Nethi Venkata Subba Rao 29. Nicholas Basker 30. Nipun Sahni 31. Osher LP 32. Parthasarathi Palai 33. Rajesh S. 34. Ramanathan Narayanan 35. Ravinder Souda 36. Sandstone Private Investments 37. Sanjay Malpani 38. Sanjay Nayak 39. Sarath Kumar 40. Shwetha Nithin Pillappa 41. Shwetha V. R. 42. Soumya Desai 43. K. Vasantha Kumar 44. Vasudeva Rao Hundi 45. Vivek Shenoy
Shareholders	Shareholders of our Company from time to time
Standalone Restated Financial Information	The restated audited standalone financial information of our Company as at and for the Financial Years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 , and comprises of the restated audited standalone balance sheet, the restated audited standalone profit and loss statement and the restated audited standalone cash flow information, together with the annexures and notes thereto
Subsidiaries	Subsidiaries (including step-down subsidiaries) of our Company, namely: 1. Tejas Communication Pte. Limited; 2. Tejas Communications (Nigeria) Limited; 3. Tejas Israel Limited; and 4. vSave Energy Private Limited individually referred to as “Subsidiary” of our Company
TEWT	Tejas Employees Welfare Trust

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, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders 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

Term	Description
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 ICDR Regulations and this Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Offer Period in terms of this Red Herring Prospectus and the Prospectus which will be decided by our Company, in consultation with the BRLMs
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 this Red Herring Prospectus and Prospectus
Anchor Investor Bid/Offer Period	The day, 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
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of this 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 in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR 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
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize 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 Bidders	Any Bidder 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 this Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker to the Offer/Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Escrow Account will be opened, in this case being Axis Bank Limited
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "Offer Procedure" on page 391
Bid	An indication to make an offer during the Bid/Offer Period by ASBA Bidders 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 subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations The term "Bidding" shall be construed accordingly
Bid Amount	The 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 Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as applicable
Bid Lot	[●]
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 all editions of the English national newspaper The Financial Express, all editions of the Hindi national newspaper Jansatta and Bengaluru edition of the Kannada newspaper Vishwavani (Kannada being the regional language of Karnataka, where the Registered Office of our Company is situated), each with wide circulation
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 all editions of the English national newspaper The Financial Express, all editions of the Hindi national newspaper Jansatta and Bengaluru edition of the Kannada newspaper, Vishwavani, (Kannada being the regional language of Karnataka, where the registered office of the Company is situated) each with wide circulation
Bid/Offer Period	Except in relation to 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

Term	Description
	submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which at the Designated Intermediaries shall accept the ASBA Forms, i.e, Designated SCSB Branch 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 ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, Axis, Citi, Edelweiss and Nomura
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Citi	Citigroup Global Markets India Private Limited
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 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 in consultation with the BRLMs Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
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 respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after filing of the Prospectus with the RoC
Designated Intermediaries	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 respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB 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/cms/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	BSE
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated February 10, 2017, issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Edelweiss	Edelweiss Financial Services Limited
Eligible FPIs	FPIs from such 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 this Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares
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 this Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity

Term	Description
	Shares
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated June 1, 2017 entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Member, the Escrow Collection Bank(s), the Public Offer Account Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from 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	The 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
Fresh Issue	The fresh issue of up to [•] Equity Shares aggregating up to ₹4,500 million by our Company
General Information Document/GID	The General Information Document prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI, suitably modified and included in "Offer Procedure" on page 391
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
Monitoring Agency	Axis Bank Limited
Monitoring Agency Agreement	Agreement dated [●], 2017 entered into between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion, or [•] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses For further information about use of the Net Proceeds and the Offer expenses, see "Objects of the Offer" on page 105
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidder(s)	All Bidders that are not QIBs or Retail Individual Bidders, who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Offer consisting of [•] 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, FPIs and FVCIs
Offer	The initial public offering of up to [•] Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹[●] million comprising the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated February 10, 2017, amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 12,711,605 Equity Shares by the Selling Shareholders at the Offer Price aggregating up to ₹[●] million in terms of this Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus The Offer Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Offer Proceeds	The proceeds of the Offer that are available to our Company and the Selling Shareholders
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 The Price Band and Minimum Bid Lot will be decided by our Company in consultation with the BRLMs and will be advertised in all editions of English national newspaper The Financial Express, all editions of Hindi national newspaper Jansatta and Bengaluru edition of Kannada newspaper Vishwavani (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), at least five Working Days prior to

Term	Description
	the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company 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 ICDR Regulations containing, *inter alia*, 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	Bank account opened under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank	The bank(s) with which the Public Offer Account(s) shall be maintained, in this case being Axis Bank Limited
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being at least 75% of the Offer consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	This red herring prospectus dated June 5, 2017, issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR 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 This red herring prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	The bank(s) with which the Refund Account(s) shall be maintained, in this case being Axis Bank Limited
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Member and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The agreement dated February 8, 2017, entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
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/Registrar	Link Intime India Private Limited
Retail Individual Bidder(s)/RIB(s)	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 Portion	The portion of the Offer being not more than 10% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) 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. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self Certified Syndicate Bank(s) or SCSB(s)	The 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/cms/sebi_data/attachdocs/1365051213899.html and updated from time to time
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, Link Intime Private Limited
Share Escrow Agreement	Agreement dated May 26, 2017 entered into by the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by such Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centers where the Syndicate shall accept ASBA Forms from Bidders

Term	Description
Syndicate Agreement	Agreement dated June 1, 2017 entered into amongst the BRLMs, the Syndicate Member, our Company and the Selling Shareholders in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Member	Intermediary registered with SEBI who is permitted to carry out activities as an underwriter, namely, Edelweiss Securities Limited
Syndicate	The BRLMs and the Syndicate Member
Underwriters	[●]
Underwriting Agreement	The agreement amongst the Underwriters, our Company and the Selling Shareholders 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/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" 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
16QAM solutions	QAM refers to quadrature amplitude modulation which is a technique to carry digital signals by changing certain characteristics of a carrier waveform. 16QAM, 32QAM, 64QAM are various types of QAM with increasing data rates per communication link. 16QAM is a type of QAM that can carry 4 bits per symbol
2G	refers to the "second generation" of mobile telecommunications technology, which allows voice calls and limited data transmission
3G	refers to the "third generation" of mobile telecommunications technology, which was made widely commercially available for connecting mobile phones
3GPP Release 9 Standards	3GPP refers to the 3rd Generation Partnership Project, which unites seven telecommunications standard development organizations, and develops mobile broadband standards. 3GPP standards are structured as "Releases"
4.5G	refers to the evolution of mobile broadband technology beyond 3GPP's Release 13 of LTE standards. 4.5 G is also referred to as LTE Advanced Pro
4G	refers to the "fourth generation" of wireless mobile telecommunications technology that provides faster internet access than 3G. The mainstream commercial 4G deployments were based on 3GPP's LTE Release 8 and 9 standards
5G	refers to the "fifth generation" of wireless mobile telecommunications technology that is expected to be standardized by 2020
5G RAN	refers to the 5th generation radio access network, which includes key wireless elements such as new radio that connects the end-user mobile devices to the 5G network
Aggregation	refers to the aggregation of circuit and packet traffic collected from access networks
ASSP	refers to "application specific standard products", which are available for purchase off-the-shelf and offer fixed functions such as mappers and switches
Backhaul	refers to the backhaul portion of the network, comprising the intermediate links between the long-haul and access networks
Carrier Ethernet	refers to extensions to Ethernet to enable telecommunications network providers to provide Ethernet services to customers and to utilize Ethernet technology in their networks
CE Marking	refers to a mandatory conformity marking for certain products sold within the European Economic Area, which signifies the manufacturer's declaration that the product meets the requirements of the applicable European Commission Directives
Circuit emulation	refers to a telecommunication technology used to send circuit traffic over asynchronous data networks such as Ethernet or MPLS
CMTS	refers to "cable modem termination system", which is a piece of equipment, typically located in a cable company's head end or hub site, which is used to provide high speed data services, such as cable internet or voice over Internet Protocol, to cable subscribers
CPO	refers to Converged Packet Optical. CPO products can simultaneously support transport, processing and switching of both data and circuit traffic
cTUVus mark	refers to a product safety and quality certification from TUV Rheinland which is required for sale in the North American markets
CWDM	refers to "coarse wavelength division multiplexing", which is a method of combining multiple laser beams at different wavelengths for transmission along fibre optic cables. In the case of CWDM, the number of wavelengths combined is fewer and the wavelengths are

Term	Description
	spaced wider apart than in DWDM
DCI	refers to "data centre interconnect" which is a network that connects multiple data centres of a communications service provider or an internet content provider
DSL	refers to "digital subscriber line", which is a technology for bringing high- bandwidth information to homes and small businesses over ordinary copper telephone lines
DWDM	refers to dense wavelength division multiplexing technology that puts data from different sources together on an optical fibre, with each signal carried at the same time on its own separate light wavelength
Edge IP/MPLS	refers to a category of packet switching and routing products commonly deployed in metro networks
EMS	Refers to Electronics Manufacturing Services Companies, who provide services to assemble electronic components manufacture and test sub-assemblies of an electronics product designed by another company or OEM on a contract basis
eNodeB	refers to a product based on LTE technology that provides wireless access to wireless broadband access equipment at the customer's premises
EPC	refers to a product that enables packet switching in LTE networks
EPON	refers to Ethernet PON and is an IEEE standard. EPON adapts Ethernet protocols for use in a point-to-multipoint FTTX architecture
Ethernet	is a family of computer networking technologies commonly used in local area networks and metropolitan area networks
Ethernet switches	refers to packet switching devices that enable inter-connection of computing devices through accurate redirection of packet traffic from source to destination devices
Field uptime	refers to the overall annual availability of an equipment operating in a customer network
Fixed capacity leased lines	Refers to a point-to-point digital circuit of fixed bandwidth (e.g., 2 Mbps, 8 Mbps, 34 Mbps etc) that can be leased by an enterprise to inter-connect its geographically separated offices or to connect to the Internet
FPGA	refers to "field-programmable gate array", which is an integrated circuit designed to be configured by a customer or a designer after manufacturing
Fronthaul	refers to a new mobile network architecture wherein a centralised mobile base station at a cell tower is connected to multiple remote standalone radio heads over optical fibre
FTTX	means fibre-to-the-home/curb/basement, which is a generic term for a broadband network architecture using optical fibre to provide all or part of the local loop used for last mile telecommunications
Gbps	refers to billions of bits per second and is a measure of bandwidth on data transmission medium, such as optical fibre
GPON	refers to "gigabit passive optical network" technology, which enables delivery of internet services to homes and businesses on optical fibre
GSM	refers to a standard developed by the European Telecommunications Standards Institute to describe the protocols for second-generation (2G) digital cellular networks used by mobile phones
ICES	refers to the International Committee on Electromagnetic Safety, which is responsible for development of standards for the safe use of electromagnetic energy in the range of 0 hertz to 300 gigahertz
IEC	refers to the International Electrotechnical Commission, which is an international organization for standardization that promotes international uniformity in technical specifications for electronic equipment
IEC60950-1	refers to the IEC's standard for safety of electronic equipment related to audio/video, information technology and communication technology
IEEE	refers to the Institute of Electrical and Electronics Engineers which is a technical professional organization. IEEE Standards Association (IEEE-SA) nurtures, develops and advances global technologies
ITU	refers to the International Telecommunications Union, which is a United Nations agency responsible for issues that concern information and telecommunication technology
L2/L3 Ethernet switches	refer to packet switching equipment that process data traffic at the link layer (Layer 2 or L2) and network layer (Layer 3 or L3) of the seven layered standard open systems interconnection model for data communication systems
LAN	refers to a "local area network" in an office or a campus
Line card	is a modular electronic circuit designed to fit on a separate PCB and interface with a telecommunications access network
LTE	refers to "long term evolution" technology, which is a standard for high-speed communication for mobile phones and data terminals as defined by 3GPP's Release 8 and 9 standards. LTE is the standard technology used in 4G networks
LTE-advanced	refers to an enhancement of the LTE technology for mobile broadband communications as defined in 3GPP's advanced LTE Releases 10, 11 and 12

Term	Description
Mbps	refers to millions of bits per second and is a measure of bandwidth (the total information flow over a given time) on a telecommunications medium
MEF	refers to the Metro Ethernet Forum, which is an international industry organisation with over 200 members including both network equipment vendors and telecommunications service providers
MEF CE2.0	refers to a certification provided by MEF that enables network equipment manufacturers to certify that their carrier Ethernet products comply with the relevant MEF specifications
MPLS	refers to “multi-protocol label switching”, which is a type of data-carrying technique for high-performance telecommunications networks that directs data from one network node to the next based on short path labels rather than long network addresses, avoiding complex lookups in a routing table
MPLS-TP	refers to “multi-protocol label switching - transport profile”, which is a variant of the MPLS protocol that is used in packet switched data networks
MSPP	refers to “multi-service provisioning platform” that aggregates both circuit and packet traffic and typically transports it over SDH or SONET network interfaces
Multiplexing	refers to a method by which multiple low-speed digital signals are combined into one high-speed digital signal and transported over optical fibre
Network uptime	refers to the percentage of time a network equipment remains available in a year. A network uptime metric greater than 99.999% corresponds to a downtime of around 5 minutes in a year
NFV	refers to “network function virtualization” which allows certain network functions which are currently implemented as standalone network equipment to be implemented as software on a server in a cloud data centre for greater flexibility in creating new communication services
NG-PON2	refers to a next-generation PON technology standardized by the International Telecommunication Union (ITU). It is capable of supporting higher speeds through time and wavelength division multiplexing of up to 8 wavelengths in either direction
OEM	Refers to Original Equipment Manufacturer whose products are sold to another company which repackages and may sell them under their own brand name
OLT	refers to “optical line terminal”, which is installed at a service provider's exchange location, and enables communication with multiple end-user ONTs
ONT	refers to an “optical network terminal”, which is installed at a customer's premises, and enables connection to a PON
Optical aggregation	refers to the segment in an optical network where packet and/or circuit traffic is aggregated and is typically part of the metro network
Optical amplifier	refers to a device used to increase the strength of an optical signal without converting it back into an electrical signal
OTN	refers to “optical transport network”, which comprises a set of technology standards that define the transport, switching, management, supervision and protection of high-bandwidth signals ranging from 1Gbps to 100Gbps or more
OTN switch	refers to an equipment that interconnects traffic arriving on multiple interfaces in standard OTN signal format. An OTN switch is characterized by the quantum of OTN traffic that can be interconnected without blocking, often referred to as the switching capacity
Passive splitters	refer to small, unpowered devices that can be used to split an incoming optical signal on one fibre into multiple outgoing fibres. Splitters are used in PON networks to enable one OLT to serve multiple end-user ONTs and reduces the overall use of optical fibre in the network
PB	means a petabyte, which is a unit of information equal to one thousand million million bytes
PCB	refers to “printed circuit board”, which mechanically supports and electrically connects electronic components
PON	refers to “passive optical networking” technology used to deliver broadband services to homes and businesses on optical fibre. GPON technology is a popular type of PON. EPON, XGS-PON and NG-PON2 are other emerging PON technologies standardized by IEEE and ITU
PTN	refers to “packet transport network”, which are optical networking products that primarily transport data traffic and can also transport voice traffic by emulating it as packets of data
ROADM	refers to “reconfigurable optical add-drop multiplexer”, which is a device that can add, block, pass or redirect modulated infrared and visible light beams of various wavelengths in an optical fibre network. ROADMs are used in systems that implement wavelength division mulitiplexing
RoW	Refers to Right of Way. RoW typically refers to a communication service provider’s right to lay fibre optic or copper cables across public land, roads, properties or other real estate after recevieing due permission and appropriate government authority or on paying a suitable compensation for use
SDH	refers to “synchronous digital hierarchy” technology, which enables transport of digital circuits ranging from 155Mbps to 40 Gbps. SDH technology is more commonly used worldwide, except in North America where a variant called SONET is used

Term	Description
SDN	refers to “software defined network”, which is an evolving network architecture that separates and centralizes equipment control and management functionality to increase the scalability, flexibility and service agility in telecommunication networks
SD-WAN	refers to “software defined wide area network” and is an application of SDN for inter-connection of enterprise offices over a wide area network
Self-test circuit	refers to a mechanism that allows a circuit to test itself thus ensuring greater reliability
Silicon IP	refers to intellectual property in the design and implementation of hardware functions on a programmable chip
SLTE	refers to “submarine line terminal equipment” which are used in undersea optical networks
SONET	refers to “synchronous optical networking technology”, which enables transport of digital circuits ranging from 51Mbps to 40Gbps. SONET technology is more commonly used in North America
Sub-wavelength	refers to network services carried within a single wavelength
TDDP	refers to “technology development and demonstration programme”
TWDM PON	refers to Time and Wavelength Division Multiplexing. TWDM PON is another name for NG-PON2, which is an ITU standard for next-generation PON. TWDM supports tunable lasers to allow operators to dynamically change wavelengths
vCPE	vCPE uses network functions virtualization (NFV) principles to replace a dedicated customer premises equipment (CPE) hardware appliance with a software implementation on a server. vCPE is a key enabler for software-defined wide-area networking (SD-WAN)
WDM	refers to “wavelength division multiplexing”, which is a method of combining multiple laser beams at various wavelengths for transmission along fibre optic media. Each laser is modulated by an independent set of signals. WDM can be dense (DWDM) or coarse (CWDM) depending on the size of the inter-wavelength spacing, which is typically less than one nanometre in the case of DWDM and twenty nanometres in the case of CWDM. WDM products used in metro networks are referred to as metro WDM and those used in access networks are referred to as access WDM
WDM/CPO-T	refers to a category of products that integrate both DWDM and CPO functions within the same platform along with OTN support. WDM/CPO-T products are available in different sizes and capacities depending on whether they are to be deployed in optical access, metro or backbone networks
WDM/CPO-T Backbone	refers to wavelength division multiplexing equipment deployed in longhaul/backbone networks
xDSL	refers to different variations of DSL technology
XGS-PON	refers to a high speed PON technology standardized by the International Telecommunication Union (ITU). Unlike GPON, XGS-PON (X=10, G=Gigabit, S=Symmetric) provides symmetrical rates of 10 Gbps both in the downstream and upstream directions

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	Air (Prevention and Control of Pollution) Act, 1981
BDT	Bangladesh Taka
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
Bn/bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
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
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956 and the Companies Act, 2013, 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 the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications

Term	Description
	issued thereunder
CST	Central sales tax under Central Sales Tax Act, 1956
Competition Act	Competition Act, 2002
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
DSIR	Department of Scientific and Industrial Research
EGM	Extraordinary General Meeting
EPA	Environment Protection Act, 1986
EPS	Earnings per Share
FDI	Foreign Direct Investment
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/Fiscal Year/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
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GoI/Government	Government of India
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act/IT Act	Income Tax Act, 1961
Ind AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
MCA	Ministry of Corporate Affairs, Government of India
Mn/mn	Million
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A./NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that were notified by the Ministry of Corporate Affairs, Government of India
NR	Non-resident
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
Patents Act	The Patents Act, 1970
RBI	Reserve Bank of India

Term	Description
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	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 Investments Funds) Regulations, 2012
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
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 ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act of 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Systemically Important Non-Banking Financal Company	A non-banking financial company registered with the Reserve Bank of India and having a net worth of more than ₹5,000 million rupees as per the last audited financial statement
State PCB	State Pollution Control Board
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trade Marks Act	Trade Marks Act, 1999
TRIPS	Trade Related Agreement on Intellectual Property Rights
U.S./USA/United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(zn) of SEBI ICDR Regulations

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

Notwithstanding the foregoing, terms in "Statement of Tax Benefits", "Regulations and Policies", "History and Certain Corporate Matters", "Financial Statements", "Outstanding Litigation and Material Developments" and "Main Provisions of Articles of Association" on pages 116, 161, 165, 189, 359 and 436, respectively, shall have the meaning given to such terms in such sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" in this Red Herring Prospectus are to the Republic of India, all references to "Israel" are to the State of Israel, all references to "Nigeria" are to the Federal Republic of Nigeria, all reference to "Singapore" are to the Republic of Singapore and all references to "USA", "US" and "United States" are to the United States of America.

Financial Data

Unless stated otherwise or the context requires otherwise, the financial data in this Red Herring Prospectus is derived from the Restated Financial Information prepared in accordance with the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals (including percentages) have been rounded off to one or two decimals.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular Financial Year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. The Standalone Restated Financial Information and the Consolidated Restated Financial Information are included in this Red Herring Prospectus. In addition, the statement of reconciliation between Indian GAAP and Ind AS, on consolidated and standalone basis, in relation to the (i) equity as at March 31, 2017 and April 1, 2016; and (ii) total comprehensive income for the year ended March 31, 2017, have also been included in this Red Herring Prospectus.

There are significant differences between Indian GAAP, Ind AS, US GAAP and IFRS. The reconciliation of the financial information to IFRS or US GAAP has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. Further, given that Ind AS is different in many respects from Indian GAAP under which our restated financial statements are currently prepared, our Ind AS financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements. See "Risk Factors – We are required to prepare financial statements under Ind AS with effect from April 1, 2017. The transition to Ind AS in India is very recent and we may be negatively affected by such transition" on page 33 for risks involving differences between Indian GAAP and IFRS or US GAAP and risks in relation to Ind AS. Further, for details of significant differences between Indian GAAP and Ind AS, see "Summary of Significant Differences between Indian GAAP and Ind AS" on page 326. The degree to which the financial information included in this 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 ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages 19, 143 and 334 respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the Restated Financial Information of our Company prepared in accordance with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to the Indian Rupee, the official currency of India;
- "NGN" are to Nigerian Naira, the official currency of Nigeria;
- "SGD" are to Singaporean Dollar, the official currency of Singapore; and
- "USD" or "US$" or "$" are to the United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian 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 the respective foreign currencies:

Currency	As on March 31, 2017[(1)]	As on March 31, 2016[(1)] (₹)	As on March 31, 2015[(1)] (₹)	As on March 31, 2014[(1)] (₹)	As on March 31, 2013[(1)] (₹)
1 NGN	0.21	0.33	0.31	0.36	0.34
1 SGD	46.31	49.01	45.40	47.54	43.81
1 USD	64.84	66.33	62.59	60.10	54.39

(Source: https://rbi.org.in and www.oanda.com)

[(1)] *In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered*

Industry and Market Data

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

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLMs or any of their respective affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors" on page 19. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this 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 the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This 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" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans 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 with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry 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 exposure to market risks, general economic and political conditions in India and globally which have an impact on our 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 laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Fluctuations in our results of operations;
- Dependence on limited number of large customers for a significant portion of our revenue who may exercise substantial negotiating leverage with us;
- Inability to keep abreast with the rapid technological changes and new product introductions, characteristic of the networking equipment market;
- Reliance on limited number of third party suppliers and electronics manufacturing services companies for our key components and products;
- Inability to successfully execute our growth strategies;
- Fluctuations in our quarterly revenues due to the variable nature of the sales and deployment cycles of our products;
- Any adverse impact on the telecommunications networking industry where most of our customers operate;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Inability to effectively compete in the highly competitive market for networking equipment;
- Inability to attract or retain key personnel;
- Adverse impact on our profitability due to the inherent risks in doing business with PSU customers in India;
- Any adverse change in laws, rules and regulations and legal uncertainties;
- Our exposure to risks associated with fluctuations in currency exchange rates; and
- General economic and business conditions in India and other countries.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 19, 143 and 334, respectively. By their nature, certain market risk 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 expectations 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 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 Shareholders, the BRLMs nor any of their respective affiliates 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 SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. In accordance with SEBI ICDR Regulations and as prescribed under applicable law, the Selling Shareholders severally and not jointly will ensure (through our Company and the BRLMs) that investors are informed of material developments in relation to statements specifically confirmed or undertaken by the respective Selling Shareholders in this Red Herring Prospectus from the date of this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in this Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in equity shares involves a high degree of risk. The risks and uncertainties described below together with the other information contained in this Red Herring Prospectus should be carefully considered before making an investment decision in our Equity Shares. The risks described below are relevant to the country, the industry in which our Company operates, our Company and the Equity Shares. Additional risks, not presently known to our Company or that we currently deem immaterial may also impair our Company's business operations. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. You should read this section in conjunction with the sections entitled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 143 and 334, respectively, as well as the other information contained in this Red Herring Prospectus. If any one or some combination of the following risks were to occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. Prior to making an investment decision, prospective investors and purchasers should carefully consider all of the information contained in this Red Herring Prospectus (including the consolidated financial statements on page 256).

This Red Herring Prospectus also contains forward-looking statements that involve risk and uncertainties. Our Company's 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 Red Herring Prospectus. See "Forward-Looking Statements" on page 17. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Consolidated Restated Financial Information.

INTERNAL RISK FACTORS

1. *We are involved in certain legal proceedings, any adverse developments related to which could materially and adversely affect our business, reputation and cash flows.*

There are outstanding legal proceedings against and initiated by our Company and certain Subsidiaries that are incidental to our business and operations, including tax proceedings. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals.

Brief details of outstanding litigation that have been initiated by and against our Company and our Subsidiaries (as applicable) are set forth below:

Nature of cases	Number of cases	Total amount involved^ (₹ in million)
Against our Company		
Tax	40*	1,581.95**
By our Company		
Civil	7	199.48
By our Subsidiaries		
Civil	1	149.52

^includes interest and penalty in cases where they have been quantified

** includes two cases wherein our Company has made a rebate claim of ₹23.53 million and ₹2.19 million respectively*

***includes a sum of ₹8.04 million that our Company has paid under protest, ₹1.24 million that has been set off against refund due in favour of our Company and ₹6.11 million that our Company has deposited at the time of appeal. It includes an amount of ₹6.49 million for FY 2012-13 and ₹9.13 million for FY 2013-14. Our Company received assessment orders dated May 26, 2017 and May 27, 2017, respectively, which provide for a refund of ₹2.40 million for the FY 2012-13 and and a reduction in demand to ₹1.71 million for FY 2013-14. However, the original amount mentioned in the prescription notice for FY 2012-13 and FY 2013-14 has been retained as our Company intends to file an appeal against the final assessment orders.*

For further details, see "Outstanding Litigation and Material Developments" on page 359.

We cannot assure you that any of these matters will be decided in favour of our Company and our Subsidiaries, or that no additional liability will arise out of these proceedings. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Further, an adverse judgment in any of these proceedings, individually or in the aggregate could adversely affect our business, reputation and cash flows.

2. ***Our results of operations are subject to significant fluctuations and seasonality. We have reported losses in the past and may be unable to achieve or sustain profitability in the future, which may materially and adversely affect our business and prospects.***

Our results of operation may fluctuate due to a variety of factors beyond our control, including:

- loss of key customers;
- fluctuations in demand and sales volume;
- changes in product mix from period to period;
- timing of product release and upgrades;
- reduction in a customer's budget;
- charges for excess or obsolete inventory;
- increases in manufacturing costs;
- readiness of customer sites for installation of our products;
- delays in our customers getting Right-of-Way clearances or other approvals;
- delays in payment by customers;
- delays in delivery by third parties; and
- general economic conditions.

Our results of operations are also subject to seasonal fluctuations as we realise a significant portion of our revenues in the second half of the Fiscal Year. Further, as our budgeted expense levels depend in part on our anticipated future revenues and given the fixed nature of a large part of our operating expenses, any substantial reduction of revenue may adversely impact our profitability.

We reported consolidated losses amounting to ₹790.43 million, ₹178.66 million in Fiscal Years 2013 and 2015, respectively. For a discussion of our results of operations for Fiscal Year 2015 compared to Fiscal Year 2016 and for Fiscal Year 2016 compared to Fiscal Year 2017, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 334. Although we reported a profit for Fiscal Year 2016 and Fiscal Year 2017, there is no assurance that our operations will continue to be profitable going forward.

3. ***A significant portion of our revenue is generated from our limited number of large customers and if we are unable to maintain our relationship with such customers, our business, results of operations and financial condition will be materially and adversely affected. Furthermore, these large customers exercise substantial negotiating leverage with us, which could adversely impact our results of operations.***

For Fiscal Years 2015, 2016 and 2017, our gross revenue from the sale of products and services (excluding sales to EMS vendors on a pass-through basis) to our top five customers amounted to 56.56%, 67.79% and 58.81%, respectively of our consolidated revenue from operations (gross). The table below names our top five customers (in alphabetical order) for Fiscal Years 2015, 2016 and 2017:

FY 2015	FY 2016	FY 2017
Bharat Sanchar Nigam Limited	Bharat Sanchar Nigam Limited	Bharat Broadband Network Limited
Bharti Airtel Limited	Bharti Airtel Limited	Bharat Sanchar Nigam Limited
Ciena Corporation	Ciena Corporation	Ciena Corporation
Railtel Corporation of India Limited	SACOFA Sdn Bhd	SACOFA Sdn Bhd
Tata Communications Limited	Tata Communications Limited	Tata Communications Limited

We expect that in the future a limited number of large customers will continue to comprise a large percentage of our revenue. Consequently, if we are unable to expand our sales volumes to existing customers, maintain our relationship with our key customers or diversify our customer base or if our OEM and reseller customers are unable to sell our products to end-customers or diversify their customer base, we may experience material fluctuations or decline in our revenue and reduction in our operating margins, as a result of which our financial condition and results of operations could be materially and adversely affected. While we have long-term rate contracts with our customers, actual sales are made against periodic purchase orders. In the event of a cancellation or reduction of any customer purchase order, we may lose revenues and have surplus inventory, which could adversely impact our business, financial condition and results of operations. Furthermore, if our customers elect to outsource their networks to third parties, those third parties may choose alternative networking equipment vendors over us.

In the past, we have faced declines in revenue from operations on account of a large customer filing for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code (in 2009) and many of our Indian PSU telecom service providers reducing capital expenditure, due to regulatory and operational reasons (in Fiscal Years 2012 and 2013).

Many of our key customers are large Communications Service Providers that have substantial purchasing power and leverage in negotiating contractual arrangements with us. These customers have and may continue to seek advantageous pricing and other commercial terms and may require us to develop additional features in the products we sell to them. If we are unable to address these pricing pressures or offset the increase in our average costs due to a reduction in pricing with increased sales volumes and reduced production costs, or if we fail to develop and introduce new products and enhancements on a timely basis, our operating results would be negatively affected.

4. *The networking equipment market is characterised by rapid technological changes, and if we are unable to keep abreast of the technological changes and new product introductions, our business and financial condition may be adversely affected.*

The networking equipment market is characterised by rapid technological changes, with new product introductions, technology enhancements and evolving industry standards with respect to the protocols used in data communication and telecommunication networks. Our future performance will depend on the successful development, introduction and market acceptance of new and enhanced products that address these changes as well as current and potential customer requirements. New products based on new or improved technologies may render existing products obsolete. The introduction of new and enhanced products may also cause our customers to defer or cancel orders for existing products. In addition, a slowdown in demand for existing products ahead of a new product introduction could result in a write-down in the value of inventory on hand related to existing products and/or a charge for the impairment of long-lived assets related to such products. We have in the past experienced a slowdown in demand for existing products and delays in new product development and such slowdown in demand and delays may occur in the future. If our customers defer or cancel orders for existing products due to a slowdown in demand or in the expectation of a new product release or if there is any delay in development or introduction of our new products or enhancements of our products, our operating results would be adversely affected. We also may not be able to develop the underlying core technologies necessary to create new products and enhancements, or to license these technologies from third parties.

Product development delays may result from numerous factors, including, changing product specifications and customer requirements, unanticipated engineering complexities, expense reduction measures that we implement, difficulties in hiring and retaining necessary technical personnel, difficulties in reallocating engineering resources and overcoming resource limitations and changing market or competitive product requirements.

The development of new, technologically advanced products is a complex and uncertain process requiring high levels of innovation and highly skilled engineering and development personnel, as well as the accurate prediction of technological and market trends. The introduction of new products also requires significant investment in research and development and increases in manufacturing expenses for which benefit will not be realised if customer demand does not develop as expected. We continually invest in research and development to sustain or enhance our existing hardware and software solutions and to develop or acquire new technologies. There is often a lengthy period between commencing these development initiatives and bringing new or improved solutions to market. During this time, technology preferences, customer demand and the markets for our solutions, or those introduced by our competitors, may move in directions we had not anticipated. There is no guarantee that our new products, or enhancements to existing products will achieve market acceptance or that the timing of market adoption will be as predicted. There is a significant possibility, therefore, that some of our product development decisions, including significant research and development costs, or investments in technologies, will not meet our expectations, and that our investment in some projects will be unprofitable. Consequently, we may also need to undertake significant write-offs in relation to research and development or other costs and may have to recognise impairment of assets, which may materially and adversely affect our profitability and financial condition. For instance, during Fiscal Year

2013, we undertook an exceptional write-off of intellectual property amounting to ₹386.28 million on account of changes in technological trends in relation to some of our products.

Further, during the year ended March 31, 2017, we have reassessed the marketability of our in-production intangible assets for the development costs of our wireless products and after considering various factors such as technological obsolescence, that require revision in the existing products, we have written off accumulated costs relating to past salaries of the wireless product development team, amounting to ₹304.68 million.

There is also a possibility that we may miss a market opportunity because we failed to invest, or invested too late, in a technology, product or enhancement sought by our customers. Changes in market demand or investment priorities may also cause us to discontinue existing or planned development for new products or features, which can have an adverse effect on our relationships with customers. If we fail to make the right investments or fail to make them at the right time, our business, reputation and financial condition could be materially and adversely affected.

5. *The market for networking equipment is highly competitive, and if we are unable to compete effectively, our business, prospects and results of operations may be materially and adversely affected.*

The networking equipment market is highly competitive, rapidly evolving and is characterised by frequent introductions of new and improved solutions, applications and technologies. We expect competition to persist and intensify in the future as the market for networking equipment grows and new and existing competitors devote considerable resources to introducing and enhancing products. Our competitors are large global companies such as Huawei Technologies Co., Ltd., Nokia Corporation, ZTE Corporation, and Ericsson, specialised optical network equipment providers such as Ciena, Coriant, Fiberhome, Adtran, Adva, ECI and Infinera and Ethernet switches and IP router providers such as Cisco, Juniper, Huawei and HP. For details of our primary competitors in each of our product segments, please see "Our Business – Competition" on page 159. In addition, our OEM customers, who sell our products to end-customers, also operate in a highly competitive environment and may need to reduce the prices they charge for our products in order to maintain or expand their market share. We may also have to reduce the prices we charge these OEM customers for our products in order to support their selling efforts. These OEM customers may also develop their own products or purchase products from our competitors.

Our competitors may have significantly greater financial, technical, marketing, governmental support and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their products. In addition, many of our competitors have more extensive customer relationships than we do, and, therefore, our competitors may be in a stronger position to respond quickly to new technologies and may be able to market or sell their products more effectively. Our competitors may also have a larger product portfolio than us, which may enable them to cross subsidise their product development costs and exert competitive pricing pressure on our products. As a result, we may experience price reductions for our products, order cancellations and increased expenses. In addition, our larger competitors may have stronger balance sheet and Government support, enabling them to provide long-term finance to their customers which we may not be able to do and which may result in a loss of business for us. Accordingly, business, prospects and results of operations may be materially and adversely affected.

6. *If we are unable to attract or retain key personnel, our business may be adversely affected.*

Our success depends to a significant degree upon the continued contributions of our Key Management Personnel, as well as our research and development, engineering, sales and marketing, customer support, manufacturing, finance administration and human resources personnel. We do not have long-term employment contracts or key person life insurance covering any of our key personnel. We depend on our sales and marketing personnel to increase sales with existing customers and to obtain new customers. As we continue to grow our market share, we will continue to invest in our research and development, engineering, sales and marketing, customer support, manufacturing and finance infrastructure by adding personnel and other resources to achieve revenue growth. Because our products are complex, we need to hire and retain a large number of highly trained customer service and support personnel to ensure that the deployment of our products does not result in network disruption for our customers.

We believe our future success will depend in large part upon our ability to identify, attract and retain highly skilled managerial, research and development, engineering, sales and marketing, customer support, manufacturing, finance administration and human resources personnel. Competition for these individuals is intense in our industry, both in India and internationally. We may not succeed in identifying, attracting, training and retaining appropriate personnel. Further, competitors and other entities have in the past attempted, and may in the future attempt, to recruit our employees. The loss of the services of any of our key personnel, the inability to identify, attract, train or retain qualified personnel in the future or delays in hiring qualified personnel, particularly engineers and sales personnel, could make it difficult for us to manage our business and meet key objectives, such as timely product introductions, support existing customers and win new customers.

7. ***We rely on a limited number of third party suppliers and EMS companies for our key components and products. If such third parties fail to deliver the components and products in a timely manner or meet our specifications, our ability to meet our product delivery and quality obligations will be undermined and as a result, our business, reputation and results of operations will be materially and adversely affected.***

We rely on a limited number of component suppliers whose components are an integral part of our products. Further, some of such suppliers are the sole sources for procuring such components. We procure our components from these suppliers on a purchase order basis and do not have long-term contracts with them. The use of such third party components also exposes our products to any defects inherent in these components, which may affect the quality and functionality of our products. Such defects in quality may not appear during the testing phase in our factory, but can appear in the customer network at a later stage, resulting in additional costs as well as loss of reputation for us. We also outsource a large portion of our manufacturing to two EMS companies, Sanmina and Cyient. Manufacturing by EMS companies involves complex processes and is prone to errors, some of which may not be detected during our factory testing, but may appear in the customer network at a later stage. Further, under our contract manufacturing agreements, we are liable for making good any losses incurred by the EMS companies on account of cancellation of purchase orders by our customers or changes in customer demand forecasts based on which the EMS companies procure raw materials.

Given our reliance on a limited number of suppliers and EMS companies, if any one of our suppliers or EMS companies is unable to deliver the components or products in a timely manner, or at all or meet our design or quality specifications, we may be unable to meet product delivery timelines. Delayed supplies from our suppliers may in turn result in delayed deliveries by us to our customers and we may incur liquidated damages. In addition, under the EMS Agreement with Sanmina, it is entitled to reject orders placed by us without providing reasons. There can be no assurance that we will be able to maintain strategic relationships with our suppliers or the EMS companies or diversify our supplier or manufacturing partner base. Further, our suppliers or the EMS companies may enter into exclusive arrangements with our competitors and we may be unable to obtain alternative sources for our components at commercially reasonable prices, or at all or enter into alternative arrangements with other manufacturing partners. In the past, we have experienced errors, defects and security vulnerabilities in connection with some of our products, including failures relating to the receipt of faulty components from our suppliers, and errors in programming. We have had to face reputational damage and incur additional payment delays costs as a result. Some errors in our products may only be discovered after a product has been installed and used by a customer. Because our products are inherently complex, we may also be unable to detect any defects in our products in a timely manner in the case of a system-wide failure. Further, defects which have not been detected at the time of receipt of the products from EMS companies will not be covered under warranty.

If we are unable to deliver reliable and high quality products or timely resolve any issues relating to our products, confidence in our optical networking products could be undermined and we may be unable to expand or maintain our customer base and market share. We may incur additional expenses for resolving errors, providing damages for the defects or delays, extending warranties, increasing insurance coverage, obsolescence of inventory and defective products. In addition, we may have to divert significant research and development efforts to resolve such defects. Our customers may also bring legal actions against us, which could expose us to additional liabilities. Further, we may also be unable to realise any results from our research and development efforts undertaken to develop those products and recognise any revenue from the sales of those products in a timely manner, or at all. If any of these eventualities materialise, our business, reputation, financial condition and profitability could be materially and adversely affected.

8. ***If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.***

We propose to expand our business by adopting a series of strategies. For further details, see "Our Business – Our Strategy" on page 147.

Our growth depends on the continued growth of the telecommunications industry, and to a large extent, the optical networking segment, and any adverse developments in the telecommunications industry and the optical networking segment could materially and adversely affect our growth prospects. Our growth is also dependent on our ability to expand our market share and our inability to do so may adversely affect our growth prospects. Our growth strategies could place significant demand on our management and our administrative, operational and financial infrastructure. We could also encounter difficulties and delays in executing our growth strategies due to a number of factors, including, without limitation, delays in implementation, lack of appropriate infrastructure, unavailability of human and capital resources, or any other risks that we may or may not have foreseen. Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio. Any business that we acquire may subject us to additional liabilities, including unknown or contingent liabilities, liabilities for failure to comply with laws and regulations, and we may become liable for the past activities of such businesses. In the past, we have incurred losses on account of write-offs associated with strategic acquisitions and investments. In Fiscal Year 2013, we wrote-off goodwill amounting to ₹101.95 million and intellectual property amounting to ₹386.28 million, which contributed to our restated loss for the year. Further, during the year ended March 31, 2017, we have reassessed the marketability of our in-production intangible assets for the development costs of our wireless products and after considering various factors such as technological obsolescence, that require revision in the existing products, we have written off accumulated costs relating to past salaries of the wireless product development team, amounting to ₹304.68 million.

Additionally, expansion into new geographic regions, including new regions in India and international markets will subject us to various challenges, including those relating to our lack of familiarity with the social, political, economic and cultural conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of brand recognition and reputation in such regions. We may also encounter other additional anticipated risks and significant competition in such markets. If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.

9. ***The sales and deployment cycles for our products are variable in nature and are likely to cause our quarterly revenues to fluctuate materially.***

Our products have a lengthy sales cycle, which can extend up to 24 months and may take even longer for prospective customers in emerging international markets. Additionally, the deployment by telecommunications carriers of necessary infrastructure typically occurs in stages. Operators will typically make significant initial investments for new equipment to ensure that new services facilitated by such equipment are available to end-users throughout the operator's network. Operators typically will defer significant additional purchases of such equipment until end-user usage of the services offered through such equipment creates demand for increased capacity. Our prospective customers also conduct significant evaluation, testing, implementation and acceptance procedures before they purchase our products. We incur substantial up-front sales and marketing expenses and expend significant management effort during this time, regardless of whether we make a sale. As a result, it is difficult for us to accurately predict the timing of future purchases by our prospective customers. In addition, product purchases are frequently subject to budget constraints, multiple approvals and unplanned administrative, processing and other delays. If sales expected from customers for a particular quarter are not realized in that quarter or at all, our revenue will be negatively impacted.

10. ***The average selling price of our products may decrease, which may materially and adversely affect our results of operations and profitability.***

The average selling prices of our products may decrease in the future in response to pricing pressures from customers, competitive pricing pressures, excess inventories, increased sales discounts, technological changes and new product introductions by us or our competitors. The average selling prices of our products are the highest at the time of introduction, when they utilise the latest technology, and their prices tend to decrease over time as they become commoditised and the technology becomes more common; eventually, these products are replaced by even newer products which incorporate newer technology. We have lowered our prices in the past as a result of this downward pressure, and we may have to further reduce prices of our existing products in the future. This reduction in prices impacts the average selling price of our products.

We may experience decreases in future operating results due to the erosion of our average selling prices. If we are unable to offset any future reductions in our average selling prices by increasing sales volumes, reducing our costs and expenses, or develop new products or enhancements to existing products, our revenue and profitability will be materially and adversely affected. We expect to devote more capital to our research and development activities in order to develop future products and increase spending on our sales and marketing efforts. This continued spending will have an adverse impact on our results of operations if our net revenue does not continue to grow faster than our cost of revenue or expenses.

11. ***We derive a significant portion of our consolidated gross revenue from operations from PSU customers in India and relationship with PSU customers exposes us to risks inherent in doing business with PSU entities, which may adversely affect our profitability.***

During Fiscal Years 2015, 2016 and 2017, we generated 29.02%, 43.29% and 45.12%, respectively of our consolidated gross revenue from operations from PSU customers in India. The table below sets out our top five PSU customers (in alphabetical order) for Fiscal Years 2015, 2016 and 2017:

FY 2015	FY 2016	FY 2017
Bharat Sanchar Nigam Limited	Bharat Sanchar Nigam Limited	Bharat Broadband Network Limited
Bharat Electronics Limited	Power Grid Corporation of India Limited	Bharat Sanchar Nigam Limited
Power Grid Corporation of India Limited	Railtel Corporation of India Limited	Power Grid Corporation of India Limited
Railtel Corporation of India Limited	An enterprise in the metro rail sector	Railtel Corporation of India Limited
An enterprise in the metro rail sector	An enterprise in the oil and gas sector	An enterprise in the oil and gas sector

We have an incumbent advantage in India and will continue to invest in sales efforts to increase our market share in the expanding Indian market. We intend to utilize the benefits of the PMA policy to gain a large share of government procurements in the telecommunication sector and build on our successful track record in executing projects for PSU customers.

Given that we derive a significant portion of our consolidated gross revenue from operations from PSU customers and that we will continue to cater to PSU entities, we are exposed to various risks inherent in doing business with PSU customers, which may affect our profitability. These risks include:

- participation in PSU contracts could subject us to stricter regulatory and testing requirements which may increase our compliance costs;
- delays in project implementation/key initiatives where we have invested significant costs;
- delays in payment due to the time taken to complete internal processes by these customers;
- levy of liquidated damages due to our execution delays, which may adversely affect our profit margins;
- PSU tenders are awarded to the lowest bidder that meets the technical conditions of the tender, which makes winning PSU tenders difficult. In addition, if we have to lower our pricing in order to win tenders, it would exert pressure on our margins;
- the tender process is long and may be subject to significant delays;
- political and economic factors such as pending elections, changes in leadership among key governmental decision makers, changes or delays in the implementation of government policies, revisions to PSU tax policies and reduced tax revenues can affect the number and terms of new government contracts signed;
- terms and conditions of PSU contracts, including requests for proposals and tenders tend to be more onerous and are often more difficult to negotiate than those for other commercial contracts; and
- PSU contracts may not include a cap on direct or consequential damages, which could cause us to assume additional risks and incur additional expenses in servicing these contracts.

While our business has not faced any material adverse effects on account of such risks having occurred in relation to our top five PSU customers for the past three years, we are exposed to these risks, which may adversely affect our business, financial condition or results of operations.

12. ***If we are unable to collect our dues and receivables from our customers, our results of operations and cash flows could be materially and 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. For Fiscal Years 2015, 2016 and 2017, our average debtor cycle based on gross revenues was 252 days, 200 days and 150 days, respectively and our average debtor cycle based on net revenues was 265 days, 215 days and 160 days, respectively. As at March 31, 2016 and March 31, 2017, our trade receivables including bills discounting were ₹3,691.45 million and ₹3843.76 million, representing 54.73% and 41.06% of our gross revenue from operations and representing 58.83% and 43.77% of our net revenue from operations for the respective prior twelve month periods.

We maintain provisions against receivables. Actual losses on customer balances could differ from those that we currently anticipate and as a result we might need to adjust our provisions.

We cannot assure you that we will be able to accurately assess the creditworthiness of our customers. Macroeconomic conditions 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, cause us to enter into litigation for non-payment, 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.

13. ***Certain past transactions involving our employee welfare trust, TEWT are in violation of specific provisions of the Companies Act, 1956. We cannot assure you that such violations will be condoned or that there are no other instances of non-compliances with respect to transactions involving TEWT. Any such violations and non-compliances may subject our Company to regulatory actions and may adversely affect our business and reputation.***

There have been the following non-compliances with the provisions of the Companies Act, 1956 with respect to corporate actions and regulatory filings in respect of transactions involving TEWT:

- Our Company issued partly paid-up Equity Shares to TEWT, which TEWT acquired out of the proceeds of loans given to it by our Company. Such issuances were made in violation of Section 77 of the Companies Act, 1956, which restricts loans by a company for subscription of its own partly paid-up equity shares.

- Any violation of Section 77 of the Companies Act, 1956 is punishable by a fine of up to ₹10,000 on our Company and any officers who are held accountable for such violation.

Our Company has sought to redress the violation of Section 77 of the Companies Act, 1956, in relation to the purchase of partly paid-up shares, by filing a compounding application dated December 15, 2016 with the Ministry of Corporate Affairs, Government of India (the "**MCA**"). As of the date of the Red Herring Prospectus, TEWT does not hold any Equity Shares and all Equity Shares held by TEWT have been transferred to employees of our Company. The compounding application was heard by the Regional Director (South Eastern Region), Hyderabad and the violation was compounded after levying the compounding fee of ₹7,000/- each on the applicants vide order dated March 31, 2017. For further details, please see "Outstanding Litigation and Material Developments" on page 362.

Corporate records maintained by TEWT are also incomplete and inadequate and some of them have been lost in the fire in our Bengaluru facilities in FY 2012 and as such, we are unable to ascertain any other instances of contravention of, or non-compliance with, applicable laws and regulations. Any additional contravention or non-compliance with respect to our Company's transactions with TEWT may subject us to regulatory actions or penalties and may adversely affect our business and reputation.

14. ***We did not have adequate internal controls for managing our secretarial records and compliances as a result of which there have been certain inaccuracies and non-compliances with respect to certain provisions of FEMA regulations, regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected.***

In the past, our internal controls and compliances for managing our secretarial records and compliances have been inadequate as a result of which there have been factual inaccuracies, non-compliances with certain provisions of the FEMA regulations, delays and failures in making certain regulatory filings by our Company. We cannot assure you that there are no other instances of non-compliances or irregularities in regulatory filings/allotments made by our Company. This may subject us to regulatory actions and/or penalties which may adversely affect our business, financial condition and reputation.

There have been factual inaccuracies in respect of the following filings made by our Company with the RoC:

- The Form 2 filed with the RoC in relation to the allotments made on December 12, 2003 and January 23, 2004 erroneously record that all Equity Shares were issued at par whereas certain Equity Shares were issued at a premium;

- The Form 2 filed with the RoC in respect of allotments made to TEWT, erroneously record the name of TEWT as the allottee, although the name which should have been recorded in such instances is that of the trustees of TEWT. Further, we have failed to file the declaration of beneficial holding with the RoC in this regard, in respect of which no corrective action has been taken before any statutory authority. As of the date of the Draft Red Herring Prospectus, TEWT does not hold any Equity Shares and all Equity Shares held by TEWT have been transferred to employees of our Company.

Further, allotments made to specific non-resident Shareholders aggregating an investment amount of approximately ₹3,090 million, and bonus shares issued thereon, suffer from certain irregularities in respect of the following filings/allotments made by our Company:

- Failure to adhere to the prescribed timelines in respect of (i) filing Form FC-GPR for the bonus issuance of Equity Shares on March 31, 2007, (ii) filing Form FC-GPR for allotment of preference shares on January 13, 2015, (iii) filing Form ESOP for allotment of Equity Shares to one non-resident employee, (iv) reporting the grant of employee stock options to non-resident shareholders and (v) reporting the exercise of employee stock options by such non-resident employees.

- Shortfall of ₹4,986 and ₹7,640 in the consideration received from Osher LP in respect of securities allotted to them on August 2, 2016 and January 13, 2015, respectively on account of foreign exchange fluctuations, which amount was subsequently received by our Company in December 2016.

- Delay in responding to letters from the RBI dated May 18, 2007, December 19, 2007, June 16, 2008 and April 25, 2016 seeking certain clarifications in relation to allotments made to our non-resident Shareholders.

We have subsequently sought to address the irregularities in respect of allotments made to non-residents by making the necessary representations and filings with the RBI. The RBI has through letters dated April 18, 2017 acknowledged the filings made by our Company and provided the registration numbers to be used for future correspondence by us, subject to compounding by our Company. We have already filed an application dated April 10, 2017 with the RBI seeking to compound such non-compliance. We could be subject to a penalty up to three times the sum involved in each contravention (where quantifiable) or up to ₹200,000 where the amount is not directly quantifiable. For further details, see "Outstanding Litigation and Material Developments" on page 363. The RBI has provided a guidance note for broadly indicating the basis on which the amounts to be imposed by the compounding authorities are computed. However, the actual amount of penalty imposed cannot be ascertained and depends on the circumstances of each case. We are unable to quantify the maximum amount of penalty as there is no guidance from the RBI on the treatment of the shares issued pursuant to the bonus issue. Should our Company fail to complete the compounding process, or fail to comply with the compounding order including payment of any amounts in time or at all, the contraventions will survive and shall be subject to action by the Directorate of Enforcement which may be initiated against our Company or against the holders of the Equity Shares. We cannot assure you that the RBI will condone these irregularities or that the penalty imposed will be reasonable and that it will not have a material adverse effect on our financial condition or that we will pay such amounts in time or at all. Further, we cannot assure you that the RBI will not seek more information in relation to the allotments made to non-resident Shareholders in the future and that we will be able to provide satisfactory answers and information for all such queries from the RBI within the timelines prescribed by the RBI or at all.

15. ***We have been provided with registration numbers by the RBI, subject to compounding by our Company, for the 9,876,328 Equity Shares proposed to be offered by non-resident Selling Shareholders in the Offer for Sale. Further, some of the corporate records underlying the shares being offered as part of the Offer for Sale are not available.***

The Selling Shareholders are offering up to 12,711,605 Equity Shares as a part of the Offer for Sale, including up to 9,876,328 Equity Shares (which includes Equity Shares allotted in the ratio of 1:149 by way of bonus issue) by the non-resident Selling Shareholders. We have, through letters dated April 18, 2017 issued by the RBI, received registration numbers for the 9,876,328 Equity Shares proposed to be offered by the non-resident Selling Shareholders in the Offer for Sale. These registration numbers are, however, subject to compounding before the RBI by our Company. Our Company could be subject to a penalty up to three times the sum involved in the contravention (where quantifiable) or up to ₹200,000 where the amount is not directly quantifiable. The RBI has also provided a guidance note for broadly indicating the basis on which the amounts to be imposed by the compounding authorities are computed. However, the actual amount of penalty imposed cannot be ascertained and depends on the circumstances of each case. We are unable to quantify the maximum amount of penalty as there is no guidance from the RBI on the treatment of the shares issued pursuant to the bonus issue. Should our Company fail to complete the compounding process, or fail to comply with the compounding order, the contraventions will survive and shall be subject to action by the Directorate of Enforcement which may be initiated against our Company or against the holders of the Equity Shares. We cannot assure you that the RBI will condone these irregularities or that the penalty imposed will be reasonable and that it will not have a material adverse effect on our financial condition or that we will pay such amounts in time or at all. For further details, see "Outstanding Litigation and Material Developments" on page 363.

We also lost a number of documents, including the share transfer deeds maintained by our Company from incorporation up to FY 2012 in a fire at our Bengaluru offices. This includes share transfer forms recording the transfer of certain securities (being offered as part of the Offer for Sale) to our Selling Shareholders from other Shareholders. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions.

16. ***Majority of our customers operate in the telecommunications networking industry. Factors that adversely affect this industry or product spending by companies within this industry may adversely affect our business.***

We derive a large proportion of our revenues from customers that operate in the telecommunications networking industry. Any significant decrease in product spending by clients in this industry or other industries from which we derive significant revenues in the future may reduce the demand for our products. Further, any significant decrease in the growth of the telecommunications networking industry, or significant consolidation in this industry, or any decrease in growth or consolidation in other industry segments in which we operate, may reduce the demand for our services. In addition, as fewer customers gain control of the telecommunications networking industry as a result of consolidation, pricing pressure is likely to increase and a change of ownership of our customers resulting from such consolidation could also result in the loss of our current customers if the new owners select another networking equipment vendor over us.

17. ***We may fail to protect our intellectual property rights or we may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation.***

Our success depends on our ability to protect our core technologies, intellectual property and know-how. We may be unable to monitor the unauthorised use of our products and technology. If third parties gain unauthorised access to our proprietary technologies, they may be able to develop and manufacture similar products at a reduced cost, which may result in a decrease in demand for our products. We also implement third party software in our optical networking products, pursuant to licenses obtained from third parties, which impose restrictions on our customers' usage of the product for specific purposes and prohibit reverse engineering of the software. If our customers are in breach of such terms, we may not have appropriate recourse against them but will continue to be liable to the licensors.

As of April 30, 2017, we have been granted 56 patents and we have 191 patent applications pending in India, 51 patent applications pending in the United States and 35 patent applications under the Patent Cooperation Treaty. We cannot assure you that these patents be issued to us or whether the examination process will require us to narrow our claims, and even if patents are issued, they may be contested, circumvented or invalidated over the course of our business. Moreover, the rights granted under any issued patents may not provide us with proprietary protection or competitive advantages. Our competitors may also be able to develop and obtain patents for technologies that are similar to or superior to our technologies and we may need to license these technologies. If we are unable to obtain such licenses on reasonable terms, or at all, our products may lose their competitive advantage.

As of April 30, 2017, we have 12 trademark applications that are pending before the concerned authorities. For further details of applications for registration of trademarks, see "Government and Other Approvals" on page 365. Our name and trademarks are significant to our business and operations. Any adverse decision by the adjudicating authority may prevent us from registering and using such trademarks. Our applications for registration of such trademarks may be rejected by the concerned authorities. If we are unable to obtain the registration of the trademarks applied for, such rejection may have an adverse effect on our business and our goodwill.

Third parties, including our competitors, may also claim that our products infringe their proprietary technology and rights. Such infringement claims may increase as the number of products and competitors in our market increases and overlaps occur. Such claims and any resulting legal proceeding may subject us to additional financial burden; divert our management's attention and resources away from our core business; and if decided against our favour, may restrict us from utilising those technologies and require us to undertake significant inventory and product write-offs, redesign our products, recall our products already sold and/or refund the amounts received from selling those products. Furthermore, during the course of such legal proceedings, confidential information may be disclosed in the form of documents or testimony in connection with discovery requests, depositions or trial testimony. Disclosure of our confidential information and our involvement in such proceedings could materially and adversely affect our business.

Furthermore, we cannot be certain that our suppliers have all requisite third party consents and licences for the intellectual property used in the components they manufacture. As a result, they may be exposed to risks associated with intellectual property infringement and misappropriation claims by third parties. If a court determines that any component we have procured from our suppliers infringes the intellectual property rights of any third party, we may be required to pay damages to such third party and may be prohibited from using such components, either of which could damage our reputation and could have a material adverse effect on our business and results of operations.

18. *Our international operations subject us to additional risks that may adversely affect our operating results.*

During Fiscal Years 2015, 2016 and 2017, we generated 42.7%, 27.9% and 34.9%, respectively of our consolidated gross revenue from operations from international customers.

Our international operations expose us to additional business, financial and competitive risks, including:

- longer sales cycles;
- challenges in managing and staffing international offices, and the increased travel, infrastructure and legal and regulatory compliance costs associated with multiple international locations;
- greater difficulty documenting and testing our internal controls at our international locations;
- unfavourable tariffs and trade barriers and other regulatory requirements or contractual limitations on our ability to sell or develop our optical networking products in certain foreign markets;
- potentially adverse tax consequences;
- restrictions on repatriation of earnings;
- reduced protection for intellectual property rights in some countries;
- certification requirements;
- service provider and government spending patterns;
- our ability to form relationships with local partners;
- risk of change in international political or economic conditions;
- fluctuations in the value of foreign currencies and interest rates; and
- external risks such as natural disasters, inflation and other unfavourable economic conditions, political disturbances and outbreak of epidemics.

International customers may also require that we comply with certain testing or customisation of our products to conform to local standards. The product development costs to test or customise our products could be expensive and amount to a material expense for us.

As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these and other risks associated with our international operations. We expect that significant management attention and financial resources will be required for our international activities over the foreseeable future as we enter new international markets. Our failure to manage any of these risks could adversely affect our international operations and reduce our international sales.

19. ***Breaches of our cyber security systems could adversely affect our ability to conduct our business operations and deliver products to our customers, compromise the integrity of the software embedded in our products, result in significant data losses and the theft of our intellectual property, damage our reputation, expose us to liability to third parties and require us to incur significant additional costs to maintain the security of our networks and data.***

In the ordinary course of business, we store sensitive data, including intellectual property, our proprietary business information and that of our customers, suppliers and business partners on our networks. The secure maintenance of this information is critical to our operations and business strategy. Increasingly, companies, including ours, are subject to a wide variety of attacks on their networks on an ongoing basis. Despite our security measures, our information technology and infrastructure may be vulnerable to penetration or attacks by computer programmers and hackers, or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise our networks, creating system disruptions or slowdowns and exploiting security vulnerabilities of our products and the embedded software, and the information stored on our networks could be accessed, publicly disclosed, lost or stolen, which could subject us to liability to our customers, suppliers, business partners and others, and cause us reputational and financial harm. In addition, sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of our networks.

If an actual or perceived breach of network security occurs in our network or in the network of a customer of our networking products, regardless of whether the breach is attributable to our products, the market perception of the effectiveness of our products could be harmed. In addition, the economic costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software systems and security vulnerabilities could be significant and may be difficult to anticipate or measure. Because the techniques used by computer programmers and hackers, many of whom are highly sophisticated and well-funded, to access or sabotage networks change frequently and generally are not recognised until after they are used, we may be unable to anticipate or immediately detect these techniques. This could impede our sales, manufacturing, distribution or other critical functions, which could adversely affect our business.

20. ***The conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business and adversely impact our business.***

As at March 31, 2017 our total utilised borrowings and other facilities (including fund based and non-fund based facilities) amounted to ₹3,895.00 million. The financing agreements governing certain of our debt obligations include terms that require us to maintain certain financial ratios and comply with certain reporting requirements; and restrict our ability to make capital expenditures, investments, declare dividends, enter into any scheme or merger, amalgamation, compromise or reconstruction, make any changes to our ownership or control, effect any material change in the management of our business, incur further indebtedness and incur liens on, or dispose of, our assets, among others. Failure to comply with the terms of our financing agreements or obtain waivers for such non-compliances could result in an acceleration of the relevant debt, as well as a cross-acceleration of other debt, and payment of penal interest, which could adversely affect our liquidity, restrict our expansion plans and materially and adversely affect our business, cash flows and operations.

Further, with respect to our secured borrowings, in the event that a lender seeks to invoke the security, our business, cash flows and results of operations may be materially and adversely affected. For further details on our borrowings, see "Financial Indebtedness" on page 356.

Our level of indebtedness could have other important consequences, including:

- requiring us to dedicate a substantial portion of our operating cash flows to making periodic principal and interest payments on our debt, thereby limiting our ability to take advantage of significant business opportunities and placing us at a competitive disadvantage compared to other optical networking product companies that have less debt;

- making it more difficult for us to satisfy our obligations with respect to our debt;
- increasing our vulnerability to general adverse economic and industry conditions;
- restricting our ability to refinance our debt on commercially reasonable terms, or at all;
- limiting our flexibility in planning for, or reacting to, changes in our businesses;
- limiting our ability to borrow additional funds or to sell or transfer assets in order to fund future working capital, capital expenditures, any future acquisitions, research and development and technology processes and other general business requirements; and
- adversely affecting our business, results of operations and financial condition, if we are unable to service our debt or comply with the various covenants.

21. *Wage pressures and increases in operating costs in India may prevent us from sustaining our competitive advantage and may reduce our profit margins.*

Wage costs as well, as operating costs such as real estate and utilities, in India have historically been significantly lower than wage costs and operating costs in the United States, Europe and other developed economies; and these reduced costs have been one of the sources of our competitive strengths. However, wage and operating expense increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the developed economies, which could result in increased employee benefit expenses. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Additionally, the cost of real estate and other utilities and operating expenses is also increasing as India continues to grow. Compensation increases manifest a hike in operational costs which may result in a material adverse effect on our business and financial condition and result of operations.

22. *Fluctuations in currency exchange rates may have an adverse effect on our results of operations and cash flows.*

Although our functional currency is the Indian Rupee, we transact a significant portion of our business in several other currencies, particularly in US dollars. As of Fiscal Years 2015, 2016 and 2017, our US dollar-denominated revenues represented 57.66%, 30.23% and 33.65% of our total revenues, respectively. Our exchange rate risk primarily arises from our foreign currency revenues, receivables, payables and other foreign currency assets and liabilities and a decrease in the - US dollar to Indian Rupee exchange rate will negatively impact our results of operations and cash flows.

23. *We are subject to export and import controls that could adversely impact our business.*

We are subject to export and import control laws that limit which products we sell and where and to whom, and which could result in postponements or cancellations of product orders. In addition, various countries regulate the import of certain technologies and have enacted laws that could limit our ability to distribute our products or could limit our customers' ability to implement our products in those countries. Changes in our products or changes in export and import regulations may create delays in the introduction of our products in international markets, prevent our customers with international operations from deploying our products throughout their global systems or, in some cases, prevent the export or import of our products to certain countries altogether. Any change in export or import regulations or related legislation, shift in approach to the enforcement or scope of existing regulations, or change in the countries, persons or technologies targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential customers with international operations. Delays caused by our compliance with regulatory requirements in obtaining or maintaining any regulatory approvals that may, in the future, be required to operate our business could materially affect our business and operating results. We may also be unable to secure components or software due to export control laws, as a result of which, our supply chain may be disrupted and we may be unable to provide our products and services to customers, which can result in a loss of business for us.

24. ***Our use of a common software code base across all of our products may limit our ability to acquire new technologies and products from other companies.***

We have relied, and expect to continue to rely, on a common software code base for the operation of our hardware products. This use of a common software code base may, however, restrict our ability to acquire or integrate new technologies from other companies that use a different software code base. If we are obligated to support multiple software platforms, we may need to retain additional personnel or segregate our research and development teams for each software code base. If we are unable to maintain a common software code base for our products, our operations may be adversely affected.

25. ***Certain of our Directors and certain Key Management Personnel hold Equity Shares and employee stock options in our Company and are therefore interested in the Company's performance in addition to their normal remuneration or benefits and reimbursement of expenses incurred.***

Certain of our Directors and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding. For further details, see “Our Management” and “Capital Structure” on pages 172 and 71, respectively. We cannot assure you that our Directors and our Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company.

26. ***Our Managing Director and Chief Executive Officer and certain Key Management Personnel intend to participate in the Offer for Sale and shall be entitled to the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale.***

Sanjay Nayak, our Managing Director and Chief Executive Officer, and Arnob Roy and Kumar N. Sivarajan, our Key Management Personnel, intend to participate in the Offer for Sale. Therefore, they are interested in the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale.

27. ***Our business is dependent on obtaining and maintaining necessary governmental licenses and approvals some of which require renewal and are pending. If we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of may be adversely affected.***

Our business is dependent on obtaining and maintaining necessary governmental licenses and approvals and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business and for our production facility. For details of applicable regulations and approvals relating to our business and operations, see “Regulations and Policies” and “Government and Other Approvals” on pages 161 and 365, respectively.

A majority of these approvals are granted for a limited duration and require renewal. Further, the approvals required by our Company are subject to conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

If we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations, cash flows and financial condition may be adversely affected.

28. ***We are subject to various laws and regulations, including environmental and health and safety laws and regulations in India, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition.***

Our business and operations are subject to a broad range of environmental, health and safety risks. We, like other manufacturers in India, are subject to various central, state and local environmental, health and safety of employees and laws and regulations concerning issues such as damage caused by air emissions, wastewater discharges, solid and hazardous waste handling and disposal. We are required to obtain and maintain various regulatory approvals and registrations for our operations, including consents from the local pollution control board in India to establish and operate manufacturing facilities in India. There can be no assurance that these relevant authorities will issue such permits or approvals in the timeframe anticipated by us. While we believe we currently have all the permits and approvals required for operating our manufacturing facility, certain of these approvals require to be renewed periodically, and we cannot assure you that we would be successful in renewing them in a timely manner or at all.

These laws, rules and regulations also prescribe for punishments in case of any violations, and such permits or approvals may impose certain additional conditions on our Company. In case of breach of or non-compliance with such conditions, we may incur additional costs and liabilities in relation to compliance with these laws and regulations or any remedial measures in relation thereto, and permits or approvals granted to our Company may be suspended, revoked or cancelled. These additional costs and liabilities could be on account of penalties, fines, remedial measures and clean-up liabilities or due to compliance with more onerous laws or regulations. Moreover, the laws and regulations under which we operate are subject to change and any change to these laws and regulations could adversely affect our business, cash flows and results of operations. For further details, see "Regulations and Policies" and "Government and Other Approvals" on pages 161 and 365, respectively.

29. *We are required to prepare financial statements under Ind AS with effect from April 1, 2017. The transition to Ind AS 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. We are required to prepare our financial statements in accordance with Ind AS from April 1, 2017. Given that Ind AS is different in many aspects from Indian GAAP, our financial statements prepared under Ind AS for the period commencing from April 1, 2017 may not be comparable to our historical financial statements prepared under Indian GAAP.

The adoption of Ind AS has impacted and may continue to impact our reported results of operations or financial condition going forward. Further, 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/or 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.

For a summary of the significant differences between Indian GAAP and Ind AS, see "Summary of Significant Differences between Indian GAAP and Ind AS" on page 326. See also, "Statement of Reconciliation between Indian GAAP and Ind AS" and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting Our Results of Operations - Transitioning from Indian GAAP to Ind AS" on pages 323 and 335, respectively.

30. *We may require additional funding to finance our operations, which may not be available on terms acceptable to us, or at all, and if we are able to raise funds, the value of your investment in us may be negatively impacted.*

We may require additional funding to finance our operations and growth strategies. Sources of additional financing may include commercial bank borrowings and the sale of equity or debt securities. There can be no assurance that we will be able to obtain any additional financing on terms acceptable to us, or at all. The cost of raising capital is high and any additional funding we obtain may strain our cash flows and financial condition.

Our ability to raise additional financing in the future is subject to a variety of uncertainties, including but not limited to:

- our future financial condition, results of operations and cash flows;
- general market conditions for debt financing and capital raising activities; and
- economic, political and other conditions in India.

If we raise additional funds through equity or equity-linked financing, your equity interest in our Company may be diluted. Alternatively, if we raise additional funds by incurring debt obligations, we may be subject to various covenants under the relevant debt instruments that may, among other things, restrict our ability to pay dividends or obtain additional financing. Servicing such debt obligations could also be burdensome to our operations. If we fail to service such debt obligations or are unable to comply with any of the covenants thereunder, we could be in default under such debt obligations and our liquidity and financial condition could be materially and adversely affected.

31. *We have a number of contingent liabilities, and our profitability could be adversely affected if any of these contingent liabilities materialises.*

Our contingent liabilities as at March 31, 2017 amounted to ₹873.35 million which included provisions for bills discounted of ₹263.81 million, disputed central excise demands of ₹137.90 million, disputed income tax demands of ₹467.76 million and disputed central sales tax demands of ₹3.88 million. If any of these contingent liabilities materialises, our results of operations and financial condition may be adversely affected. For further details on our contingent liabilities, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent liabilities and commitments" and "Financial Statements – Annexure V(B): Additional Information to Consolidated Restated Summary Statement" on pages 353 and 271, respectively.

32. *The objects of the Offer have not been appraised by any bank or financial institution and we have not entered into definitive agreements in relation to any of our objects of the Offer. Consequently, any increase in the actual deployment of funds may cause an additional burden on our finance plans.*

The fund requirement mentioned as a part of the objects of the Offer is based on internal management estimates and has not been appraised by any bank or financial institution. The fund requirements are based on current conditions and are subject to change in light of changes in external circumstances, costs, other financial condition or business strategies.

Further, we have not entered into any definitive agreements to utilise the funds allocated for our objects of the Offer; and our actual expenditure could be higher than our management estimates. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

Additionally, various risks and uncertainties, including those set out in this "Risk Factors" section, may limit or delay our Company's efforts to use the Net Proceeds and to achieve profitable growth in our business. Furthermore, pursuant to Section 27 of the Companies Act of 2013, any variation in the objects of the Offer would require a special resolution of our Shareholders. We will be required to provide an exit opportunity to our Shareholders who do not agree to such variation. If our Shareholders exercise such an exit option, our business and financial condition could be materially and adversely affected.

33. *We do not own our Registered and Corporate Office and other premises from which we operate.*

We occupy our Registered and Corporate Office and other premises from which we operate on a leasehold basis or on the basis of leave and license arrangements. We cannot assure you that we will be able to renew our lease or leave and license agreements on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new premises and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms.

34. *Our insurance coverage may not be adequate and this may have an adverse effect on our business and revenues.*

Our existing insurance may not be sufficient to cover all damages, whether foreseeable or not. We do not maintain insurance for business interruption and therefore if any or all of our facilities are damaged, resulting in our operations being interrupted or we otherwise suffer an interruption to our business, we would suffer loss of revenues, and our results of operations would be adversely affected. Although we have back-up facilities for some of our operations, it could be difficult for us to maintain or resume our operation quickly in the aftermath of such a disaster. In the past, our insurance coverage was not adequate to cover losses arising from fire in our R&D facility, office and stores in Bengaluru in February 2012 and floods affecting our manufacturing facility in Pondicherry, which was discontinued in June 2014.

Our insurance policies are also subject to certain deductibles, exclusions and limits on coverage. We cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition or a larger deductible or co-insurance requirement, could adversely affect our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

35. *We have issued Equity Shares in the last 12 months at a price which may be lower than the Offer Price.*

During the last 12 months, we have issued Equity Shares at a price that may be lower than the Offer Price, as set forth below. The Offer Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. For further details regarding such allotments, see "Capital Structure" on page 71.

Date of Allotment	Particulars	Face Value (in ₹)	No. of Equity Shares	Issue Price (in ₹)
March 28, 2016	Conversion of CCPS issued pursuant to investment agreement dated May 30, 2012 to Equity Shares in the ratio 1:7.29	10	2,878,321	137.00
March 28, 2016	Conversion of CCPS issued pursuant to addendum investment agreement dated December 29, 2014 to Equity Shares in the ratio 1:8.55	10	2,098,453	117.00
August 2, 2016	Private placement	10	5,615,068	120.00
November 25, 2016	Allotment pursuant to ESOP 2014	10	470,063	65.00
December 13, 2016	Allotment pursuant to ESOP 2014	10	274,511	65.00
February 13, 2017	Allotment pursuant to ESOP 2014	10	225,299	65.00
March 6, 2017	Allotment pursuant to ESOP 2014	10	62,804	65.00
March 31, 2017	Allotment pursuant to ESOP 2014	10	835,445	65.00
April 17, 2017	Allotment pursuant to ESOP 2014	10	108,761	65.00
April 30, 2017	Allotment pursuant to ESOP 2014	10	1,195,958	65.00

36. *We have experienced negative cash flows in the prior periods.*

We have experienced negative cash flows in the recent past, including net cash used in investing activities amounting to ₹1,414.63 million, ₹503.77 million and ₹285.82 million, respectively for FY 2017, FY 2016 and FY 2015 primarily on account of development of products which are yet to be commercialised and deposits placed with banks. Further, we used ₹405.40 million and ₹395.57 million in financing activities in FY 2016 and FY 2015, respectively, primarily on account of borrowings and finance costs. For further details, see "Management's discussion and analysis of financial condition and results of operations – Liquidity and Capital Resources" and "Financial Statements" on pages 350 and 189, respectively. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

37. *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 outlook for the economy, outlook for the industry, the business environment for our Company's business, the profitability of our Company, capital requirements for future expansion plans, rate of dividend distribution tax, restrictive covenants under loans or financing agreements which our Company is currently availing of or may enter in to finance our fund requirements for our business activities, 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 188.

EXTERNAL RISK FACTORS

38. *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 regulatory environment in which we operate is subject to change both in the form of gradual evolution over time and also in form of significant reforms from time to time. Any such change in the future may require us to commit significant management resources and may require significant changes to our business practices and could have a material adverse effect on our business, financial condition, results of operations and prospects.

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 GoI has proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Although the legislative bill has been passed by both houses of Parliament, we are unable to provide any assurance as to the exact date of when GST is to be introduced or any other aspect of the tax regime following implementation of the GST. Further, any disagreements between certain state governments may also create further uncertainty towards the implementation of the GST. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Further, the application of various Indian and international sales, value-added, GST 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.

Additionally, the General Anti Avoidance Rules ("**GAAR**") are proposed to be effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefits among other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

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

Our Company is incorporated in India. Our principal offices, and substantially all of our management, research and development, and sales personnel, are located in Bengaluru, India. As a result, we are highly dependent on prevailing economic, political and other prevailing conditions in India, and in particular, in Bengaluru, and our results of operations are significantly affected by to following factors, among others:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- changes in Government policies such as PMA policy and export incentives, which may adversely affect India's competitive advantage;
- 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, and in particular, in Bengaluru or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters which may damage our facilities in Bengaluru and disrupt our business. For instance, in 2015, due to floods in Chennai, our EMS partner could not deliver certain products to us on time, as a result of which, we failed to meet some of our delivery timelines;
- 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 telecommunications 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;
- 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 downgrading of India's debt rating by a domestic or international rating agency; and
- instability in financial markets.

If any of the above risks materialises, our business, results of operations, financial condition and the price of the Equity Shares could be adversely affected.

40. *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.

41. *Indian law limits our ability to raise funds outside of India 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.

42. *Significant differences exist between Indian GAAP, used for our financial information and other accounting principles as of and for the Fiscal Years 2013, 2014, 2015, 2016 and 2017 with which investors may be more familiar.*

As stated in the report of our auditors included in this Red Herring Prospectus, our financial statements as of and for the Fiscal Years 2013, 2014, 2015, 2016 and 2017 are prepared and presented in conformity with Indian GAAP, consistently applied during those period, except as provided in such reports. Indian GAAP differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS.

Accordingly, the degree to which the financial information as of Fiscal Years 2013, 2014, 2015, 2016 and 2017 included in this 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 Red Herring Prospectus should accordingly be limited.

43. *Public companies in India, including us, are required to compute Income Tax under the Income Computation and Disclosure Standards (the "ICDS"). The transition to ICDS in India is very recent and we may be negatively affected by such transition.*

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. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition going forward.

44. *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; or (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 and does not include any arbitration awards.

The United Kingdom, Singapore and Hong Kong, among others, have been declared by the Government of India to be "reciprocating territories" for the purposes of Section 44A of the Civil Procedure Code, but the U.S. has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit resulting in a judgment or order and not by proceedings in execution. Such a suit has to be filed 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. A judgment of a superior court of a country which is a reciprocating territory may be enforced by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order.

The latter suit has to be filed 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. Execution of a judgment or repatriation outside India of any amounts received is subject to the approval of the RBI, wherever required and nay such amount may be subject to income tax in accordance with applicable laws. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

45. ***The trading volume and market price of the Equity Shares may be volatile following the Offer and you may be unable to sell the equity shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter.

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;
- loss of investor confidence in the market for technology stocks or the stock market generally;
- new laws and governmental regulations applicable to our industry; and
- additions or departures of Key Management Personnel.

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

46. ***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 Indian Rupee and the US Dollar and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the Indian 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 Indian Rupee proceeds into US dollars 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 Indian Rupee, if United States or other non-resident investors analyse our value based on the US dollars equivalent of our financial condition and results of operations.

For historical exchange rate fluctuations, see "Presentation of Financial, Industry and Market Data" on page 15.

47. ***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 Selling Shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity

Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. Any future issuances could also dilute the value of your investment in our Company.

48. *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 long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. By way of the Finance Bill, 2017, the Government of India has introduced certain anti-abuse measures, pursuant to which, the aforesaid exemption from payment of capital gains tax for income arising on transfer of equity shares shall only be available if STT was paid at the time of acquisition of the equity shares. The said provision has been notified with effect from April 1, 2018 and will, accordingly, apply in relation to the assessment year 2018-19 and subsequent assessment years. 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.

49. *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.

50. *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 435.

Further, as on the date of this Red Herring Prospectus, our Company is a foreign owned or controlled company and we are required to comply with certain conditions specified under the FEMA Regulations and the foreign direct investment policy with respect to downstream investments by Indian companies that are not owned and/or controlled by resident entities. These conditions include restrictions on valuations, sources of funding for such investments and certain reporting requirements. Such restrictions may adversely affect our ability to make downstream investments. There can be no assurance that we will be able to comply with such restrictions or obtain any required approvals for future acquisitions or investments in India, or that we will be able to obtain such approvals on satisfactory terms, which may adversely affect our results of operations, financial condition, financial performance and the price of our Equity Shares.

51. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition, including in the following respects:

A natural or man-made disaster, could result in damage to our assets, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.

Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of the Equity Shares.

52. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

Prominent Notes:

- Our Company was originally incorporated as Tejas Networks India Private Limited on April 24, 2000 at Bengaluru, Karnataka, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted into a public limited company and its name was changed to Tejas Networks India Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on October 23, 2002. Thereafter, the name of our Company was changed to Tejas Networks Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on March 18, 2008. There have been no changes in names of our Company in the past three years. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 165.
- Our Company is a professionally managed company and does not have a promoter either in terms of the SEBI ICDR Regulations or in terms of the Companies Act, 2013, and consequently does not have any promoter group, in terms of the SEBI Regulations.
- Initial public offering of up to [●] Equity Shares for cash at a price of ₹[●] (including a premium of ₹[●]) aggregating to ₹[●] million comprising of the Fresh Issue and the Offer for Sale by our Company. The Offer will constitute at least [●] % of the post-Offer issued Equity Share capital of our Company.
- Our net worth was ₹5,006.64 million and ₹5,000.02 million as on March 31, 2017, as per our Consolidated Restated Financial Statements and Standalone Restated Financial Statements, respectively. For details, see "Financial Statements" on page 189.
- Our net asset value per Equity Share was ₹70.78 and ₹70.69 as on March 31, 2017, as per our Consolidated Restated Financial Statements and Standalone Restated Financial Statements respectively. For details, see "Financial Statements" on page 189.
- The nature and the cumulative value of related party transactions entered into by our Company with our Subsidiaries during Financial Year 2017 are as follows:

(₹ in million)

Transaction during the year	For Financial Year 2017
Purchases of goods	65.81
Sale of goods	183.23
Rendering of services	2.20
Reimbursement of expenses	61.51
Sales commission	48.60
Advance for purchase of goods	69.76
Total	**431.11**

For further details in relation to the related party transactions entered into by our Company during the Financial Year 2017 and Financial Year 2016, see "Related Party Transactions" on page 187.

- There have been no financing arrangements whereby our Directors and their relatives have financed the purchase by any other person of the Equity Shares other than in the normal course of business during the period of six months immediately preceding the filing of the Draft Red Herring Prospectus with SEBI.
- As at the date of this Red Herring Prospectus, we do not have any "group companies". Consequently, there are no group companies having business interests or other interests in our Company.

Investors may contact the BRLMs who have submitted the due diligence certificate to SEBI, for any complaints, information or clarification pertaining to the Issue. For further details regarding grievances in relation to the Issue, see "General Information" on page 64.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information contained in this section is derived from industry and government sources and has not been independently verified by us, the Book Running Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

Investors should note that this is only a summary of the industry 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 entire Red Herring Prospectus, including the information in the sections "Risk Factors" on page 19. 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, please see the section "Risk Factors" on page 19.

Overview of a telecommunications network

Telecommunication networks are built by broadly two types of entities: telecommunications carriers and enterprises.

Telecommunications carriers that build telecommunications networks include: communications service providers ("**CSPs**"), carrier-neutral providers ("**CNPs**") and internet content providers ("**ICPs**"). Fixed CSPs are companies or business units within companies engaged in the provision of telecommunications services delivered over a largely wire- or fibre-based network. Mobile CSPs are companies or business units within companies engaged in the provision of telecommunications services delivered over a largely wireless network, commonly known as "cellular" carriers in some regions. CNPs are companies with data centre, fibre and/or cell tower networks that sell or rent capacity or services to CSPs, ICPs and other providers. *(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)* ICPs are companies whose primary business is the creation, storage and dissemination of digital information. *(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)*

Enterprises use active network equipment (such as routers and switches), communication devices (such as desk phones and audio/video conferencing systems) and structured cabling systems (such as optical fibre cables), across wired and wireless local area network ("**LAN**").

A typical telecommunications network comprises passive infrastructure (such as telecommunications towers and cables), active infrastructure (such as wireless switches, controllers and gateway equipment, as well as wireline optical transmission equipment) and user equipment (such as smart phones, tablets and laptops, used by end-users to access telecommunications networks).

Trends driving data consumption in telecommunications networks globally

According to Ovum, total global telecommunications access network traffic is expected to grow at a 25% compound annual growth rate ("**CAGR**") for the period from 2015 to 2020. In absolute terms, access traffic volumes are expected to grow from around 340,000 petabytes ("**PB**") in 2015 to just over 1 million PB in 2020. *(Source: Digital Economy 2025: Telecoms Core Scenario, published 10 March 2016 by Ovum and Network Traffic Forecast: 2015 to 2020, published in December 2015 by Ovum)*

Evolution of high-speed internet technologies; proliferation of powerful networking devices and smartphones; growth in enterprise cloud services and data centres; and applications, games and hi-definition video content are driving data consumption.

Growth drivers in the Indian telecommunications equipment market

Increased use of smart phones and mobile data usage

Ovum expects total mobile broadband subscriptions in India to cross one billion by 2021 and the total mobile broadband penetration to reach 75.47% of the country's population by 2021. *(Source: Mobile Broadband Subscription Forecast: 2016–21 dated December 2016, published by Ovum)*

Data is a key revenue driver for Indian telecommunications companies

According to the Telecom Regulatory Authority of India ("**TRAI**"), broadband subscriptions have been increasing over the years. As of July 31, 2016, there were 166.96 million broadband subscribers in India compared to 113.32 million broadband subscribers as of July 31, 2015 and 70.81 million broadband subscribers as of July 31, 2014. *(Sources: TRAI Highlights of Telecom Subscription Data as on July 31, 2016, Press Release Nos. 97/2016, 54/2015 and 61/2014)*

Fiberisation of backhaul network

An efficient and robust mobile network that not only ensures seamless voice but also data connectivity across 2G, 3G, and 4G/LTE technologies is critical for any telecommunications player. According to Deloitte, in India, less than 20% sites are fiberised compared to 70%-80% sites in a developed country. (*Source: Indian Tower Industry, The Future Is Data, published in June 2015 by Deloitte*). The Department of Telecommunications, Government of India, has introduced Indian Telegraph Right of Way Rules, 2016 (the "RoW Rules") to speed up the approval process for overground (mobile towers) and underground optical fibre infrastructure.

Rapid growth in enterprise Ethernet services

Ovum expects the enterprise Ethernet services market in India to reach approximately US$ 1 billion by 2020. *(Source: Ethernet Services Forecast Spreadsheet: 2015-2020 dated September 2015, published by Ovum)*

Government Initiatives

Some of the key government initiatives generally affecting the Indian telecommunications industry are Digital India, National Optical Fibre Network (Bharatnet), Make in India, National Knowledge Network and Smart Cities. The key government initiatives promoting domestic manufacturing in the telecommunications industry in India are the Preferential Market Access Policy, Modified Special Incentive Package Scheme, Merchandise Exports from India Scheme, Defence Procurement Policy, Support for International Patent Protection in Electronics and Information Technology, Electronic System Design and Manufacturing ("**ESDM**") promotion policies of various Indian states such as the Karnataka ESDM Policy 2013, Anti-dumping duties on Synchronous Digital Hierarchy Transmission Equipment, Customs duty on products not covered by the Information Technology Agreement enforced by the World Trade Organisation and the Indian Telegraph Right of Way Rules, 2016. For further details, see "Industry Overview" on page 118.

Growth drivers in the optical networking segment globally

The optical networking market grows in three fundamental ways: geographic extension, capacity expansion and interconnection among CSPs and others. Network investment continues despite uneven macroeconomic and geopolitical conditions. The global optical network market is projected to grow at a 4.1% CAGR, from 2014 to 2020. India has exhibited strong growth prospects due to renewed mobile network growth and data centre construction. India's optical networking market is expected to grow at a 14.2% CAGR, from 2014 to 2020. China, with growth been driven by Smart Cities, FTTx, mobile and long-haul DCI, is projected to grow at a 5.7% CAGR, from 2014 to 2020. The Asia and Oceania region, driven by the growth in India and China, is projected to grow at a 5.2% CAGR, from 2014 to 2020. North America's optical networking market is projected to grow at a 3.0% CAGR, from 2014 to 2020 based on a renewed focus on high-performance business services, cloud adoption and DCI. *(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)*

CPO, 100G, greater-than 100G, OTN and ROADM technologies driving product segment growth

From a product perspective, CPO, 100G, greater-than 100G, OTN and ROADM technologies are the key growth drivers for optical networking products. According to Ovum, each of CPO, 100G, OTN and ROADM product segments have are growing at a CAGR 7.8%, 9.2%, 14.6% and 11.1%, respectively from 2014 to 2020. *(Source: Optical Networks Forecast Spreadsheet: 2015–20 published in December 2015 by Ovum)*

GPON technology for wireline broadband access

As per Ovum, optical fiber based PON equipment revenues will continue to represent the largest segment under wireline broadband access equipment from 2015 to 2021. *(Source: Broadband Access Equipment Forecast (PON, xDSL, CMTS): 2015–21, published in February 2016 by Ovum)* GPON products are a type of PON equipment and are optical fibre based broadband access products used in FTTx applications. (fibre-to-the-home/curb/building/premise).

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 Red Herring Prospectus, including the information in the sections "Risk Factors" and "Financial Statements" on pages 19 and 189, 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, please see the section "Risk Factors" on page 19.

Overview

We are an India-based optical and data networking products company with customers in over 60 countries. We design, develop and sell high-performance and cost-competitive products to telecommunications service providers, internet service providers, utility companies, defence companies and government entities (collectively, "**Communication Service Providers**"). Our products are used to build high-speed communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks over optical fibre. Our products utilise a programmable software-defined hardware architecture with a common software code-base that delivers an app-like ease of development and upgrades of new features and technology standards. Currently, India is our largest geographic segment (in terms of revenue) and we are well-positioned to take advantage of the growth opportunities arising out of the Digital India and the Make-in-India programs of the Indian Government.

We have invested heavily in research and development in order to grow through multiple technology cycles and are well-positioned to capitalize on the expected growth in optical capital expenditure globally. Driven by rising smartphone penetration and a massive increase in data traffic, global optical capital expenditure is expected to increase from US$14.6 billion in 2014 to US$17.9 billion in 2020. (*Source: Ovum Optical Networks Spreadsheet: 2015-2020, published in December 2015*) Further, optical equipment expenditure in India is expected to grow from US$391 million in 2014 to US$869 million by 2020, at a CAGR of 14.2% (*Source: Ovum Optical Network Forecast Spreadsheet 2015-2020*). For the year ended March 31, 2016, we were the second largest optical networking products company in terms of market share in India, with a market share of 15% in the overall optical networking market. (*Source: Ovum Market Share Spreadsheet: 1Q16 ON Subregional EMEA and AP, published in June 2016*).

Our current product portfolio targets access (i.e., the outer perimeter of a telecommunications network which connects to the end consumers), metro (i.e., networks that aggregate and distribute traffic collected from access networks within a large city or region) and long-haul (i.e., networks that interconnect metro networks using high bandwidth transmission) networks. Our hardware is modular and our software-defined architecture allows us to remotely upgrade our hardware with new capabilities and features. This enables our customers to adopt a "pay-as-you-grow" approach (i.e., purchase our products/services incrementally as needed) while adopting new services, and also enables them to extend the life of installed systems through regular feature upgrades without having to invest in new hardware purchases. Our software-defined hardware architecture also enables us to deploy the same products across multiple hardware platforms in multiple geographies by making country-specific adaptations, thus allowing us to save costs and realize economies of scale.

Our engineering and management teams have diverse experience in optical communication systems, networking protocols, Field Programmable Gate Array ("**FPGA**") design, embedded system software, application software, high-speed printed circuit board ("**PCB**") design, thermal and mechanical design, product management, quality and test engineering and reliability engineering. This multi-disciplinary skillset in a range of advanced technologies, methodologies and processes has enabled us to develop over 40 carrier-grade equipment, over 300 high-speed PCB and over 250 silicon intellectual properties ("**IPs**") as of the date of this Red Herring Prospectus.

As of April 30, 2017 we have filed 333 patent applications, with 203 filings in India, 89 filings in the United States and 6 filings in Europe, out of which 56 patents have been granted and we have also filed 35 patent applications under the Patent Cooperation Treaty.

We outsource most of our manufacturing to reputed electronics manufacturing services ("**EMS**") companies. This allows us to stay asset-light and enables us to scale-up production without requiring a corresponding increase in capital expenditure towards our own manufacturing operations. Further, our business model with operations substantially located in India, gives us significant cost advantage in research and development, product development, sales, marketing, customer support and manufacturing. Our India-based operations also allow us to design, develop, manufacture and sell high-performance and cost-competitive products in India and globally.

We sell our products predominantly through a combination of direct sales to Communication Service Providers as well as by leveraging our strong relationships with leading global optical vendors as well as integrated solution providers as original equipment manufacturer ("**OEMs**").

We have a history of high customer retention and our top five revenue generating customers (except two customers) for each of financial years 2017, 2016 and 2015 have been continuing to use our products for over a decade. Our strategic OEM relationships enable us to gain access to their customers, especially in North America and Europe and grow our international business in these geographies.

Our consolidated restated revenues from operations (net) for the Fiscal Years 2015, 2016 and 2017 were ₹3,868.26 million, ₹6,274.57 million and ₹8,781.96 million. The following table sets forth our consolidated restated revenue from operations (net), EBITDA and profit/loss for the respective periods indicated, each on a consolidated basis:

(₹ in million)

	Fiscal years		
	2015	**2016**	**2017**
Revenue from operations (net)	3,868.26	6,274.57	8,781.96
EBITDA[(1)]	685.21	1,130.46	1,742.29
Restated Profit/(Loss) for the year	(178.66)	290.05	632.22

Notes:
[(1)] *EBITDA means restated earnings before exceptional items, interest, tax, depreciation and amortization*

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

Our end-to-end portfolio of optical networking products positions us well to take advantage of the expected industry growth

Global trends such as the evolution of new high-speed internet technologies, the proliferation of affordable smartphones and smart TVs, growth in enterprise services and data centres, and increasing consumption of video content are driving rapid growth in global data consumption. These trends necessitate significant growth in optical capital expenditure by both telecommunications companies and government entities, which we are well placed to capitalize on. For further details, see "Industry Overview" on page 118. We have an end-to-end portfolio of optical networking products for access, metro and long-haul networks and are therefore well-positioned to capitalize on the expected growth in optical capital expenditure by Communication Service Providers in the private sector, government entities and Public Sector Undertakings ("**PSUs**"). We have built a reputation for technologically advanced, high quality products that are supported by our reliable customer service. We are the only India-based optical transport systems company that is TL9000 certified and our products have delivered a field uptime exceeding 99.999% since 2008. We are ranked as the sixth largest supplier in the Global Optical aggregation segment, and we are growing faster than the market. *(Source: Market Share Spreadsheet: 2Q16 ON Global, published in August 2016 by Ovum)*

Our products are deployed in the networks of many large global network operators, spanning over 60 countries as of the date of this Red Herring Prospectus. Our products utilize a programmable software-defined hardware architecture, which allows them to be customized to meet market-specific requirements of features and performance. The programmable software-defined hardware architecture, along with our adoption of global technology standards have enabled our products to be deployed worldwide, in both developed and emerging markets.

We believe that we are able to leverage our long-standing customer relationships in India and in the international markets, as well as our strong global OEM partnerships to capitalize on the expected growth in the optical capital expenditure.

Leadership in the fast growing Indian optical equipment market

In India, we had the second largest market share in the overall optical networking market (which included multinational competitors) during the year ended March 31, 2016. (*Source: Ovum Market Share Spreadsheet: 1Q16 ON Subregional EMEA and AP, published in June 2016*). We have been consistently ranked in the top-three in the last three years in terms of market share in the optical networking market. (*Source: Ovum Market Share Spreadsheet: 1Q16 ON Subregional EMEA and AP, published in June 2016*).

We are benefiting from increased optical capital expenditure in India, which is driven by rapid adoption of smartphones, increased data usage and several large government initiatives aimed at increasing broadband access in the country. Indian network operators have historically under-invested in optical fibre transmission, as compared to their peers in China and the United States, due to their initial focus on offering voice services and because of challenges in getting "Right-of-Way" for laying optical fibre in the cities. Less than 20% of cell towers in India are connected on fibre, as compared to 70-80% in developed countries. (*Source: Indian Tower Industry, The Future Is Data, published in June 2015 by Deloitte*) With the advent of high-speed 3G and 4G networks and the increased use of data, low fibre connectivity becomes an impediment for Communication Service Providers and leads to poor user experience, higher call drops and greater customer churn, as the current backhaul technology does not have adequate capacity. This is compelling network operators to invest in optical networks, upgrade their network capacities and increase the fibre-connectivity to telecommunications towers, so as to retain and grow their market share. Further, with effect from November 15, 2016, the Department of Telecommunications in India has introduced new Right of Way rules that are expected to expedite the approval process for laying of optical fibre and mobile tower infrastructure rollouts by reducing the processing time to a maximum of sixty days from the date of application. This is expected to further accelerate the deployment of optical fibre in India. For further details, see "Industry Overview" on page 118.

We believe that Government investment in the telecommunications infrastructure through projects such as the National Optical Fibre Network ("**NOFN**"), the National Knowledge Network ("**NKN**") and Smart Cities, will provide us significant business growth opportunities. In addition, we stand to benefit from Government policies such as Make in India and the Preferential Market Access ("**PMA**") Policy, which are targeted towards encouraging indigenous technology/product development and manufacturing. For further details, see "Industry Overview" on page 118.

We have an established local presence in India with four sales offices and 15 support centres around the country, which enable us to provide high quality customer support. Our products have been deployed by leading telecommunications operators in India, such as Bharti Airtel Limited, Tata Communications, Aircel Limited and Bharat Sanchar Nigam Limited, with whom we have long-standing customer relationships. Further, large public sector utilities such as Power Grid Corporation of India, RailTel Corporation of India, are our customers. Our products incorporate several key requirements of emerging markets and are hence well suited for Indian market conditions. For instance, our TJ1400 product is not only suited to the large scale transport of 2G voice traffic but can also simultaneously cater to the 4G data requirements of the Indian market.

Further, the optical and data networking products business is characterized by a high-entry barrier because of the initial investment required in research and development, demand for skilled professionals across multiple domains and the up-front time taken to successfully develop the networking products and solutions. Due to our extensive history of operations in India and incumbency with key customers, we stand to benefit from the high-entry barrier against domestic competition.

Track record and culture of innovation leading to product and technology leadership

We have made consistent investments in research and development over the years, primarily in relation to optical networking products. For Fiscal Years 2017, 2016 and 2015, our gross research and development expenses amounted to ₹730.17 million, ₹644.21 million and ₹489.58 million respectively. Out of these amounts, in line with our accounting policies, we capitalized ₹400.91 million, ₹346.81 million and ₹323.34 million. As of May 15, 2017 approximately 51.57% of our employees work in research and development functions.

We are a differentiated technology company and have demonstrated the ability to keep pace across technology cycles (from 2G to 3G to 4G) because of our early research and development efforts. We have consistently upgraded or launched new products in anticipation of changing technologies, adoption of faster speed networks and transformation from legacy to new generation networks. For example, we anticipated the adoption of Multiprotocol Label Switching – Transport Profile ("**MPLS-TP**") technology for packet transport networks and implemented it on our TJ1400 and TJ1600 products.

We endeavour to design our products to ensure they are "future ready", by using programmable software-defined hardware architecture which enables us to adapt to changes in technologies, new standards and customer requirements.

Recent additions to our optical product portfolio address broadband access requirements on optical fibre using the Gigabit Capable Passive Optical Network ("**GPON**") technology for Fiber to the X ("**FTTX**") applications which includes Fiber to the Home/Premise/Building/Node/Curb applications. GPON expands our addressable market to include the residential and enterprise broadband access over optical fibre. We are also investing in products for wireless broadband access using Fourth Generation Long-Term Evolution ("**4G/LTE**") technology. For details, see "Our Operations – Optical Networking Products".

In addition, we are tracking and driving emerging international standards in 5G and optical networking through our leadership in the Telecommunications Standards Development Society, India ("**TSDSI**"). We are an active member of TSDSI and regularly contribute by participating and leading technical working groups in the wireless and optical domains. Our Chief Technology Officer Dr. Kumar N. Sivarajan was the first chairman of TSDSI, from October 2014 to October 2016 and continues to serve on TSDSI's Governing Council. We consistently innovate and upgrade our product and solutions portfolio which gives us a technology advantage and helps us in retaining our existing customers and in the acquisition of new customer accounts. As of the date of this Red Herring Prospectus, we have developed over 300 high-speed PCBs, over 250 silicon IPs and more than 3 million lines of software code, which have contributed to the development of over 40 carrier-grade products, since our inception. Our innovations have also resulted in the filing of 333 patent applications as of April 30, 2017.

Software-defined hardware with ease of use

Our products are characterized by flexible architecture based around a proprietary software base and a common hardware platform. We have a portfolio of re-usable "building blocks" of hardware as well as software, which enables us to develop cost-effective and highly customizable products and also provides a time-to-market advantage.

Our products utilise a programmable software-defined hardware architecture implemented with programmable semiconductor devices, and a common software code-base that delivers an app-like ease of development and upgrades of new features and technology standards. Further, our advanced software and hardware integration leads to higher performance and lower costs. We are able to help Communication Service Providers manage costs by enabling them to extend the life of installed systems through regular software upgrades which help them transition across technology changes in their networks, without having to invest in new hardware purchases. Our software led approach also enables us to sell the same product globally by making country specific adaptations.

Our scalable, re-programmable and re-usable products allow reduction in total cost of ownership for our customers and improve the overall efficiencies of their network and operations.

Cost and capital efficient business model

Our business model is based on locating substantially all of our operations in India, except for international sales and support, which results in significantly lower operating expenses as compared to our global competitors. Further, since all our research and development is based in India, we are able to develop state-of-the-art products and are able to generate significantly better returns on our research and development investments, by leveraging the availability of qualified and cost-effective engineering talent in India.

We manufacture our products in India through partnerships with reputed EMS companies, Sanmina Corporation and Cyient helping us to stay asset-light and cost-efficient in production. We have an in-house manufacturing facility focused on final integration, testing and quality control in order to ensure only high quality products are delivered to our customers.

Our turn-key EMS model is highly scalable and capital efficient. It allows us to adjust our manufacturing capacity to meet changes in customer demand, while optimizing our working capital since the EMS takes the responsibilities of sourcing and managing long-lead components. We do maintain direct relationships with our strategic component suppliers in order to get prompt technical support, favourable pricing and short delivery times.

Further, we have an experienced sales and customer support team. As of May 15, 2017 our 64 member sales team is ably supported by a 120-member customer support team for technical support, installation, commissioning and training. For our international sales, we leverage our partnerships with leading global optical and integrated systems vendors as OEMs to sell in the global markets. This allows us to keep our sales costs low while selling to the OEMs' customers that may otherwise not be accessible to us.

Long standing customer relationships with strong repeat business

Our end-to-end product portfolio has helped us forge strong relationships with our major clients. We sell our products predominantly through a combination of direct sales to Communication Service Providers as well as by leveraging our strong relationships with OEMs. Our products have been deployed by leading telecommunications companies and we also have PSUs, who offer telecommunication services, as our clients. In addition, we have utility companies such as railways, electricity and oil and gas companies as our clients, who use our products to build optical communication networks for their internal use to reliably carry monitoring and control traffic from/to their field systems over long distances.

We have a history of high client retention from both private and public sector clients and derive a significant proportion of our revenues from repeat business (defined as repeat business generated from a customer in the past five financial years) built on our successful execution of prior engagements. In Financial Years 2015, 2016 and 2017, we generated 94.06%, 96.16% and 88.47%, respectively, of our revenue from operations (net) from existing clients. In addition, our top five revenue generating customers (except two customers) for each of the financial years 2017, 2016 and 2015 have been continuing to use our products for over a decade. We have also increased the product portfolio provided to our clients over periods of time. For instance, we introduced GPON products in 2016.

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

Strong professionally managed team with significant industry experience

We have a strong and experienced management team which provides us with a competitive advantage. Our key management personnel comprising our Chief Executive Officer, Chief Technology Officer and President- Optical Products have advanced degrees in engineering from US universities and have an average of over 25 years of global experience. Several key members of our management team have been with us for more than ten years and have extensive experience in the industry. We have built our leadership team to include personnel with experience in optical communication systems, networking protocols, FPGA design, embedded system software, application software, high-speed PCB design, thermal and mechanical design, product management, quality and test engineering and reliability engineering- working both in India as well as internationally.

Our Strategy

Continue investments in innovations focused on the high growth optical networking segments

We have an end-to-end portfolio of networking products for access, metro and long-haul networks. We aim to continue investing in research and development and expand our product portfolio with a particular focus on the high growth segments of the optical communications market.

We expect high growth in segments such as 100 Gbps, greater-than 100 Gbps, Optical Transport Network ("**OTN**"), Converged Packet Optical ("**CPO**") and Reconfigurable Optical Add-drop Multiplexer ("**ROADM**") in the near future. 100 Gbps and greater-than 100 Gbps technologies are displacing both 10 Gbps and 40 Gbps in metro and core networks. Further, CPO continues to be the preferred optical aggregation platform. Global CPO Revenues are expected to grow at a CAGR of 7.8% from US$ 8.3 billion in 2014 to US$ 12.9 billion by 2020. Further, the demand for optical switching technologies, ROADM and OTN, is growing rapidly at a CAGR of 11.1% and 14.6% respectively. The global revenue for ROADM is expected to grow from US$ 4.5 billion in 2014 to US$ 8.4 by 2020. The global market for OTN is expected to grow from US$ 3.6 billion in 2014 to US$ 8.2 billion by 2020. *(Source: Optical Networks Forecast Spreadsheet: 2015-20 published in December 2015 by Ovum)* For further details, see "Industry Overview" on page 118.

We intend to continue our investments in the above segments and develop new products such as CPO, PTN and DWDM products with 100 Gbps/200 Gbps/400 Gbps interfaces, CPO and DWDM products with ROADM functionalities and OTN switches, which will strengthen our solutions in these segments. We intend to leverage our re-usable hardware and software building blocks to shorten our product development cycles.

Expand into newer and adjacent product areas

We intend to expand our product portfolio into new and adjacent product areas which serve the requirements of our existing and targeted customer base. For instance, we have recently introduced our FTTX product based on GPON technology to deliver high-speed broadband on fibre to customer premises. Our GPON Optical Line Terminal ("**OLT**") is an add-on blade on our existing TJ1400 product, giving us an opportunity to sell this solution to the large deployed base of TJ1400, at an incremental cost. For further details, see "Our Operations – Our Products – New Broadband Access Products" on page 152. We intend to leverage our incumbency and relationships in the Indian market as well as with customers in other international markets to sell from our expanded product portfolio. In addition, we also aim to sell our new products to new customers (such as our LTE products to fixed wireless operators and Ethernet switches to large enterprises for their campus switch requirements).

We are currently investing in new products in the following adjacent areas:

- LTE (eNodeB and EPC): Wireless access product on 4G/LTE to provide fixed wireless services to enterprises, residential customers and for mobile backhaul.

- Next-generation PON: Higher-speed fiber broadband products based on new and emerging PON standards such as 10G EPON, XGS-PON and NG-PON2 (TWDM PON). 10G EPON is an IEEE fiber broadband standard for residential networks that can offer up to 10Gbps bandwidth to subscribers. XGS-PON is an ITU standard that enables CSPs to offer up to 10Gbps symmetrical bandwidth to subscribers. NG-PON2 (TWDM PON) is also an ITU standard that supports multiplexing of multiple wavelengths with tunable optics to enhance capacity and deliver faster service restoration in the case of enterprise applications. We are also developing a next-generation Optical Network Terminal ("**ONT**") product as a virtualized customer premises equipment ("**vCPE**") for software-defined wide area networks ("**SD-WAN**"), based on the emerging Network Functions Virtualization ("**NFV**") paradigm.

- L2/L3 Ethernet Switches: We are targeting this product initially for use in large enterprise campus networks such as those being built by defence, state wide area networks and smart cities. We expect that several of these will be Government-funded projects and covered under the PMA policy. For further details, see *"*Industry Overview*"* on page 118. We have received initial orders for this product.

Continue to strengthen our leadership position in India

We have a strong incumbent advantage in India and we will continue to invest in sales efforts to increase our market share in the expanding Indian market. The key elements of our growth strategy for India, in relation to both private and PSU Communications Service Providers are set forth below:

In relation to private Communications Service Providers, we intend to leverage our relationships across customer organizations (from the senior management down to the operations teams) to capture a larger portion of their optical and data networking spend. We also intend to sell add-on upgrades on our existing deployed products, based on existing as well as new technologies. Further, we aim to win repeat business from our customers as they increase their overall expenditure to expand their optical network footprint and upgrade their network capacities for higher data traffic. Using our strong local support presence, we aim to become a preferred partner for our customers' operational teams.

We intend to utilize the benefits of PMA policy to gain a large share of government procurements in the telecommunication sector and build on our successful track record in executing projects for PSU customers to get repeat business. Further, we are also expanding our product portfolio to meet the technical requirements of large upcoming government projects. Lastly, we expect to benefit from government projects (such as Smart City, NOFN, NFS, NKN, Digital India and Make in India) that will require significant capital expenditure by the Government. For further details, see *"*Industry Overview*"* on page 118.

Expand global sales network in emerging and selected developed markets

We intend to build customer relationships both in high-growth emerging markets as well as in certain developed countries, where we believe we have a significant advantage compared to our competitors. Accordingly, we aim to strengthen sales operations in these geographies, by adding more sales and customer support personnel, leveraging our existing customer relationships and market position to capture larger proportion of customer spend and increasing direct sales focus on new countries in emerging markets.

In relation to emerging markets, we believe we can replicate our business model in India in other emerging markets, which have similar market conditions and customer needs. We already have made inroads with customer wins in SAARC, South-East Asia, Africa and Central America and will continue to expand our sales investments in these geographies. We benefit from reduced competitive intensity as the US and European vendors have been consolidating. For further details, see "Industry Overview" on page 118. Further, we expect to benefit from the Government of India's focus on promotion of telecom project exports to SE Asia and African countries.

In relation to developed markets, we intend to expand our existing OEM relationships with Ciena Corporation, NEC Corporation and RAD Data Communications Ltd and also explore other potential partnerships. We provide complementary products to our OEM partners, who in turn integrate our products with their own product offerings, to provide a comprehensive solution to their service provider relationships. Examples of such offerings by our OEM partners include:

- Utility network modernisation projects with seamless evolution to next-generation communication architectures;

- Transitioning legacy networks of telecommunications carriers into robust, cost-effective, network infrastructures that can handle higher bandwidth demands.

- As a feeder for metro optical networks, and for delivering wireless backhaul and enterprise business services.

Our OEM partners value their relationship with us because it readily allows them to offer a complete competitive solution, based on their own products and complemented by our products.

In addition, we aim to build sales networks in developed markets, such as the United States, to target segments, which may not be the focus areas for our OEM partners (e.g., small local telecom operators and utility companies). Our non-exclusive OEM relationships allow us to do this.

Furthermore, we intend to increase our international sales and market share by leveraging the efforts of the Telecom Export Promotion Council ("**TEPC**") and by becoming a part of large telecom export projects that the Government of India may secure using government-to-government line of credit and sovereign loans from EXIM Bank of India. Our Chief Executive Officer, is currently Co- Chairman of TEPC.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Standalone Restated Financial Information of our Company and the Consolidated Restated Financial Information of our Company.

The Restated Financial Information have been prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations and presented under the "Financial Statements" on page 189. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 189 and 334 respectively.

STANDALONE RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(*All amounts in Rupees Million except for share data or as otherwise stated*)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	740.06	665.23	1,255.31	1,009.79	1,009.79
Reserves and surplus	4,259.96	3,030.84	2,165.85	2,331.43	2,278.71
	5,000.02	**3,696.07**	**3,421.16**	**3,341.22**	**3,288.50**
Non-current liabilities					
Long-term borrowings	20.00	290.00	50.00	300.00	30.00
Other long-term liabilities	-	-	-	4.35	1.75
Long-term provisions	35.65	19.64	14.24	15.92	25.64
	55.65	**309.64**	**64.24**	**320.27**	**57.39**
Current liabilities					
Short-term borrowings	2,259.08	2,174.36	2,090.52	2,179.13	1,768.96
Trade payables					
Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	1,357.93	1,998.03	1,226.74	1,418.64	1,136.97
Other current liabilities	370.74	152.19	303.87	119.42	54.90
Short-term provisions	38.29	28.68	19.57	19.73	10.08
	4,026.04	**4,353.26**	**3,640.70**	**3,736.92**	**2,970.91**
TOTAL	**9,081.71**	**8,358.97**	**7,126.10**	**7,398.41**	**6,316.80**
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	279.86	290.99	260.91	289.70	132.44
Intangible assets	640.93	651.91	247.81	356.01	634.54
Tangible Capital work-in-progress	-	-	1.32	-	2.13
Intangible assets under development	192.86	524.67	883.36	843.23	717.66
Non-current investments	45.89	45.89	45.89	45.88	45.67
Long-term loans and advances	290.14	558.10	543.84	535.82	486.33
Other non-current assets	1,170.20	316.22	30.23	340.07	8.56
	2,619.88	**2,387.78**	**2,013.36**	**2,410.71**	**2,027.33**
Current assets					
Current investments	-	-	-	-	-
Inventories	1,823.34	2,315.81	2,221.95	2,083.11	2,007.22

Trade receivables	3,420.72	2,491.37	1,947.18	2,174.01	1,263.74
Cash and Bank balances	697.37	690.46	478.84	220.19	554.19
Short-term loans and advances	449.83	323.08	249.45	347.70	416.96
Other current assets	70.57	150.47	215.32	162.69	47.36
	6,461.83	**5,971.19**	**5,112.74**	**4,987.70**	**4,289.47**
TOTAL	**9,081.71**	**8,358.97**	**7,126.10**	**7,398.41**	**6,316.80**

STANDALONE RESTATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
INCOME					
Revenue from operations (gross)	9,232.90	6,725.71	4,060.99	4,119.87	2,921.33
Less: Excise duty	579.48	470.37	202.66	172.57	171.52
Revenue from operations (net) (A)	**8,653.42**	**6,255.34**	**3,858.33**	**3,947.30**	**2,749.81**
EXPENSES					
Cost of materials consumed	5,153.94	3,548.50	2,040.10	1,859.24	1,364.12
Employee benefits expense	732.99	634.18	477.18	430.89	429.82
Other expenses	1,116.20	964.31	656.25	713.63	493.54
Total expenses (B)	**7,003.13**	**5,146.99**	**3,173.53**	**3,003.76**	**2,287.48**
Restated Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (A - B)	**1,650.29**	**1,108.35**	**684.80**	**943.54**	**462.33**
Finance Cost	(307.99)	(485.69)	(459.21)	(441.60)	(334.47)
Depreciation and amortisation expense	(564.22)	(382.43)	(485.51)	(558.46)	(480.29)
Other Income	71.45	34.73	94.34	109.24	128.61
Restated Profit / (Loss) before exceptional items and tax	**849.53**	**274.96**	**(165.58)**	**52.72**	**(223.82)**
Exceptional items					
Provision for diminution in the value of long term investments	-	-	-	-	(541.87)
Intangible assets in progress written off	(304.68)	-	-	-	-
Restated Profit / (Loss) before tax	**544.85**	**274.96**	**(165.58)**	**52.72**	**(765.69)**
Tax expense					
Current tax expense for current year	12.77	-	-	-	-
Deferred tax	-	-	-	-	-
Restated Profit / (Loss) for the year	**532.08**	**274.96**	**(165.58)**	**52.72**	**(765.69)**
Earning per share (Par Value Rs. 10 each)					
(a) Basic	**7.92**	**4.46**	**(2.69)**	**0.86**	**(12.44)**
(b) Diluted	**7.92**	**4.13**	**(2.69)**	**0.86**	**(12.44)**

STANDALONE RESTATED SUMMARY STATEMENT OF CASH FLOWS

(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars		For the year ended				
		March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
CASH FLOW FROM OPERATING ACTIVITIES						
Profit / (Loss) before Tax		544.85	274.96	(165.58)	52.72	(765.69)
Adjustments For						
Depreciation and Amortization		564.22	382.43	485.51	558.46	480.29
Provision for receivables		14.36	33.53	182.87	134.65	62.40
Bad trade and other receivables, loans and advances written off		52.58	503.00	-	-	-
Provision for doubtful trade and other receivables, loans and advances released		(33.53)	(402.00)	-	-	-
Provision for Obsolete inventory		-	-	-	-	39.79
KESDM Receivable Written off		70.72	-	-	-	-
Provision for diminution in value of long term investment		-	-	-	-	541.87
Interest income		(41.10)	(34.45)	(34.02)	(33.77)	(36.04)
Finance costs		307.99	485.69	459.21	441.60	334.47
Dividend Income		-	-	-	-	(3.36)
Unrealised Exchange Difference on translation of foreign currency - cash & cash equivalents		0.67	(1.14)	(5.99)	1.86	(1.10)
Unrealised Exchange Difference (Net)		(39.29)	(23.21)	4.09	(10.57)	(12.87)
Loss / (Profit) on sale of fixed assets		-	-	(4.40)	-	28.90
Intangible assets in progress written off		304.68	-	-	-	-
Liabilities no longer required written back		(15.13)	-	-	-	-
Operating profit before Working Capital Changes		**1,731.02**	**1,218.81**	**921.69**	**1,144.95**	**668.66**
Changes in working capital:						
Adjustments for (increase) / decrease in operating assets:						
Inventories		492.53	(94.00)	(138.64)	(76.91)	(17.18)
Trade receivables		(994.04)	(381.33)	(194.13)	(733.00)	(562.12)
Short-term loans and advances		(126.77)	(73.60)	98.90	63.86	82.34
Long-term loans and advances		319.98	7.90	14.90	(49.49)	(26.19)
Other current assets		10.60	62.30	(49.60)	(113.36)	(29.02)
Other non current assets		-	(285.97)	309.83	(331.52)	(6.95)
Adjustments for increase / (decrease) in operating liabilities:						
Trade payables		(657.43)	746.53	(219.16)	249.67	394.94
Other current liabilities		(40.64)	85.60	(62.70)	64.52	8.18
Short-term provisions		9.61	9.20	-	9.64	(1.29)
Long-term provisions		16.02	5.40	(1.70)	(9.72)	(5.23)
Cash generated from operations		**760.88**	**1,300.84**	**679.39**	**218.64**	**506.14**
Less: Income tax paid		(64.79)	(22.10)	(23.56)	(26.14)	(10.00)
NET CASH GENERATED BY OPERATING ACTIVITIES (A)		**696.09**	**1,278.74**	**655.83**	**192.50**	**496.14**
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of fixed assets and change in CWIP		(514.99)	(456.70)	(389.69)	(561.16)	(618.69)

Particulars		For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Sale proceeds from sale of fixed assets		-	-	4.45	-	2.13
Placed in bank deposits not considered as cash and cash equivalents		(939.20)	(84.30)	65.39	(219.94)	17.89
Dividend Income		-	-	-	-	3.36
Interest income		39.54	37.20	34.04	36.61	46.10
Purchase of investments		-	-	-	(1.35)	-
Sale of investments		-	-	-	-	158.57
Advance against equity of TCPL returned		-	-	-	1.14	-
NET CASH GENERATED / (USED) IN INVESTING ACTIVITIES (B)		**(1,414.65)**	**(503.80)**	**(285.81)**	**(744.70)**	**(390.64)**
CASH FLOW FROM FINANCING ACTIVITIES						
Finance costs		(308.78)	(483.00)	(466.40)	(437.93)	(332.65)
Working capital borrowings - net		75.93	(155.74)	(82.20)	418.96	116.93
Repayment of long term borrowings		(10.00)	240.00	-	270.00	30.00
Proceeds from issue of shares		771.87	-	245.52	-	394.33
NET CASH GENERATED / (USED) IN FINANCING ACTIVITIES (C)		**529.02**	**(398.74)**	**(303.08)**	**251.03**	**208.61**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		(189.54)	376.20	66.94	(301.17)	314.11
Cash & cash equivalents at the beginning of the year		486.84	104.65	39.57	339.64	25.63
Add/(Less): Unrealised exchange gain/(loss)		1.14	5.99	(1.86)	1.10	(0.10)
		487.98	**110.64**	**37.71**	**340.74**	**25.53**
Cash & cash equivalents at the end of the year		298.44	486.84	104.65	39.57	339.64
Add/(Less): Unrealised exchange gain/(loss)		(0.67)	1.14	5.99	(1.86)	1.10
		297.77	**487.98**	**110.64**	**37.71**	**340.74**
Notes:						
Components of Cash & Cash Equivalents:						
Cash on hand		-	0.05	0.08	0.06	0.03
Balances with banks						
In current accounts		162.13	466.55	42.78	12.38	34.99
In EEFC accounts		28.02	6.33	9.14	25.27	24.59
In deposit accounts		107.62	15.05	58.64	-	281.13
Total Cash and Cash Equivalents		**297.77**	**487.98**	**110.64**	**37.71**	**340.74**

CONSOLIDATED RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	740.06	665.23	1,255.31	1,009.79	1,009.79
Reserves and surplus	4,266.58	2,940.08	2,056.30	2,234.76	2,202.08
	5,006.64	**3,605.31**	**3,311.61**	**3,244.55**	**3,211.87**
Non-current liabilities					
Long-term borrowings	20.00	290.00	50.00	300.00	74.79
Other long-term liabilities	-	-	-	4.34	1.75
Long-term provisions	35.65	19.64	14.26	15.92	25.64
	55.65	**309.64**	**64.26**	**320.26**	**102.18**
Current liabilities					
Short-term borrowings	2,259.18	2,240.33	2,151.75	2,315.73	2,126.84
Trade payables					
Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	1,399.50	1,996.49	1,376.37	1,372.40	1,034.74
Other current liabilities	402.40	202.58	357.00	179.34	77.70
Short-term provisions	38.37	28.68	19.57	19.72	10.07
	4,099.45	**4,468.08**	**3,904.69**	**3,887.19**	**3,249.35**
TOTAL	**9,161.74**	**8,383.03**	**7,280.56**	**7,452.00**	**6,563.40**
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	279.99	291.12	261.04	289.74	132.51
Intangible assets	640.91	651.89	247.79	355.99	634.52
Tangible Capital work-in-progress		-	1.33	-	2.13
Intangible assets under development	186.16	518.06	876.69	836.56	710.97
Non-current investments	0.01	0.01	0.01	-	-
Long-term loans and advances	290.77	560.37	546.22	538.07	489.02
Other non-current assets	1,170.20	316.22	30.25	340.07	8.56
	2,568.04	**2,337.67**	**1,963.33**	**2,360.43**	**1,977.71**
Current assets					
Current investments	-	-	-	-	-
Inventories	1,817.24	2,316.79	2,209.07	2,085.67	2,141.47
Trade receivables	3,579.95	2,542.41	2,076.19	2,233.01	1,379.02
Cash and Bank balances	709.37	693.83	499.49	229.19	584.06
Short-term loans and advances	416.57	341.86	317.13	380.98	433.78
Other current assets	70.57	150.47	215.35	162.72	47.36
	6,593.70	**6,045.36**	**5,317.23**	**5,091.57**	**4,585.69**
TOTAL	**9,161.74**	**8,383.03**	**7,280.56**	**7,452.00**	**6,563.40**

CONSOLIDATED RESTATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
INCOME					
Revenue from operations (gross)	9,361.44	6,744.94	4,070.92	4,403.12	3,864.23
Less: Excise duty	579.48	470.37	202.66	172.57	171.52
Revenue from operations (net) (A)	**8,781.96**	**6,274.57**	**3,868.26**	**4,230.55**	**3,692.71**
EXPENSES					
Cost of materials consumed	5,140.53	3,506.55	1,981.30	2,085.28	2,258.07
Employee benefits expense	763.23	665.27	495.11	449.00	450.79
Other expenses	1,135.91	972.29	706.64	746.60	542.20
Total expenses (B)	**7,039.67**	**5,144.11**	**3,183.05**	**3,280.88**	**3,251.06**
Restated Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (A - B)	**1,742.29**	**1,130.46**	**685.21**	**949.67**	**441.65**
Finance Cost	(315.20)	(493.15)	(469.59)	(459.79)	(356.17)
Depreciation and amortisation expense	(564.22)	(382.43)	(485.65)	(558.50)	(480.32)
Other Income	86.80	35.17	91.37	96.39	94.95
Restated Profit / (Loss) before exceptional items and tax	**949.67**	**290.05**	**(178.66)**	**27.77**	**(299.89)**
Exceptional items					
Intellectual Property write off	-	-	-	-	(386.28)
Goodwill written off	-	-	-	-	(101.95)
Intangible assets in progress written off	(304.68)	-	-	-	-
Restated Profit / (Loss) before tax	**644.99**	**290.05**	**(178.66)**	**27.77**	**(788.12)**
Tax expense					
Current tax expense for current year	12.77	-	-	-	2.31
Deferred tax	-	-	-	-	-
Restated Profit / (Loss) for the year	**632.22**	**290.05**	**(178.66)**	**27.77**	**(790.43)**
Earning per share (Par Value Rs. 10 each)					
(a) Basic	**9.40**	**4.71**	**(2.90)**	**0.45**	**(12.84)**
(b) Diluted	**9.40**	**4.36**	**(2.90)**	**0.45**	**(12.84)**

CONSOLIDATED RESTATED SUMMARY STATEMENT OF CASH FLOWS

(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars		For the year ended				
		March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
CASH FLOW FROM OPERATING ACTIVITIES						
Profit / Loss before Tax		644.99	290.05	(178.66)	27.77	(790.43)
Translation reserve		-	-	-	-	5.45
Adjustments For						
Depreciation and Amortization		564.22	382.43	485.65	558.50	480.32
Provision for receivables		16.05	76.23	182.87	110.35	62.40
Bad trade and other receivables, loans and advances written off		52.58	503.00	-	-	-
Provision for doubtful trade and other receivables, loans and advances released		(33.53)	(402.00)	-	24.32	-
Provision for Obsolete inventory		-	-	-	-	39.79
KESDM Receivable Written off		70.72	-	-	-	-
Write off of goodwill		-	-	-	-	101.95
Interest income		(41.12)	(34.46)	(34.04)	(33.79)	(36.05)
Finance costs		315.20	493.15	469.59	459.79	356.17
Dividend Income		-	-	-	-	(3.36)
Unrealised Exchange Difference on translation of foreign currency - cash & cash equivalents		0.67	(1.10)	(6.20)	5.38	(1.11)
Unrealised Exchange Difference (Net)		(38.66)	(27.30)	4.15	(7.55)	(12.86)
Loss / (Profit) on sale of fixed assets		-	-	(4.45)	-	29.14
Liabilities no longer required written back		(15.13)	-	-	-	-
Profit on write back off borrowing		-	-	-	(6.22)	-
Intangible assets in progress written off		304.68	-	-	-	-
Operating profit before Working Capital Changes		**1,840.67**	**1,280.00**	**918.91**	**1,138.55**	**231.41**
Changes in working capital:						
Adjustments for (increase) / decrease in operating assets:						
Inventories		499.70	(107.72)	(123.50)	75.92	137.25
Trade receivables		(1,105.64)	(353.37)	(264.12)	(896.82)	(628.41)
Short-term loans and advances		(74.98)	(24.80)	64.60	47.36	66.24
Long-term loans and advances		320.96	8.00	14.80	(47.97)	(26.08)
Other current assets		10.60	62.20	(49.60)	(110.00)	(29.02)
Other non current assets		-	(285.93)	309.82	(331.51)	(6.95)
Adjustments for increase / (decrease) in operating liabilities:						
Trade payables		(614.36)	611.03	(16.68)	317.59	532.20
Other current liabilities		(9.58)	86.20	(69.40)	101.64	(19.95)
Short-term provisions		9.69	9.20	0.20	9.65	(1.29)
Long-term provisions		16.02	5.40	(1.70)	(9.72)	(5.23)
Cash generated from operations		**893.08**	**1,290.21**	**783.33**	**294.69**	**250.17**
Less: Income tax paid		(64.16)	(22.10)	(23.56)	(26.14)	2.31
NET CASH GENERATED BY OPERATING ACTIVITIES (A)		**828.92**	**1,268.11**	**759.77**	**268.55**	**252.48**
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of fixed assets and change in CWIP		(514.99)	(456.67)	(389.69)	(561.16)	(228.87)
Sale proceeds from sale of fixed assets		-	-	4.45	-	2.13

Particulars		For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Placed in bank deposits not considered as cash and cash equivalents		(939.20)	(84.30)	65.39	(219.94)	17.89
Dividend Income		-	-	-	-	3.36
Interest income		39.56	37.20	34.04	36.62	46.11
Purchase of investments		-	-	(0.01)	-	-
Sale of investments		-	-	-	-	158.57
NET CASH GENERATED / (USED) IN INVESTING ACTIVITIES (B)		**(1,414.63)**	**(503.77)**	**(285.82)**	**(744.48)**	**(0.81)**
CASH FLOW FROM FINANCING ACTIVITIES						
Finance costs		(315.99)	(490.50)	(476.77)	(457.20)	(356.23)
Working capital borrowings - net		8.61	(3.40)	-	341.18	46.35
Repayment of long-term borrowings		(59.69)	88.50	(164.32)	270.00	-
Proceeds from issue of shares		771.87	-	245.52	-	394.33
NET CASH GENERATED / (USED) IN FINANCING ACTIVITIES (C)		**404.80**	**(405.40)**	**(395.57)**	**153.98**	**84.45**
Net (decrease)/increase in cash and cash equivalents	(A+B+C)	(180.91)	358.94	78.38	(321.95)	336.12
Cash & cash equivalents at the beginning of the year		490.23	125.09	48.66	369.50	33.48
Add/(Less): Unrealised exchange gain/(loss)		1.12	6.20	(1.95)	1.11	(0.10)
		491.35	**131.29**	**46.71**	**370.61**	**33.38**
Cash & cash equivalents at the end of the year		310.44	490.23	125.09	48.66	369.50
Add/(Less): Unrealised exchange gain/(loss)		(0.67)	1.12	6.20	(1.95)	1.11
		309.77	**491.35**	**131.29**	**46.71**	**370.61**
Notes:						
Components of Cash & Cash Equivalents:						
Cash on hand		-	0.05	0.15	0.12	0.03
Balances with banks						
In current accounts		174.13	469.92	63.36	21.31	64.86
In EEFC accounts		28.02	6.33	9.14	25.28	24.59
In deposit accounts		107.62	15.05	58.64	-	281.13
Total Cash and Cash Equivalents		**309.77**	**491.35**	**131.29**	**46.71**	**370.61**

THE OFFER

The following table summarises the Offer details:

Offer of Equity Shares	Up to [●] Equity Shares aggregating up to ₹[●] million
of which	
Fresh Issue(1)	Up to [●] Equity Shares aggregating up to ₹4,500 million
Offer for Sale(2)	Up to 12,711,605 Equity Shares aggregating up to ₹[●] million
The Offer comprises of:	
A) QIB portion(3)(4)	At least [●] Equity Shares
of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Net QIB Portion i.e. balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion excluding the Anchor Investor Portion)	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion(4)	Not more than [●] Equity Shares
C) Retail Portion(4)	Not more than [●] Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	72,038,130(5) Equity Shares
Equity Shares outstanding after the Offer (6)	[●] Equity Shares
Use of Net Proceeds	See "Objects of the Offer" on page 105 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For further details, see "Offer Procedure - Basis of Allotment" on page 423. For details of the terms of the Offer, see "Terms of the Offer" on page 384. For details of the Offer procedure, including the grounds for rejection of Bids, see "Offer Procedure" on page 391.

(1) The Fresh Issue has been authorised by a resolution of our Board of Directors dated September 23, 2016 and a special resolution of our Shareholders in their EGM dated November 19, 2016

(2) The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	*Number of Equity Shares offered in the Offer for Sale*	*Date of consent/board resolution*
Cascade Capital Management Mauritius	*Upto 5,330,000*	*February 9, 2017*
India Industrial Growth Fund Limited	*Upto 2,514,147*	*February 9, 2017*
Intel Capital (Cayman) Corporation	*Upto 1,066,361*	*February 9, 2017*
Sandstone Private Investments	*897,450*	*January 26, 2017*
Sanjay Nayak	*790,000*	*November 25, 2016*
Kumar N Sivarajan	*593,000*	*November 25, 2016*
Arnob Roy	*500,000*	*November 25, 2016*
Govindan Kutty Thrithala	*200,000*	*December 16, 2016*
B. N. Satyesh	*78,132*	*December 2, 2016*
Sarath Kumar	*70,000*	*January 24, 2017*
Osher LP	*Upto 68,370*	*February 9, 2017*
Soumya Desai	*67,500*	*November 22, 2016*
Nicholas Basker	*55,500*	*November 24, 2016*
Manish Gangey	*50,000*	*November 21, 2016*
Hirenkumar Thakorlal Desai	*50,000*	*January 24, 2017*
Ramanathan Narayanan	*40,800*	*November 21, 2016*
Sanjay Malpani	*37,000*	*November 21, 2016*
Gopi Krishna M.	*35,313*	*November 21, 2016*
Parthasarathi Palai	*34,500*	*November 24, 2016*
Gajendra Singh Ranka	*29,250*	*January 24, 2017*
Milind M. Kulkarni	*43,200*	*November 24, 2016*
Vivek Shenoy	*50,000*	*November 23, 2016*

Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of consent/board resolution
Nethi Venkata Subba Rao	30,900	November 24, 2016
K. Vasantha Kumar	10,050	January 24, 2017
Gopalkrishna Adyar Nayak	8,996	November 23, 2016
Dileep Kumar S.	7,786	November 23, 2016
Rajesh S.	7,750	February 7, 2017
Ashwavaidhyam Nagaraja Anand	7,500	November 28, 2016
Ravinder Souda	7,500	January 24, 2017
Gururaj N.	4,950	January 13, 2017
Dharma Rao P. V.	4,350	November 23, 2016
Murali G. D.	3,360	November 22, 2016
Kishore Yetikuri	3,150	November 24, 2016
Chakradhar Grandhi	3,000	January 24, 2017
Ganesh Subramonian	2,700	November 23, 2016
Nipun Sahni	2,400	November 24, 2016
Mithun Gopal V. V.	1,575	November 22, 2016
Kiran Kumar Kella	990	November 21, 2016
Vasudeva Rao Hundi	900	November 23, 2016
Jishnu A.	900	November 20, 2016
Harry C. D.	750	November 22, 2016
Dattatreya Prasad B.N.	750	January 24, 2017
Motamarri Siva Prasad	540	November 22, 2016
Shwetha V. R.	150	November 23, 2016
Shwetha Nithin Pillappa	135	November 22, 2016
Total	**12,711,605**	

The Equity Shares being offered by each Selling Shareholder have been held by it for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer

(3) Our Company may, in consultation with the Selling Shareholders and the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced for the shares allocated to Anchor Investors. 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. In the event of an under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB 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. Any unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 391. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations

(4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the Selling Shareholders and the BRLMs and the Designated Stock Exchange in a proportionate basis. However, under-subscription, if any, in the QIB portion will not be allowed to be met with spill-over from other categories or combination of categories

(5) Does not include the 32,727,930 partly paid-up Equity Shares issued by our Company on June 11, 2010, which were subsequently forfeited on July 25, 2016.

(6) Post completion of the Offer, no single Shareholder of our Company shall hold more than 24.99% of the Post-Offer Equity Share Capital of our Company

GENERAL INFORMATION

Registered and Corporate Office

Tejas Networks Limited

J. P. Software Park, Plot No 25
Sy. No. 13, 14, 17 & 18
Konnapana Agrahara Village
Begur Hobli, Bengaluru 560 100
Karnataka, India
Tel: +91 80 4179 4600
Fax: +91 80 2852 0201
E-mail: corporate@tejasnetworks.com
Website: www.tejasnetworks.com

Corporate Identity Number: U72900KA2000PLC026980

Registration Number: 026980

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies

'E' Wing, 2nd Floor
Kendriya Sadan
Koramangala
Bengaluru 560 034
Karnataka, India

Board of Directors

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

Name	Designation	DIN	Address
Balakrishnan V.	Non-Executive, Independent Director and Chairman	02825465	567, 6th Main Road, 3rd Stage, 3rd Block, Basaveshwara Nagar, Bengaluru 560 079, Karnataka, India
Sanjay Nayak	Managing Director and Chief Executive Officer	01049871	No. 529, 6F Cross, 17th D Main, 6th Block, Koramangala, Bengaluru 560 095, Karnataka, India
Dr. Gururaj Deshpande	Non-Executive Director	01979383	11, Fairway Drive, Andover, MA 01810, United States of America
Shirish Saraf	Non-Executive, Additional Director	01918219	Flat No. 603, Block - 17, Heritage City, Gurgaon 120 002, Haryana, India
Leela Krishnamurthy Ponappa	Non-Executive, Independent Director	07433990	71 IFS Villas, P6 Greater Noida 201 310, Uttar Pradesh, India

For further details of our Directors, see "Our Management" on page 172.

Company Secretary and Compliance Officer

Krishnakanth G. V.
Tejas Networks Limited
J. P. Software Park, Plot No 25
Sy. No. 13, 14, 17 & 18
Konnapana Agrahara Village
Begur Hobli, Bengaluru 560 100
Karnataka, India
Tel: +91 80 4179 4600
Fax: +91 80 2852 0201
E-mail: krishnakanthv@tejasnetworks.com

Chief Financial Officer

Venkatesh Gadiyar
Tejas Networks Limited
J. P. Software Park, Plot No 25
Sy. No. 13, 14, 17 & 18
Konnapana Agrahara Village
Begur Hobli, Bengaluru 560 100
Karnataka, India
Tel: +91 80 4179 4600
Fax: +91 80 2852 0201
E-mail: venkateshg@tejasnetworks.com

Investor Grievances

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

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to 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's DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of 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 Bidder shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House
C-2, Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
Fax: +91 22 4325 3000
E-mail: tejas.ipo@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact person: Kanika Goyal
SEBI registration number: INM000012029

Citigroup Global Markets India Private Limited
1202, 12th Floor, First International Financial Center, G-Block
Bandra Kurla Complex, Bandra (East), Mumbai 400 098
Maharashtra, India
Tel: +91 22 6175 9999
Fax: +91 22 6175 9961
E-mail: tejasnetworks.ipo@citi.com
Investor grievance e-mail:
investors.cgmib@citi.com
Website:
www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Contact person: Rahul Roy
SEBI registration number: INM000010718

Edelweiss Financial Services Limited
14th Floor
Edelweiss House
Off C.S.T. Road, Kalina
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
E-mail: tn.ipo@edelweissfin.com
Investor grievance e-mail:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact person: Nishita John/Yash Modi
SEBI registration number: INM0000010650

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11
Plot F, Shivsagar Estate
Dr. Annie Besant Road, Worli, Mumbai 400 018
Maharashtra, India
Tel.: +91 22 4037 4037
Fax: +91 22 4037 4111
E-mail: tejasipo@nomura.com
Investor grievance e-mail: investorgrievances-in@nomura.com
Website:
www.nomuraholdings.com/company/group/asia/india/index.html
Contact person: Sumit Sukhramani /Aneesha Chandra
SEBI registration number: INM000011419

Syndicate Member

Edelweiss Securities Limited
2nd Floor, M.B. Towers, Plot No. 5
Road No. 2, Banjara Hills
Hyderabad 500 034
Tel: +91 22 4063 5569
Fax: +91 22 6747 1347
E-mail: tn.ipo@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Prakash Boricha
SEBI registration number: INB011193332 (BSE); INB 231193310 (NSE); INB261193396 (MSEI)

Indian Legal Counsel to our Company

Cyril Amarchand Mangaldas
201, Midford House
Midford Garden
Off M.G. Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2558 4870
Fax: +91 80 2558 4266

Indian Legal Counsel to the BRLMs

Trilegal
One Indiabulls Centre
14th Floor, Tower One
Elphinstone Road
Mumbai 400 013
Maharashtra, India
Tel : +91 22 4079 1000
Fax : +91 22 4079 1098

International Legal Counsel to the BRLMs

Clifford Chance
Clifford Chance Pte Limited
Marina Bay Financial Centre
25th Floor, Tower 3
12 Marina Boulevard
Singapore 018 982
Tel: +65 6410 2200
Fax: +65 6410 2288

Auditors to our Company

Deloitte Haskins & Sells
Chartered Accountants
Deloitte Centre, Anchorage I & II
100/2, Richmond Road
Bengaluru 560 025
Karnataka, India
Email: monishaparikh@deloitte.com
Tel: +91 80 6627 6000
Fax no: +91 80 6627 6013
Firm Registration No.: 008072S
Peer Review No.: 008781

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor
247 Park, L.B.S. Marg
Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
Website: www.linkintime.co.in
E-mail: tnl.ipo@linkintime.co.in
Investor grievance e-mail: tnl.ipo@linkintime.co.in

Contact person: Shanti Gopalkrishnan
SEBI registration number: INR000004058

Banker to the Offer/ Escrow Collection Bank, Public Offer Account Bank and Refund Bank

Axis Bank Limited
No. 9, Esquire Centre
M.G. Road, Bengaluru 560 001
Tel: +91 80 2537 0611/ +91 80 9550 0091
Fax: +91 80 2555 9444
E-mail: Bangalore.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: S. Prakash
SEBI Registration number: INBI00000017

Bankers to our Company

Axis Bank Limited
Corporate Banking Branch
Express Building, II Floor
No. 1, Queens Road, Bengaluru 560 001
Karnataka, India
Tel: +91 80 2201 8536
Fax: +91 80 2205 8567
E-mail: swaroop.pb@axisbank.com
Website: www.axisbank.com
Contact Person: Swaroop P.B.

Citibank N.A
2nd Floor
Citibank N.A
No.5, M.G. Road,
Bengaluru 560 001
Karnataka, India
Tel: +91 80 41446355
Fax: +91 80 67739693/25585828
E-mail: Hemant.gadodia@citi.com
Website: www.citibank.co.in
Contact Person: Hemant Gadodia

Export-Import Bank of India
Floor 21, Centre One Building
World Trade Centre Complex
Cuffe Parade, Mumbai 400 005
Maharashtra, India
Tel: +91 22 2217 2315
Fax: +91 22 2218 8268
E-mail: peg@eximbankindia.in
Website: www.eximbankindia.in
Contact Person: Keyur Desai

Kotak Mahindra Bank Limited
No. 22
MG Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 6716 3433
Fax: N.A.
E-mail: baldeepkumar.s@kotak.com
Website: www.kotak.com
Contact Person: Baldeep Kumar S.

Standard Chartered Bank
Plot no. C-38 & 39, G-Block
Bandra Kurla Complex, Bandra (East)
Maharashtra, India
Tel: +91 22 2675 7234
Fax: +91 22 2675 7358
E-mail: aniruddha.verma@sc.com
Website: www.sc.com; www.sc.in
Contact Person: Aniruddha Verma

Designated Intermediaries

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/cms/sebi_data/attachdocs/1365051213899.html, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/members/MembershipDirectory.aspx?expandable=2 and https://www.nseindia.com/membership/dynaContent/find_a_broker.htm, respectively, as updated from time to time.

RTAs

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 Depositories at https://www.cdslindia.com/rta/rta-list.aspx and https://nsdl.co.in/related/regtrf.php, 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 website of SEBI at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1478239866209.pdf and http://www.sebi.gov.in/cms/sebi_data/attachdocs/1478239908255.pdf, as updated from time to time.

Experts

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

Our Company has received written consent from the Deloitte Haskins & Sells LLP and the Statutory Auditor namely, Deloitte Haskins & Sells, Chartered Accountants, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the statement of tax benefits dated January 24, 2017 and reports of the Statutory Auditor on the Standalone Restated Financial Information and Consolidated Restated Financial Information each dated May 17, 2017, respectively and which are included in this Red Herring Prospectus, and such consents have not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" and the consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consents from Ovum (a trading division of Informa Telecoms & Media Limited) and TechSci Research, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the report published by Ovum and the publication by TechSci, respectively and included in this Red Herring Prospectus, and such consents have not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Monitoring Agency

Our Company has appointed Axis Bank Limited as the monitoring agency to monitor the utilisation of the Net Proceeds in terms of Regulation 16 of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

Axis Bank Limited
Axis House, Ground Floor
Wadia International Centre
Pandurang Budhakar Marg, Worli
Mumbai 400 025
Tel: +91 22 6226 0075/74/78
Fax: +91 22 4325 3000
E-mail: amar.hadye@axisbank.com
Website: www.axisbank.com
Contact Person: Amar Hadya

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any agency.

Inter-se allocation of Responsibilities

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

Sr. No	Activities	Responsibility	Coordination
1.	Pre-Offer including capital structuring with the relative components and formalities, type of instruments, size of issue, allocation between primary and secondary, etc. Due diligence of our Company's operations, management, business plans, legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Red Herring Prospectus and Prospectus and RoC filing, follow up and coordination until final approval from all	All BRLMs	Axis

Sr. No	Activities	Responsibility	Coordination
	regulatory authorities. Finalizing Bid cum Application Forms. Co-ordination for submission of 1% security deposit to the Designated Stock Exchange		
2.	Coordinating approval of all statutory advertisements	All BRLMs	Axis
3.	Coordinating approval of all publicity material excluding statutory advertisements, corporate advertisements, brochures, etc.	All BRLMs	Nomura
4.	Appointment of other intermediaries including Bankers to the Offer, printers, advertising agency, Registrar to the Offer, grading and monitoring agency, as applicable	All BRLMs	Nomura
5.	International institutional marketing (excluding Asia) of the Offer, which will cover, *inter alia* • finalizing the list and division of investors for one to one meetings; and • finalizing road show schedule and investor meeting schedules	All BRLMs	Citi
6.	International institutional marketing (only Asia) of the Offer, which will cover, *inter alia* • finalizing the list and division of investors for one to one meetings; and • finalizing road show schedule and investor meeting schedules	All BRLMs	Nomura
7.	Preparation of roadshow presentation, investor FAQs	All BRLMs	Citi
8.	Domestic institutional marketing including: • finalization of the list and division of investors for one to one meetings; • institutional allocation; and • finalizing the list and division of investors for one to one meetings and finalizing investor meeting schedules	All BRLMs	Axis
9.	Non-Institutional and Retail marketing of the Offer, which will cover, *inter alia*: • formulating marketing strategies; • preparation of publicity budget; • finalizing media and PR strategy; • finalizing centers for holding conferences for brokers etc.; • distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material; and • finalizing collection centers	All BRLMs	Edelweiss
10.	Finalization of pricing in consultation with the Company and managing the book	All BRLMs	Citi
11.	Co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading	All BRLMs	Edelweiss
12.	Post-Bidding activities – including allocation to Anchor Investor (if applicable), management of escrow accounts, co-ordination of non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to Bidders. The post Offer activities for the Offer will involve essential follow up steps, which include the finalization of Basis of Allotment, dispatch of refunds, demat and delivery of Equity Shares, finalization of listing and trading of Equity Shares with the various agencies connected with the work such as the Registrar(s) to the Offer and Escrow Collection and Refund Bank. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company. STT payment for Offer for Sale. Post-Offer stationery and CAN for Anchor Investors. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI. Submission of media compliance report to SEBI	All BRLMs	Citi

Credit Rating

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

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading 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 this Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company in consultation with the BRLMs, and advertised in all editions of the English national newspaper The Financial Express, all editions of the Hindi national newspaper, Jansatta and Bengaluru edition of the Kannada newspaper Vishwavani (Kannada being the regional language of Karnataka where our Registered and Corporate 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 in consultation with the BRLMs after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer.

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

For further details on the method and procedure for Bidding, see “Offer Procedure” on page 391.

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 the Book Building and Price Discovery Process” on page 422.

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 Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that 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 millions)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on representations provided by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/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 set forth in the table above.

Notwithstanding the above table, 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 subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The underwriting arrangement mentioned above shall not apply to subscription by the Bidders in the Offer, except for Bids procured by the Syndicate.

CAPITAL STRUCTURE

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

(In ₹ except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	**AUTHORIZED SHARE CAPITAL**(1)		
	176,452,000 Equity Shares of face value of ₹10 each	1,764,520,000	
B	**ISSUED AND SUBSCRIBED CAPITAL BEFORE THE OFFER**(2)		
	104,766,060 Equity Shares of face value of ₹10 each	1,047,660,600	
C	**PAID UP CAPITAL BEFORE THE OFFER**		
	72,038,130 fully paid up Equity Shares of face value of ₹10 each	720,381,300 (3)	
	Add: Forfeited shares (to the extent amount paid-up)	32,727,930(6)	
D	**PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Fresh Issue of up to [●] Equity Shares of face value of ₹10 each(4)	[●]	[●]
	Offer for Sale of up to 12,711,605 Equity Shares of face value of ₹10 each(5)	127,116,050	[●]
E	**ISSUED, SUBSCRIBED CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value ₹10 each (assuming full subscription in the Offer)	[●]	
F	**PAID UP CAPITAL AFTER THE OFFER** (7)		
	[●] Equity Shares of face value ₹10 each (assuming full subscription in the Offer)	[●]	
G	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	4,949,213,114	
	After the Offer	[●]	

(1) *For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters" on page 165*

(2) *Includes 32,727,930 partly paid-up Equity Shares issued by our Company to the TEWT on June 11, 2010, which were forfeited on July 25, 2016*

(3) *Excludes the sum of ₹32,727,930 paid by the TEWT against the issuance of 32,727,930 partly paid-up Equity Shares on June 11, 2010, which were subsequently forfeited on July 25, 2016*

(4) *The Fresh Issue has been authorized by a resolution of our Board of Directors dated September 23, 2016 and a special resolution of our Shareholders in their EGM dated November 19, 2016*

(5) *For details of authorizations received for the Offer for Sale, see "The Offer" on page 62. The Equity Shares being offered by each Selling Shareholder have been held by it/them for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer*

(6) *32,727,930 partly paid up Equity Shares issued by our Company to the TEWT on June 11, 2010, were forfeited on July 25, 2016. The amount is to the extent of paid-up and not at the face value.*

(7) *Post completion of the Offer, no single Shareholder of our Company shall hold more than 24.99% of the post-Offer Equity Share Capital of our Company*

Notes to the Capital Structure

1. **Equity Share Capital History of our Company**

The history of the Equity Share capital of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price/ per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares
May 6, 2000	3	10	10.00	Cash	Subscription to	3

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price/ per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares
					Memorandum of Association	
June 30, 2000	8,152	10	10.00	Cash	Preferential allotment to 13 allottees	8,155
August 25, 2000	4,000	10	4,400.00	Cash	Preferential allotment to two allottees	12,155
January 18, 2001	41,749	10	4,400.00	Cash	Preferential allotment to three allottees	53,904
March 27, 2001	1,750	10	4,400.00	Cash	Preferential allotment to one allottee	55,654
September 5, 2001	3,993	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 12 allottees	59,647
September 5, 2001	75	10	10.00	Cash	Preferential allotment to two allottees	59,722
December 26, 2001	364	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 11 allottees	60,086
February 2, 2002	30	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to two allottees	60,116
February 2, 2002	3,623	10	3,000.00	Cash	Preferential allotment to one allottee	63,739
March 7, 2002	8,377	10	3,000.00	Cash	Preferential allotment to four allottees	72,116
March 7, 2002	9	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to two allottees	72,125
June 27, 2002	70	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 11 allottees	72,195
October 19, 2002	314	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 14 allottees	72,509
October 19, 2002	8,000	10	3,000.00	Cash	Preferential allotment to five allottees	80,509
January 20, 2003	440	10	10.00	Cash	Allotment pursuant	80,949

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price/ per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares
					to exercise of employee stock options issued under ESOP 2000 to five allottees	
March 6, 2003	4,206	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 19 allottees	85,155
May 10, 2003	143	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to six allottees	85,298
July 21, 2003	60	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to four allottees	85,358
September 12, 2003	8	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to one allottee	85,366
October 21, 2003	113	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 11 allottees	85,479
December 12, 2003	3	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 1 allottee	85,482
December 12, 2003	899	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 17 allottees	86,381
January 23, 2004	195	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to one allottee	86,576
January 23, 2004	17	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to two allottees	86,593
September 24, 2004	29	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under	86,622

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price/ per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares
					ESOP 2000 to four allottees	
September 24, 2004	2,195	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 23 allottees	88,817
November 30, 2004	191	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to six allottees	89,008
November 30, 2004	6	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to one allottee	89,014
November 30, 2004	1	10	3,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to one allottee	89,015
January 8, 2005	300	10	10.00	Cash	Preferential allotment pursuant to the Series C SHA to three allottees	89,315
March 18, 2005	200	10	10.00	Cash	Preferential allotment pursuant to the Series C SHA to two allottees	89,515
March 18, 2005	40	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 10 allottees	89,555
March 18, 2005	11	10	3,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to three allottees	89,566
March 18, 2005	1,668	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 15 allottees	91,234
May 27, 2005	12	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to three allottees	91,246
May 27, 2005	1	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to one	91,247

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price/ per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares
					allottee	
May 27, 2005	1	10	3,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to one allottee	91,248
July 15, 2005	6	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to two allottees	91,254
September 23, 2005	63	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to three allottees	91,317
September 23, 2005	53	10	3,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to three allottees	91,370
September 23, 2005	460	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 13 allottees	91,830
November 29, 2005	72	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to eight allottees	91,902
November 29, 2005	41	10	3,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to four allottees	91,943
November 29, 2005	213	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to three allottees	92,156
January 20, 2006	8	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to two allottees	92,164
January 20, 2006	11	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to one allottee	92,175
January 20, 2006	6	10	3,000.00	Cash	Allotment pursuant to exercise of	92,181

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price/ per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares
					employee stock options issued under ESOP 2000 to one allottee	
March 20, 2006	26	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to three allottees	92,207
March 20, 2006	4,571	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to six allottees	96,778
March 20, 2006	11	10	3,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to three allottees	96,789
May 26, 2006	872	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to ten allottees	97,661
May 26, 2006	4	10	3,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to one allottee	97,665
May 26, 2006	44	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to four allottees	97,709
August 9, 2006	1,420	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to five allottees	99,129
August 9, 2006	28	10	3,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to two allottees	99,157
August 9, 2006	61	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to two allottees	99,218
November 28, 2006	218	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to three	99,436

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price/ per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares
					allottees	
November 28, 2006	59,820	10	15,500.00	Cash	Preferential allotment pursuant to the Series D SSA to five allottees	159,256
November 28, 2006	108	10	3,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to five allottees	159,364
November 28, 2006	157	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to four allottees	159,521
January 16, 2007	17,540	10	6,015.85	Cash	Allotment pursuant to conversion of 105,518 Series B OCCPS to one allottee	177,061
January 16, 2007	16,096	10	6,158.18	Cash	Allotment pursuant to conversion of 99,122 Series B OCCPS to one allottee	193,157
January 16, 2007	11,957	10	6,149.79	Cash	Allotment pursuant to conversion of Series B OCCPS to one allottee	205,114
January 16, 2007	10,250	10	6,149.07	Cash	Allotment pursuant to conversion of Series B OCCPS to one allottee	215,364
January 16, 2007	3,416	10	6,149.88	Cash	Allotment pursuant to conversion of 21,008 Series B OCCPS to one allottee	218,780
January 16 2007	11,013	10	9,137.66	Cash	Allotment pursuant to conversion of 100,633 Series C OCCPS to one allottee	229,793
January 16, 2007	5,496	10	9,220.16	Cash	Allotment pursuant to conversion of 50,674 Series C OCCPS to one allottee	235,289
January 16, 2007	3,264	10	9,332.41	Cash	Allotment pursuant to conversion of 30,461 Series C OCCPS to one allottee	238,553
January 16, 2007	5,399	10	9,223.75	Cash	Allotment pursuant to conversion of 49,799 Series C OCCPS to one allottee	243,952
January 16, 2007	51,042	10	9,073.65	Cash	Allotment pursuant to conversion of 463,137 Series C	294,994

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price/ per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares
					OCCPS to one allottee	
March 14, 2007	149	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to three allottees	295,143
March 14, 2007	4	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to three allottees	295,147
March 14, 2007	4	10	3,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to one allottee	295,151
March 31, 2007	12,423	10	6,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 342 allottees and ESOP 2007 – II to 180 allottees	307,574
March 31, 2007	17,595	10	3,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 111 allottees	325,169
March 31, 2007	3,603	10	1,000.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 119 allottees	328,772
March 31, 2007	9,830	10	10.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2000 to 55 allottees and ESOP 2007 – I to 4 allottees	338,602
March 31, 2007	50,451,698	10	NA	NA	Bonus issue in the ratio of 1:149	50,790,300
September 24, 2007	1,972,877	10	456.19	Cash	Preferential allotment pursuant to the Series E SSA to one allottee	52,763,177
September 24, 2007	27,150	10	61.95	Cash	Allotment to one allottee pursuant to conversion of 813 Series B OCCPS, 404 Series C OCCPS and 465 Series D OCCPS	52,790,327
September 24, 2007	21,900	10	44.16	Cash	Allotment to one allottee pursuant to	52,812,227

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price/ per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares
					conversion of 764 Series B OCCPS and 203 Series C OCCPS	
September 24, 2007	300	10	830.00	Cash	Allotment to one allottee pursuant to conversion of 249 Series D OCCPS	52,812,527
September 24, 2007	32,146	10	44.30	Cash	Allotment to one allottee pursuant to conversion of 1,102 Series B OCCPS and 322 Series C OCCPS	52,844,673
September 24, 2007	31,050	10	73.91	Cash	Allotment to one allottee pursuant to conversion of 1,862 Series C OCCPS and 433 Series D OCCPS	52,875,723
September 24, 2007	300	10	4,496.67	Cash	Allotment to one allottee pursuant to conversion of 1,349 Series D OCCPS	52,876,023
September 24, 2007	300	10	983.33	Cash	Allotment to one allottee pursuant to conversion of 295 Series D OCCPS	52,876,323
September 24, 2007	2,654	10	42.20	Cash	Allotment to one allottee pursuant to conversion of 112 Series B OCCPS	52,878,977
November 3, 2007	2,142,392	10	60.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2008 to 63 allottees	55,021,369
December 27, 2007	1,424,850	10	60.38	Cash	Preferential Allotment to one allottee	56,446,219
December 27, 2007	255,450	10	88.08	Cash	Preferential Allotment to one allottee	56,701,669
December 27, 2007	25,000	10	60.00	Cash	Preferential allotment to 39 allottees	56,726,669
March 15, 2008	353,221	10	141.55	Cash	Allotment to one allottee pursuant to conversion of 50,000 MCPS issued pursuant to the Series E SSA	57,079,890
March 15, 2008	5,000	10	60.00	Cash	Preferential Allotment to three allottees	57,084,890
February 22, 2010	6,600	10	60.00	Cash	Allotment pursuant to exercise of employee stock options granted under ESOP 2008 – I to one allottee	57,091,490
May 17, 2010	1,815	10	130.00	Cash	Allotment pursuant	57,093,305

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price/ per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares
					to exercise of employee stock options granted ESOP 2008 - I to seven allottees	
June 11, 2010	1,180,142	10	459.16	Consideration other than cash	Allotment to Ethos Networks Limited, Vertex III (Israel) Fund L.P., Vertex III (Israel B) Fund L.P., Vertex III (DCM) Fund L.P., Vertex III (CI) Fund L.P., Vertex III (CI) (G) Fund L.P., Quest for Growth NV, Evergreen IV L.P. and Argonaut Ventures I LLC pursuant to a share swap of 1,180,142 Equity Shares for 900,000 shares of Tejas Israel Limited	58,273,447
June 11, 2010	23,400	10	60.00*	Cash	Allotment to the TEWT	58,296,847
June 11, 2010	3,939,982	10	130.00*	Cash	Allotment to the TEWT	62,236,829
June 11, 2010	28,764,548	10	500.00*	Cash	Allotment to the TEWT	91,001,377
March 28, 2016	2,878,321	10	137.00	Cash	Allotment to seven allottees pursuant to conversion of 394,330 CCPS issued pursuant to the Series F investment agreement dated May 30, 2012 to Equity Shares in the ratio 1:7.29	93,879,698
March 28, 2016	2,098,453	10	117.00	Cash	Allotment to five allottees pursuant to conversion of 245,519 CCPS issued pursuant to addendum to Series F investment agreement dated December 29, 2014 to Equity Shares in the ratio 1:8.55	95,978,151
August 2, 2016	5,615,068	10	120.00	Cash	Preferential allotment to three allottees	101,593,219**
November 25, 2016	470,063	10	65.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2014 to 11 allottees	102,063,282**
December 13, 2016	274,511	10	65.00	Cash	Allotment pursuant to exercise of	102,337,793**

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price/ per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares
					employee stock options issued under ESOP 2014 to 148 allottees	
February 13, 2017	225,299	10	65	Cash	Allotment to 42 allottees pursuant to ESOP 2014.	102,563,092**
March 6, 2017	62,804	10	65	Cash	Allotment to 24 allottees pursuant to exercise of employee stock options issued under ESOP 2014.	102,625,896**
March 31, 2017	835,445	10	65	Cash	Allotment to 41 allottees pursuant to exercise of employee stock options issued under ESOP 2014.	103,461,341**
April 17, 2017	108,761	10	65	Cash	Allotment to 16 employees pursuant to exercise of employee stock options issued under ESOP 2014	103,570,102**
April 30, 2017	1,195,958	10	65	Cash	Allotment to 221 employees pursuant to exercise of employee stock options issued under ESOP 2014	104,766,060**

** The Equity Shares allotted on these dates were partly paid up to the extent of ₹1 per Equity Share and were subsequently forfeited on July 25, 2016. These Equity Shares were purchased out of the proceeds of a loan availed from our Company in contravention of Section 77 of the Companies Act, 1956. Our Company had filed a compounding application dated December 15, 2016 before the Regional Director, South East Region, Hyderabad, Ministry of Corporate Affairs, Government of India seeking to compound the contravention. The non-compliance was compounded and a compounding fee of ₹7,000 was imposed on the Company by the Ministry of Corporate Affairs, Government of India which our Company has paid. For further details, see "Outstanding Litigation and Material Developments" on page 362.*

***Includes 32,727,930 partly –paid up Equity Shares allotted to the TEWT on June 11, 2010 which were forfeited on July 25, 2016*

2. **Preference Share Capital History of our Company**

The history of preference share capital of our Company is provided in the following table:

Date of Allotment	No. of preference shares allotted	Face Value (₹)	Issue price per preference share (₹)	Consideration	Nature of transaction	Cumulative Number of Preference Shares
February 2, 2002	46,732	1,000	1,000	Cash	Preferential allotment of OCCPS to Intel Capital (Cayman) Corporation (formerly known as Intel Capital Corporation) pursuant to Series A SHA*(4)	46,732
March 7, 2002	108,068	1,000	1,000	Cash	Preferential allotment of OCCPS pursuant to the Series A SHA*(1)(4)	154,800
October 19, 2002	103,200	1,000	1,000	Cash	Preferential allotment of OCCPS pursuant to the Series A SHA*(2)(4)	258,000
December 12, 2003	107,000	1,000	1,000	Cash	Preferential allotment of OCCPS as recorded under	365,000

Date of Allotment	No. of preference shares allotted	Face Value (₹)	Issue price per preference share (₹)	Consideration	Nature of transaction	Cumulative Number of Preference Shares
					the Series B SHA*(3)(4)	
January 8, 2005	615,875	1,000	1,000	Cash	Preferential allotment of OCCPS pursuant to the Series C SSA(5)(7)	980,875
March 18, 2005	81,620	1,000	1,000	Cash	Preferential allotment of OCCPS pursuant to the Series C SSA(6)(7)	1,062,495
November 28, 2006	2,791	1,000	1,000	Cash	Preferential allotment of OCCPS pursuant to the Series D SSA(8)	1,065,286
September 24, 2007	50,000	1,000	1,000	Cash	Preferential allotment of CCPS pursuant to the Series E SSA to Jade Dragon (Mauritius) Limited(9)	58,373
June 21, 2012	394,330	1,000	1,000	Cash	Preferential allotment of CCPS pursuant to the Series F investment agreement(10)	394,330
January 13, 2015	245,519	1,000	1,000	Cash	Preferential allotment of CCPS pursuant to an addendum to the Series F investment agreement(11)	639,849

** Series A OCCPS were reclassified to Series B OCCPS pursuant to a resolution of the preference shareholders of our Company dated December 15, 2004*

(1) 35,049 Series A OCCPS were allotted to Dr. Gururaj Deshpande, 34,075 Series A OCCPS were allotted to SARA Fund Trustee Company Limited – A/c SARA Fund, 29,208 Series A OCCPS were allotted to IL&FS Trust Company Limited – A/c India Auto Ancilliary Fund and 9,736 Series A OCCPS were allotted to Development Investment Trustee Company Limited – A/c IT Fund

(2) 23,367 Series A OCCPS were allotted to Dr. Gururaj Deshpande, 22,717 Series A OCCPS were allotted to SARA Fund Trustee Company Limited – A/c SARA Fund, Series A 19,472 OCCPS were allotted to IL&FS Trust Company Limited – A/c India Auto Ancilliary Fund, Series A 6,490 OCCPS were allotted to Development Investment Trustee Company Limited – A/c IT Fund and Series A 31,154 OCCPS were allotted to Intel Capital (Cayman) Corporation (formerly known as Intel Capital Corporation)

(3) 47,915 Series B OCCPS were allotted to Dr. Gururaj Deshpande, 17,307 Series B OCCPS were allotted to SARA Fund Trustee Company Limited – A/c SARA Fund, 14,834 Series B OCCPS were allotted to IL&FS Trust Company Limited – A/c India Auto Ancilliary Fund, 4,944 Series B OCCPS were allotted to Development Investment Trustee Company Private Limited – A/c IT Fund and 22,000 Series B OCCPS were allotted to Intel Capital (Cayman) Corporation (formerly known as Intel Capital Corporation)

(4) Of the total 365,000 Series B OCCPS issued by our Company, 362,209 Series B OCCPS were converted to Equity Shares on January 16, 2007 and the remaining 2,791 Series B OCCPS were converted to Equity Shares on September 24, 2007.

(5) 50,877 Series C OCCPS were allotted to Intel Capital (Cayman) Corporation (formerly known as Intel Capital Corporation), 99,999 Series C OCCPS were allotted to Cascade Capital Management, Mauritius and 464,999 Series C OCCPS were allotted to Battery Ventures VI (Mauritius)

(6) 1,038 Series C OCCPS were allotted to Cascade Capital Management Mauritius, 30,583 Series C OCCPS were allotted to SARA Fund Trustee Company Limited – A/c SARA Fund and 49,999 Series C OCCPS were allotted to IL&FS Trust Company Limited – A/c IL&FS Private Equity Trust – Leverage India Fund

(7) Of the total 697,495 Series C OCCPS issued by our Company, 694,704 Series C OCCPS were converted to Equity Shares on January 16, 2007 and the remaining 2,791 Series C OCCPS were converted to Equity Shares on September 24, 2007.

(8) 1,349 Series D OCCPS were allotted to Sandstone Private Investments, 295 Series D OCCPS were allotted to Sun Technologies (Cyprus) Limited, 249 Series D OCCPS were allotted to Intel Capital (Mauritius) Limited, 465 Series D OCCPS were allotted to Cascade Capital Management Mauritius and 433 Series D OCCPS were allotted to Battery Ventures VI, Mauritius. These Series D OCCPS were converted on September 24, 2007

(9) These CCPS were converted to Equity Shares on March 15, 2008

(10) 213,364 CCPS were issued to Cascade Capital Management Mauritius, 26,283 CCPS were issued to India Industrial Growth Fund Limited, 26,326 CCPS were allotted to Jade Dragon (Mauritius) Limited, 2,532 CCPS were allotted to Argonaut Ventures – I LLC, 668 CCPS were allotted to Osher LP, 55,739 CCPS were issued to Intel Capital (Mauritius) Limited and 69,418 CCPS were issued to Mayfield XII, Mauritius. These CCPS were converted to Equity Shares on March 28, 2016

(11) 167,735 CCPS were allotted to Cascade Capital Management Mauritius, 20,696 CCPS were allotted to Jade Dragon (Mauritius) Limited, 525 CCPS were allotted to Osher LP and 54,572 CCPS were allotted to Mayfield XII Mauritius and 1,991 CCPS to Argonaut Ventures - I LLC. These CCPS were converted to Equity Shares on March 28, 2016

As on the date of this Red Herring Prospectus, our Company has no outstanding preference shares.

3. **Issue of shares for consideration other than cash**

Our Company has not issued any Equity Shares out of its revaluation reserves.

Except as set out below, we have not issued shares for consideration other than cash:

Date of Allotment	Number of Shares Allotted	Face Value (₹)	Allotees and reason for allotment
March 31, 2007	50,451,698	10	Bonus issue*
June 11, 2010	1,180,142	10	Allotment pursuant to a share swap of 1,180,142 Equity Shares for 900,000 shares of Tejas Israel Limited to Ethos Networks Limited, Vertex III (Israel) Fund L.P., Vertex III (Israel B) Fund L.P., Vertex III (DCM) Fund L.P., Vertex III (CI) Fund L.P., Vertex III (CI) (G) Fund L.P., Quest for Growth NV, Evergreen IV L.P. and Argonaut Ventures I LLC. The Equity Shares were issued at a price of ₹459.16 per Equity Share

**50,451,698 bonus Equity Shares were issued in the ratio 1:149 to the existing Shareholders as authorised by our Shareholders and our Board pursuant to their resolutions dated Februry 8, 2007 and March 31, 2007, respectively*

Except for the share swap transaction which took place on June 11, 2010, pursuant to which our Company acquired 100% of the share capital of Tejas Israel and consequently acquired targeted assets and liabilities including intellectual property rights, our Company has not derived any benefits on account of allotment of shares for consideration other than cash.

4. The table below sets forth the details of the Equity Shares issued by our Company at a price which may be lower than the Offer Price during a period of one year preceding the date of this Red Herring Prospectus.

Sl. No.	Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Reason for Allotment	Allottees
1.	August 2, 2016	5,615,068	10	120.00	Cash	Preferential allotment	Samena Spectrum Co, Osher LP and V. Balakrishnan
2.	November 25, 2016	470,063	10	65.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2014	11 employees of our Company
3.	December 13, 2016	274,511	10	65.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2014	148 employees of our Company
4.	February 13, 2017	225,299	10	65.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2014	42 employees of our Company
5.	March 6, 2017	62,804	10	65.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2014	24 employees of our Company
6.	March 31, 2017	835,445	10	65.00	Cash	Allotment pursuant to	41 employees of our

Sl. No.	Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Reason for Allotment	Allottees
						exercise of employee stock options issued under ESOP 2014	Company
7.	April 17, 2017	108,761	10	65.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2014	16 employees of our Company
8.	April 30, 2017	1,195,958	10	65.00	Cash	Allotment pursuant to exercise of employee stock options issued under ESOP 2014	221 employees of our Company

5. **Details of Lock-in**

(a) *Details of share capital locked in for three years*

Our Company is a professionally managed company and does not have an identifiable promoter either in terms of the SEBI ICDR Regulations or the Companies Act, 2013. Accordingly, in terms of Regulation 34(a) of the SEBI ICDR Regulations, there is no requirement of promoter's contribution in this Offer and none of the Equity Shares will be locked in for a period of three years pursuant to the Offer.

(b) *Details of share capital locked in for a year from the date of Allotment*

In terms of Regulation 37 of the SEBI ICDR Regulations, except for:

(i) the Equity Shares held by persons, who are employees of our Company, (who continue to be employees as on the date of Allotment) pursuant to allotment under ESOP 2014, ESOP 2014A and ESOP 2016;

(ii) 973,128 Equity Shares and 1,150,404 Equity Shares held by Mayfield XII, Mauritius and Intel Capital Corporation, respectively, under the FVCI route; and

(iii) the Equity Shares sold or transferred by each of the Selling Shareholders pursuant to the Offer for Sale;

the entire pre-Offer Equity Share capital of our Company shall be locked in for a period of one year from the date of Allotment. Any respective unsubscribed portion of the Equity Shares being offered by each of Selling Shareholders, in the Offer for Sale would also be locked-in for a period of one year from the date of Allotment.

(c) *Lock in of Equity Shares to be Allotted, if any, to Anchor Investors*

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

(d) *Other requirements in respect of lock-in*

In terms of Regulation 40 of SEBI ICDR Regulations, the Equity Shares held by the Shareholders prior to the Offer, and which are locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferee for the remaining period and compliance with the Takeover Regulations.

6. **Selling Shareholders' Shareholding in our Company**

The total number of Equity Shares held by the Selling Shareholders in our Company as on the date of this Red Herring Prospectus is as follows:

Selling Shareholder	Number of Equity Shares held by the Selling Shareholders Pre-Offer	Percentage of the pre- Offer fully paid up capital** (%)	Number of Equity Shares offered in the Offer for Sale	Percentage of the total Equity Shares offered in the Offer for Sale (%)
Cascade Capital Management Mauritius	21,843,184	30.32	Upto 5,330,000	Upto 41.93
Sandstone Private Investments	4,487,250	6.23	897,450	7.06
Intel Capital (Cayman) Corporation	4,181,400	5.80	Upto 1,066,361	Upto 8.39
Sanjay Nayak	3,261,991	4.53	790,000	6.21
India Industrial Growth Fund Limited	2,514,147	3.49	Upto 2,514,147	Upto 19.78
Kumar N Sivarajan	1,971,543	2.74	593,000	4.67
Arnob Roy	1,164,200	1.62	500,000	3.93
Govindan Kutty Thrithala	335,873	0.47	200,000	1.57
Sarath Kumar	397,194	0.55	70,000	0.55
Hirenkumar Thakorlal Desai	254,287	0.35	50,000	0.39
Milind M. Kulkarni	190,960	0.27	43,200	0.34
Vivek Shenoy	163,656	0.23	50,000	0.39
Gajendra Singh Ranka	166,914	0.23	29,250	0.23
B. N. Satyesh	242,637	0.34	78,132	0.61
Ramanathan Narayanan	141,000	0.20	40,800	0.32
Soumya Desai	132,000	0.18	67,500	0.53
K. Vasantha Kumar	130,112	0.18	10,050	0.08
Sanjay Malpani	125,250	0.17	37,000	0.29
Manish Gangey	102,900	0.14	50,000	0.39
Nicholas Basker	93,750	0.13	55,500	0.44
Nipun Sahni	106,068	0.15	2,400	0.02
Gopalkrishna Adyar Nayak	92,193	0.13	8,996	0.07
Nethi Venkata Subba Rao	84,977	0.12	30,900	0.24
Osher LP	73,738	0.10	Upto 68,370	Upto 0.54
Gopi Krishna M.	63,300	0.09	35,313	0.28
Ravinder Souda	120,550	0.17	7,500	0.06
Vasudeva Rao Hundi	68,483	0.10	900	0.01
Parthasarathi Palai	115,021	0.16	34,500	0.27
Rajesh S.	38,750	0.05	7,750	0.06
Jishnu A.	45,400	0.06	900	0.01
Ashwavaidhyam Nagaraja Anand	40,560	0.06	7,500	0.06
Dharma Rao P. V.	31,350	0.04	4,350	0.03
Gururaj N.	21,600	0.03	4,950	0.04
Chakradhar Grandhi	23,915	0.03	3,000	0.02
Murali G. D.	16,800	0.02	3,360	0.03
Dileep Kumar S.	7,800	0.01	7,786	0.06
Shwetha V. R.	6,390	0.01	150	0.00*
Kishore Yetikuri	5,325	0.01	3,150	0.02
Kiran Kumar Kella	4,950	0.01	990	0.01
Dattatreya Prasad B.N.	5,175	0.01	750	0.01
Mithun Gopal V. V.	3,575	0.00*	1,575	0.01
Harry C. D.	3,000	0.00*	750	0.01
Ganesh Subramonian	2,700	0.00*	2,700	0.02
Motamarri Siva Prasad	2,700	0.00*	540	0.00*
Shwetha Nithin Pillappa	135	0.00*	135	0.00*
Total	**42,884,703**	**59.54**	**12,711,605**	**100.00**

** less than 0.01%*

*** Calculated as a percentage of the pre-Offer fully paid up capital which excludes the sum of ₹32,727,930 paid by the TEWT against the issuance of 32,727,930 partly paid-up Equity Shares on June 11, 2010, which were subsequently forfeited on July 25, 2016*

7. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this 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										
								Class: Equity	Class: N/A	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(B)	Public	639	72,038,130	-	-	720,381,300	100.00	720,381,300	100.00	-	100.00	-	-	-		-		69,785,884
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
	Total	639	72,038,130	-	-	720,381,300	100.00	720,381,300	100.00	-	100.00	-	-	-		-		69,785,884

** Though the SCRR requires percentage dilution to be calculated on the basis of the issued share capital of the Company, this excludes 32,727,930 partly-paid up Equity Shares which were issued on June 11, 2010 and subsequently forfeited on July 25, 2016*

8. **The list of top 10 Shareholders of our Company and the number of Equity Shares held by them**

(a) The top 10 Shareholders as on the date of filing of this Red Herring Prospectus and 10 days prior to the date of filing of this Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)*	No. of Employee Stock Options Outstanding
1.	Cascade Capital Management Mauritius	21,843,184	30.32	NA
2.	Samena Spectrum Co	13,981,648	19.41	NA
3.	Mayfield XII, Mauritius	7,106,628	9.87	NA
4.	Sandstone Private Investments	4,487,250	6.23	NA
5.	Intel Capital (Cayman) Corporation	4,181,400	5.80	NA
6.	Sanjay Nayak	3,261,991	4.53	928,140
7.	India Industrial Growth Fund Limited	2,514,147	3.49	NA
8.	Kumar N Sivarajan(1)	1,971,543	2.74	825,265
9.	Arnob Roy(2)	1,164,200	1.62	1,424,108
10.	Intel Capital Corporation	1,150,404	1.60	NA
	Total	**61,662,395**	**85.61**	**3,177,513**

* *Calculated as a percentage of the pre-Offer fully paid up capital which excludes the sum of ₹32,727,930 paid by the TEWT against the issuance of 32,727,930 partly paid-up Equity Shares on June 11, 2010, which were subsequently forfeited on July 25, 2016*

(1) 232,215 options have vested

(2) 706,058 options have vested

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

Sl. No.	Name of the Shareholder	No. of Fully Paid-up Equity Shares	Percentage of Fully Paid-up Equity Shares	No. of Employee Stock Options Outstanding
1.	Cascade Capital Management Mauritius	18,852,150	32.35	NA
2.	Mayfield XII, Mauritius	6,133,500	10.53	NA
3.	Sandstone Private Investments	4,487,250	7.70	NA
4.	Intel Capital (Cayman) Corporation	4,181,400	7.18	NA
5.	Sycamore Networks Inc.	3,300,000	5.66	NA
6.	Jade Dragon (Mauritius) Limited	2,326,098	3.99	NA
7.	India Industrial Growth Fund Limited	2,322,300	3.99	NA
8.	Sanjay Nayak*	2,040,900	3.50	1,033,207
9.	Tejas Employees Welfare Trust	1,787,291	3.07	NA
10.	Kumar N. Sivarajan**	1,410,450	2.42	698,804
	Total	**46,841,339**	**80.39**	**1,732,011**

* *Does not include 698,500 Equity Shares held jointly with the TEWT*

*** Does not include 450,750 Equity Shares held jointly with the TEWT*

Sl. No.	Name of the Shareholder	No. of Partly Paid-up Equity Shares	Percentage of Partly Paid-up Equity Shares
1.	Tejas Employee Welfare Trust	32,727,930	100.00
	Total	**32,727,930**	**100.00**

9. **Details of Equity Shares held by our Directors and Key Management Personnel in our Company**

(i) Set out below are details of the Equity Shares held by our Directors in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)*	Post-Offer (%)
1.	Sanjay Nayak**	3,261,991	4.53	[●]
2.	V. Balakrishnan	76,133	0.11	[●]

*	*Calculated as a percentage of the pre-Offer fully paid-up capital which excludes the sum of ₹32,727,930 paid by the TEWT against the issuance of 32,727,930 partly paid-up Equity Shares on June 11, 2010, which were subsequently forfeited on July 25, 2016*

**	*As on the date of filing this Red Herring Prospectus, Sanjay Nayak holds 928,140 outstanding employee stock options.*

(ii) In addition to the Equity Shares held by our Directors, as stated above, set out below are details of the Equity Shares held by Key Management Persons (other than our Managing Director) in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)*	Post-Offer (%)	Number of employee stock options outstanding
1.	Kumar N. Sivarajan(1)	1,971,543	2.74	[●]	825,265
2.	Arnob Roy(2)	1,164,200	1.62	[●]	1,424,108
3.	Venkatesh Gadiyar	44,000	0.06	[●]	160,000
4.	Sukvinder Kumar	-	-	-	149,000
5.	Krishnakanth G. V.	18,534	0.03	[●]	23,716

*	*Calculated as a percentage of the pre-Offer fully paid up capital which excludes the sum of ₹32,727,930 paid by the TEWT against the issuance of 32,727,930 partly paid-up Equity Shares on June 11, 2010, which were subsequently forfeited on July 25, 2016*

(1) 232,215 options held by him have vested

(2) 706,058 options held by him have vested

10. Except for Citi Corp Finance India Limited, an associate of Citi which holds 255,450 Equity Shares in our Company, the BRLMs and their respective associates (in accordance with the definition of 'associate company' under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company as on the date of this Red Herring Prospectus. The BRLMs and their associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

11. There are no partly paid up Equity Shares as on the date of this Red Herring Prospectus and except as disclosed above, all Equity Shares were fully paid up as on the date of allotment.

12. Our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.

13. Our Company has not made any public or rights issue of any kind or class of securities since its incorporation.

14. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or the Selling Shareholders to the persons who receive Allotment.

15. Our Company has granted an aggregate of 12,212,807 employee stock options to employees of our Company pursuant to ESOP 2000, ESOP 2007 – I, ESOP 2007 – II, ESOP 2008, ESOP 2008 – I, ESOP 2009 and ESOP 2009 - I. Some options granted pursuant to the above mentioned ESOP schemes were administered through the TEWT which was settled by our Company pursuant to a trust deed dated February 8, 2007. R. Murali and Vijayanand K.K. are the trustees of the TEWT. All employee stock options granted pursuant to the above mentioned ESOP Schemes have been exercised by our employees as on the date of this Red Herring Prospectus and there are no outstanding options available for future grants under the above mentioned schemes.

16. Our Company, pursuant to resolutions passed by our Board and our Shareholders, dated May 29, 2014 and September 24, 2014, respectively has adopted ESOP 2014. ESOP 2014 was subsequently modified pursuant to the Shareholders' resolutions dated March 28, 2016 and November 19, 2016 and Board resolutions dated March 2, 2016 and Septemebr 23, 2016. Pursuant to ESOP 2014, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2014). The aggregate number

of Equity Shares, which may be issued under ESOP 2014, shall not exceed 7,101,767 Equity Shares. The ESOP 2014 is compliant with the SEBI ESOP Regulations and the Companies Act, 2013.

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>As on May 22, 2017, the Company has granted 6,926,635 options
<table><tr><th>Financial Year/ Period</th><th>Total No. of Options Granted</th><th>Cumulative No. of Options Granted</th></tr><tr><td>Financial Year 2015</td><td>6,833,264</td><td>6,833,264</td></tr><tr><td>Financial Year 2016</td><td>93,371</td><td>6,926,635</td></tr><tr><td>Financial Year 2017</td><td>-</td><td>6,926,635</td></tr><tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>-</td><td>6,926,635</td></tr></table></td></tr>
<tr><td>Pricing formula</td><td>The exercise price shall be determined by the Nomination and Remuneration Committee subject to compliance with the provisions of the SEBI ESOP Regulations.

The weighted average exercise price of the options under ESOP 2014 is ₹65 per option</td></tr>
<tr><td>Vesting period</td><td>- There shall be a minimum period of one year between the grant of option and the vesting of option.

- Upon the employee continuing in the employment of the Company and upon compliance with the term of ESOP 2014 the options granted by the Company on the recommendation of the Nomination and Remuneration Committee would vest with the employees over the vesting period set out in the grant notice.

- The Nomination and Remuneration Committee may also prescribe different vesting schedules for different employees (while ensuring a minimum vesting period of one year from the date of grant) based on the reasons to be recorded in writing in accordance with the SEBI ESOP Regulations. Such vesting schedule shall be as specified in the individual grant notices issued to the employees.

- Unless otherwise decided by the Nomination and Remuneration Committee of the Company, 25% of the grant will vest after 12 months from the date of grant, and the balance thereafter will vest at the rate of 6.25% per quarter.</td></tr>
<tr><td>Options vested and not exercised</td><td><table><tr><th>As at the end of financial year/ period</th><th>Cumulative No. of Options vested and not exercised</th></tr><tr><td>Financial Year 2015</td><td>Nil</td></tr><tr><td>Financial Year 2016</td><td>3,284,856</td></tr><tr><td>Financial Year 2017</td><td>3,202,509</td></tr><tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>1,895,265</td></tr></table></td></tr>
<tr><td>Options exercised</td><td><table><tr><th>Financial year / period ended</th><th>Cumulative Number of Options Exercised</th></tr><tr><td>Financial Year 2015</td><td>Nil</td></tr><tr><td>Financial Year 2016</td><td>Nil</td></tr><tr><td>Financial Year 2017</td><td>1,868,122</td></tr><tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>3,172,841</td></tr></table></td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>As on May 22, 2017, 3,172,841 Equity Shares were allotted pursuant to exercise of options under ESOP 2014.</td></tr>
<tr><td>Options forfeited / lapsed</td><td><table><tr><th>Financial Year / Period Ended</th><th>Cumulative Number of Options Lapsed</th></tr><tr><td>Financial Year 2015</td><td>Nil</td></tr></table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>
<table>
<tr><td>Financial Year 2016</td><td>Nil</td></tr>
<tr><td>Financial Year 2017</td><td>11,297</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>16,672</td></tr>
</table>
</td></tr>
<tr><td>Variation of terms of options</td><td>Pursuant to a resolution of the Board of Directors dated March 2, 2016 and a resolution of the Shareholders dated March 28, 2016 the ESOP size was amended. Further, pursuant to a resolution of the Board of Directors dated September 23, 2016 and a resolution of the Shareholders dated November 19, 2016, the exercise period under ESOP 2014 was amended in order to ensure compliance with the SEBI ICDR Regulations. Further, amendments were made to the definitions of ‘employee’, ‘promoter’, promoter group’ and ‘independent director’ to ensure compliance with the SEBI ESOP Regulations and the Companies Act, 2013.</td></tr>
<tr><td>Money realized by exercise of options</td><td>As on May 22, 2017: ₹206,234,665</td></tr>
<tr><td>Total number of options in force</td><td>
<table>
<tr><th>As at the end of financial year/ period</th><th>Cumulative no. of Options in force*</th></tr>
<tr><td>Financial Year 2015</td><td>6,833,264</td></tr>
<tr><td>Financial Year 2016</td><td>6,926,635</td></tr>
<tr><td>Financial Year 2017</td><td>5,047,216</td></tr>
<tr><td>Financial Year 2018 (Upto May 22, 2017)</td><td>3,737,122</td></tr>
</table>
*Total Options Granted – Options exercised – Options lapsed
</td></tr>
<tr><td>Employee-wise detail of options granted to</td><td></td></tr>
<tr><td>i. Senior managerial personnel</td><td>
<table>
<tr><th>Name</th><th>No. of Options</th><th>Percentage of total options granted</th></tr>
<tr><td>Sanjay Nayak</td><td>1,033,207</td><td>14.92</td></tr>
<tr><td>Arnob Roy</td><td>922,804</td><td>13.32</td></tr>
<tr><td>Kumar N. Sivarajan</td><td>698,804</td><td>10.09</td></tr>
<tr><td>Venkatesh Gadiyar</td><td>69,000</td><td>1.00</td></tr>
<tr><td>Krishnakanth G.V.</td><td>25,250</td><td>0.36</td></tr>
<tr><td>Total</td><td>2,749,065</td><td>39.69</td></tr>
</table>
</td></tr>
<tr><td>ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>
<table>
<tr><th>Financial Year/ Period Ended</th><th>Name</th><th>Options Granted</th><th>Total Number of Options granted during the year</th><th>% of total options granted during the year</th></tr>
<tr><td>2014-15</td><td>Murali R</td><td>360,940</td><td>6,833,264</td><td>5.28</td></tr>
<tr><td>2015-16</td><td colspan="4">Nil</td></tr>
<tr><td>2016-17</td><td colspan="4">Nil</td></tr>
<tr><td>2017-18 (up to May 22, 2017)</td><td colspan="4">Nil</td></tr>
<tr><td></td><td>Total</td><td>360,940</td><td>6,833,264</td><td>5.28</td></tr>
</table>
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<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>iii. Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td>
<table>
<tr><th>Financial Year /Period ended</th><th>Name</th><th>Date of Grant</th><th>No. of Options Granted</th><th>No. of Equity Shares outstanding on the date of Grant</th><th>% of grant to number of Equity Shares outstanding at the time of Grant</th><th>% of aggregate no. of Grants during the year to the number of Equity Shares outstanding as on the date of last grant</th></tr>
<tr><td rowspan="4">Financial Year 2015</td><td rowspan="2">Arnob Roy</td><td>October 1, 2014</td><td>711,500</td><td>91,001,377</td><td>0.78</td><td rowspan="2">1.01</td></tr>
<tr><td>March 31, 2015</td><td>211,304</td><td>91,001,377</td><td>0.23</td></tr>
<tr><td rowspan="2">Sanjay Nayak</td><td>October 1, 2014</td><td>716,250</td><td>91,001,377</td><td>0.79</td><td rowspan="2">1.14</td></tr>
<tr><td>March 31, 2015</td><td>316,957</td><td>91,001,377</td><td>0.35</td></tr>
<tr><td>Financial Year 2016</td><td colspan="6">Nil</td></tr>
<tr><td>Financial Year 2017</td><td colspan="6">Nil</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td colspan="6">Nil</td></tr>
</table>
</td></tr>
<tr><td>Fully diluted Earnings per Equity Share – (face value ₹10 per Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 ‘Earnings per Share’</td><td>The reported diluted earnings per equity share calculated in accordance with relevant accounting standards is as follows:
<table>
<tr><th>Year</th><th>Reported Diluted EPS as per Standalone Restated Financial Information#</th><th>Reported Diluted EPS as per Consolidated Restated Financial Information#</th></tr>
<tr><td>Financial Year 2015</td><td>(2.69)</td><td>(2.90)</td></tr>
<tr><td>Financial Year 2016</td><td>4.13</td><td>4.36</td></tr>
<tr><td>Financial Year 2017</td><td>7.92</td><td>9.40</td></tr>
</table>
The options being anti-dilutive, are ignored in the calculation of diluted EPS.</td></tr>
<tr><td>Lock-in</td><td>Nil</td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share – (face value ₹10 per Equity Share)</td><td>a. The impact on Earnings per Share if the ‘fair value’ of the options (on the date of the grant) were considered instead of the ‘intrinsic value’ for ESOP 2014, ESOP 2014A and ESOP 2016 as per the Standalone Restated Financial Information is as under:

(₹ in million)
<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">For the year ended</th></tr>
<tr><th>March 31, 2017</th><th>March 31, 2016</th><th>March 31, 2015</th></tr>
<tr><td>(Loss)/Profit (as reported)</td><td>532.08</td><td>274.96</td><td>(165.58)</td></tr>
<tr><td>Add/ (less): stock based employee compensation (intrinsic value)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Add/(less): stock based compensation expenses determined under fair value method for the grants issued (see below)</td><td>(115.56)</td><td>(31.10)</td><td>(40.03)</td></tr>
<tr><td>Net Profit /(Loss) (proforma) – in ₹</td><td>416.52</td><td>243.86</td><td>(205.61)</td></tr>
<tr><td>Basic earnings per share (as reported) – in ₹</td><td>7.92</td><td>4.46</td><td>(2.69)</td></tr>
<tr><td>Basic earnings per share (proforma) – ₹</td><td>6.20</td><td>3.96</td><td>(3.34)</td></tr>
<tr><td>Diluted earnings per share (as reported) – ₹</td><td>7.92</td><td>4.13</td><td>(2.69)</td></tr>
<tr><td>Diluted earnings per share (proforma) – ₹</td><td>6.20</td><td>3.67</td><td>(3.34)</td></tr>
</table>
b. The impact on Earnings per Share if the ‘fair value’ of the options (on the date of the grant) were considered instead of the ‘intrinsic value’ for ESOP 2014, ESOP 2014A and ESOP 2016 as per the Consolidated Restated Financial Information is as under:</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>
(₹ in million)
<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">For year ended</th></tr>
<tr><th>March 31, 2017</th><th>March 31, 2016</th><th>March 31, 2015</th></tr>
<tr><td>(Loss)/Profit (as reported)</td><td>632.22</td><td>290.05</td><td>(178.66)</td></tr>
<tr><td>Add/ (less): stock based employee compensation (intrinsic value)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Add/(less): stock based compensation expenses determined under fair value method for the grants issued (see below)</td><td>(115.56)</td><td>(31.10)</td><td>(40.03)</td></tr>
<tr><td>Net Profit /(Loss) (proforma)</td><td>516.66</td><td>258.95</td><td>(218.69)</td></tr>
<tr><td>Basic earnings per share (as reported) – in ₹</td><td>9.40</td><td>4.71</td><td>(2.90)</td></tr>
<tr><td>Basic earnings per share (proforma) – in ₹</td><td>7.69</td><td>4.20</td><td>(3.55)</td></tr>
<tr><td>Diluted earnings per share (as reported) – in ₹</td><td>9.40</td><td>4.36</td><td>(2.90)</td></tr>
<tr><td>Diluted earnings per share (proforma ₹) – in ₹</td><td>7.69</td><td>3.89</td><td>(3.55)</td></tr>
</table>
</td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td>
The weighted average exercise price, fair value and intrinsic value for the options outstanding are as follows:
<table>
<tr><th>Financial Year/ Period</th><th>Weighted average Intrinsic value as on date of grant based on consolidated restated financial statements</th><th>Weighted average exercise price as on the date of grant</th><th>Weighted average fair value as on the date of grant</th></tr>
<tr><td>Financial Year 2015</td><td>Nil*</td><td>65</td><td>36.38</td></tr>
<tr><td>Financial Year 2016</td><td>Nil*</td><td>65</td><td>35.32</td></tr>
<tr><td>Financial Year 2017#</td><td>Not Applicable</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)#</td><td>Not Applicable</td><td>Not Applicable</td><td>Not Applicable</td></tr>
</table>
*Exercise price of options is above the intrinsic value of the shares.
#There are no options granted during this period.
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td>The employee stock options granted in terms of ESOP 2014 is accounted under the Intrinsic Value Method.

For Estimating the fair value of options our Company has adopted the Black Scholes method with the following assumptions:
<table>
<tr><th>Particulars</th><th>Financial Year 2015</th><th>Financial Year 2016</th><th>Financial Year 2017*</th><th>Financial Year 2018 (upto May 22, 2017)*</th></tr>
<tr><td>Risk Free Interest Rate</td><td>7.90%</td><td>7.75%</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Option life (comprising the vesting period and the exercise period)</td><td>16-19 years</td><td>16-19 years</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Exercise period from the date of vesting</td><td>15 years</td><td>15 years</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Expected Annual Volatility of Shares</td><td>0%</td><td>0%</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Expected Dividend Yield</td><td>0%</td><td>0%</td><td>Not Applicable</td><td>Not Applicable</td></tr>
</table>
*Note: The assumptions are given for the period in which options have been granted to the employees as per ESOP 2014. No options have been granted during Financial Years 2017 and 2018</td></tr>
<tr><td>Impact on profit and Earnings per Equity Share – (face value ₹10 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed in respect of options granted in the last three years</td><td>Employee stock options granted in terms of ESOP 2014 is accounted under the “Intrinsic Value Method” stated in the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The same is in accordance with the SEBI ESOP Regulations.
<table>
<tr><th>Financial Year/ Period Ended</th><th>Effect on Profits</th><th>Effect on EPS</th></tr>
<tr><td>Financial Year 2015</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Financial Year 2016</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Financial Year 2017</td><td>Nil</td><td>Nil</td></tr>
</table></td></tr>
<tr><td>Intention of the holders of Equity Shares allotted on exercise of options granted to sell their shares within three months after the date of listing of Equity Shares pursuant to the Offer</td><td>432 Employees may sell up to 1,899,422 Equity shares arising out of exercise of options.</td></tr>
<tr><td>Intention to sell Equity Shares arising out of the ESOP 2014 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2014 amounting to more than 1% of the issued capital (excluding outstanding warrants</td><td>Nil</td></tr>
</table>

Particulars	Details
and conversions), which inter alia shall include name, designation and quantum of the equity shares issued under the ESOP 2014 and the quantum they intend to sell within 3 months.	

17. Our Company, pursuant to resolutions passed by our Board and our Shareholders, dated June 27, 2016 and July 25, 2016, respectively has adopted ESOP 2014A. ESOP 2014A was subsequently modified pursuant to the Shareholders resolution dated November 19, 2016 and the Board resolution dated September 23, 2016. Pursuant to ESOP 2014A, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2014A). The aggregate number of Equity Shares, which may be issued under ESOP 2014A, shall not exceed 2,000,000 Equity Shares. ESOP 2014A is compliant with the SEBI ESOP Regulations and the Companies Act, 2013.

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>As on May 22, 2017, the Company has granted 1,978,215 options.
<table>
<tr><th>Financial year / period</th><th>Total No of Options Granted</th><th>Cumulative No. of Options Granted</th></tr>
<tr><td>Financial Year 2015</td><td>Not Applicable</td><td>-</td></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td><td>-</td></tr>
<tr><td>Financial Year 2017</td><td>1,978,215</td><td>1,978,215</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>-</td><td>1,978,215</td></tr>
</table>
</td></tr>
<tr><td>Pricing formula</td><td>The exercise price shall be determined by the Nomination and Remuneration Committee subject to compliance with the provisions of the SEBI ESOP Regulations.

The weighted average exercise price of the options is ₹85 per option.</td></tr>
<tr><td>Vesting period</td><td>- There shall be a minimum period of one year between the grant of option and the vesting of option.

- Upon the employee continuing in the employment of our Company and upon compliance with the terms of this ESOP 2014A, the options granted by our Company on the recommendation of the Nomination and Remuneration Committee would vest with the employees over the vesting period set out in the grant notice.

- The Nomination and Remuneration Committee may also prescribe different vesting schedule for different employees (while ensuring a minimum vesting period of one year from the date of grant) based on the reasons to be recorded in writing in accordance with the SEBI ESOP Regulations. Such vesting schedule shall be as specified in the individual grant notices issued to the employees.

- Unless otherwise decided by the Nomination and Remuneration Committee, 25% of the grant will vest after 12 months from the date of grant, and the balance thereafter will vest at the rate of 6.25% per quarter.</td></tr>
</table>

<table>
<tr><td>Options vested and not exercised</td><td>
<table>
<tr><th>Financial Year/ Period Ended</th><th>Options Vested and Not Exercised</th></tr>
<tr><td>Financial Year 2015</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>Nil</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>Nil</td></tr>
</table>
</td></tr>
<tr><td>Options exercised</td><td>
<table>
<tr><th>Financial Year/ Period Ended</th><th>Options Exercised</th></tr>
<tr><td>Financial Year 2015</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>Nil</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>Nil</td></tr>
</table>
</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>Nil</td></tr>
<tr><td>Options forfeited / lapsed</td><td>
<table>
<tr><th>Financial Year/ Period Ended</th><th>Cumulative Options Forfeited / Lapsed</th></tr>
<tr><td>Financial Year 2015</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>7,200</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>11,700</td></tr>
</table>
</td></tr>
<tr><td>Variation of terms of options</td><td>Pursuant a resolution of the Board of Directors dated September 23, 2016 and a resolution of the Shareholders dated November 19, 2016, the exercise period under ESOP 2014A was amended in order to ensure compliance with the SEBI ICDR Regulations. Further, amendments were made to the definitions of ‘employee’, ‘promoter’, promoter group’ and ‘independent director’ to ensure compliance with the SEBI ESOP Regulations and the Companies Act, 2013.</td></tr>
<tr><td>Money realized by exercise of options</td><td>Not Applicable</td></tr>
<tr><td>Total number of options in force</td><td>
<table>
<tr><th>Financial Year/ Period Ended</th><th>Options in force</th></tr>
<tr><td>Financial Year 2015</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>1,971,015</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>1,966,515</td></tr>
</table>
</td></tr>
<tr><td>Employee-wise detail of options granted to</td><td></td></tr>
<tr><td>i. Senior managerial personnel</td><td>
<table>
<tr><th>Name</th><th>No. of Options</th><th>Percentage of total options granted</th></tr>
<tr><td>Sanjay Nayak</td><td>301,957</td><td>15.26</td></tr>
<tr><td>Arnob Roy</td><td>251,304</td><td>12.70</td></tr>
<tr><td>Kumar N. Sivarajan</td><td>196,304</td><td>9.92</td></tr>
<tr><td>Sukhvinder Kumar</td><td>125,000</td><td>6.32</td></tr>
<tr><td>Venkatesh Gadiyar</td><td>30,000</td><td>1.52</td></tr>
<tr><td>Krishnakanth G.V.</td><td>11,000</td><td>0.56</td></tr>
<tr><td>Total</td><td>915,565</td><td>46.28</td></tr>
</table>
</td></tr>
<tr><td>ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>Nil</td></tr>
<tr><td>iii. Identified employees who were granted options during any one year equal to</td><td>Nil</td></tr>
</table>

<table>
<tr><td>exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td></td></tr>
<tr><td>Fully diluted Earnings per Equity Share – (face value ₹10 per Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 ‘Earnings Per Share’</td><td>The reported diluted earnings per equity share calculated in accordance with relevant accounting standards is as follows:

<table>
<tr><th>Year</th><th>Reported Diluted EPS as per Standalone Restated Financial Information#</th><th>Reported Diluted EPS as per Consolidated Restated Financial Information#</th></tr>
<tr><td>Financial Year 2015*</td><td>(2.69)</td><td>(2.90)</td></tr>
<tr><td>Financial Year 2016*</td><td>4.13</td><td>4.36</td></tr>
<tr><td>Financial Year 2017</td><td>7.92</td><td>9.40</td></tr>
</table>

The options being anti-dilutive, are ignored in the calculation of diluted EPS.
*There were no options granted under ESOP 2014A for Financial Years 2015 and 2016.</td></tr>
<tr><td>Lock-in</td><td>Nil</td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share – (face value ₹10 per Equity Share)</td><td>a. The impact on Earnings per Share if the ‘fair value’ of the options (on the date of the grant) were considered instead of the ‘intrinsic value’ for ESOP 2014, ESOP 2014A and ESOP 2016 as per the Standalone Restated Financial Information is as under:

(₹ in million)

<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">For the year ended</th></tr>
<tr><th>March 31, 2017</th><th>March 31, 2016*</th><th>March 31, 2015*</th></tr>
<tr><td>(Loss)/Profit (as reported)</td><td>532.08</td><td>274.96</td><td>(165.58)</td></tr>
<tr><td>Add/ (less): stock based employee compensation (intrinsic value)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Add/(less): stock based compensation expenses determined under fair value method for the grants issued (see below)</td><td>(115.56)</td><td>(31.10)</td><td>(40.03)</td></tr>
<tr><td>Net Profit /(Loss) (proforma) – in ₹</td><td>416.52</td><td>243.86</td><td>(205.61)</td></tr>
<tr><td>Basic earnings per share (as reported) – in ₹</td><td>7.92</td><td>4.46</td><td>(2.69)</td></tr>
<tr><td>Basic earnings per share (proforma) – ₹</td><td>6.20</td><td>3.96</td><td>(3.34)</td></tr>
<tr><td>Diluted earnings per share (as reported) – ₹</td><td>7.92</td><td>4.13</td><td>(2.69)</td></tr>
<tr><td>Diluted earnings per share (proforma) – ₹</td><td>6.20</td><td>3.67</td><td>(3.34)</td></tr>
</table>

*There were no options granted under ESOP 2014A for Financial Years 2015 and 2016

b. The impact on Earnings per Share if the ‘fair value’ of the options (on the date of the grant) were considered instead of the ‘intrinsic value’ for ESOP 2014, ESOP 2014A and ESOP 2016 as per the Consolidated Restated Financial Information is as under:

(₹ in million)

<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">For year ended</th></tr>
<tr><th>March 31, 2017</th><th>March 31, 2016*</th><th>March 31, 2015*</th></tr>
<tr><td>(Loss)/Profit (as reported)</td><td>632.22</td><td>290.05</td><td>(178.66)</td></tr>
<tr><td>Add/ (less): stock based employee compensation (intrinsic value)</td><td>-</td><td>-</td><td>-</td></tr>
</table></td></tr>
</table>

<table>
<tr>
<td></td>
<td>
<table>
<tr><td>Add/(less): stock based compensation expenses determined under fair value method for the grants issued (see below)</td><td>(115.56)</td><td>(31.10)</td><td>(40.03)</td></tr>
<tr><td>Net Profit /(Loss) (proforma)</td><td>516.66</td><td>258.95</td><td>(218.69)</td></tr>
<tr><td>Basic earnings per share (as reported) – in ₹</td><td>9.40</td><td>4.71</td><td>(2.90)</td></tr>
<tr><td>Basic earnings per share (proforma) – in ₹</td><td>7.69</td><td>4.20</td><td>(3.55)</td></tr>
<tr><td>Diluted earnings per share (as reported) – in ₹</td><td>9.40</td><td>4.36</td><td>(2.90)</td></tr>
<tr><td>Diluted earnings per share (proforma ₹) – in ₹</td><td>7.69</td><td>3.89</td><td>(3.55)</td></tr>
</table>
*There were no options granted under ESOP 2014A for Financial Years 2015 and 2016
</td>
</tr>
<tr>
<td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td>
<td>The weighted average exercise price, fair value and intrinsic value for the options outstanding are as follows:
<table>
<tr><th>Financial year / Period</th><th>Weighted average Intrinsic value as on date of grant</th><th>Weighted average exercise price as on the date of grant</th><th>Weighted average Fair Value as on the date of grant</th></tr>
<tr><td>Financial Year 2015#</td><td>Not Applicable</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016#</td><td>Not Applicable</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>Nil*</td><td>85</td><td>4.05</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)#</td><td>Not Applicable</td><td>Not Applicable</td><td>Not Applicable</td></tr>
</table>
* Exercise price of options is above the intrinsic value of the shares.
#There are no options granted during this period.
</td>
</tr>
<tr>
<td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td>
<td>The employee stock options granted in terms of ESOP 2014A is accounted under the Intrinsic Value Method.

For estimating the fair value of the options of our company had adopted Black Scholes method with the following assumptions:
<table>
<tr><th>Particulars</th><th>Financial Year 2015*</th><th>Financial Year 2016*</th><th>Financial Year 2017</th><th>Financial Year 2018 (up to May 22, 2017)*</th></tr>
<tr><td>Risk Free Interest Rate</td><td>Not Applicable</td><td>Not Applicable</td><td>7.61%</td><td>Not Applicable</td></tr>
<tr><td>Option life (comprising the vesting period and the exercise period)</td><td>Not Applicable</td><td>Not Applicable</td><td>5-8 Years</td><td>Not Applicable</td></tr>
<tr><td>Exercise period from the date of vesting</td><td>Not Applicable</td><td>Not Applicable</td><td>4 Years</td><td>Not Applicable</td></tr>
<tr><td>Expected Annual Volatility of Shares</td><td>Not Applicable</td><td>Not Applicable</td><td>0%</td><td>Not Applicable</td></tr>
<tr><td>Expected</td><td>Not</td><td>Not</td><td>0%</td><td>Not</td></tr>
</table>
</td>
</tr>
</table>

<table>
<tr>
<td></td>
<td>
<table>
<tr><td>Dividend Yield</td><td>Applicable</td><td>Applicable</td><td></td><td>Applicable</td></tr>
</table>
*Note: The assumptions are given for the period in which options have been granted to the employees as per the scheme. No options has been granted during Financial Years 2015, 2016 and 2018.
</td>
</tr>
<tr>
<td>Impact on profit and Earnings per Equity Share – (face value ₹10 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed in respect of options granted in the last three years</td>
<td>
Employee stock options granted in terms of ESOP 2014A is accounted under the “Intrinsic Value Method” stated in the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The same is in accordance with the SEBI ESOP Regulations.
<table>
<tr><th>Financial Year/ Period Ended</th><th>Effect on Profits</th><th>Effect on EPS</th></tr>
<tr><td>Financial Year 2015*</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016*</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>Nil</td><td>Nil</td></tr>
</table>
*There were no options granted under this scheme for Financial Years 2015 and 2016
</td>
</tr>
<tr>
<td>Intention of the holders of Equity Shares allotted on exercise of options granted to sell their shares within three months after the date of listing of Equity Shares pursuant to the Offer</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Intention to sell Equity Shares arising out of the ESOP 2014A within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2014A amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions), which inter alia shall include name, designation and quantum of the equity shares issued under the ESOP 2014A and the quantum they intend to sell within 3 months.</td>
<td>Not Applicable</td>
</tr>
</table>

18. Our Company, pursuant to resolutions passed by our Board and our Shareholders, dated August 2, 2016 and August 29, 2016, respectively has adopted ESOP 2016. ESOP 2016 was subsequently amended pursuant to the Board resolution dated September 23, 2016 and Shareholders resolution dated November 19, 2016. Pursuant to ESOP 2016, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2016). The aggregate number of Equity Shares, which may be issued under ESOP 2016, shall not exceed 5,000,000 Equity Shares. The ESOP 2016 is compliant with the SEBI ESOP Regulations and the Companies Act, 2013.

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr>
<td>Options granted</td>
<td>
As on May 22, 2017, the Company has granted 2,626,415 options.
<table>
<tr><th>Financial Year / Period</th><th>Total No. of options Granted</th><th>Cumulative No. of Options Granted</th></tr>
<tr><td>Financial Year 2015</td><td>Not Applicable</td><td>-</td></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td><td>-</td></tr>
<tr><td>Financial Year 2017</td><td>2,491,215</td><td>2,491,215</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>135,200</td><td>2,626,415</td></tr>
</table>
</td>
</tr>
<tr>
<td>Pricing formula</td>
<td>The exercise price shall be determined by the Nomination and Remuneration Committee subject to compliance with the provisions of the SEBI ESOP</td>
</tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>Regulations.

The weighted average exercise price of the options granted in FY 2017 is ₹85 per option and for options granted during the period April 1, 2017 to May 22, 2017 is ₹110 per option.</td></tr>
<tr><td>Vesting period</td><td>- There shall be a minimum period of one year between the grant of option and the vesting of option.

- Upon the employee continuing in the employment of our Company and upon compliance with the terms of this ESOP 2016, the options granted by our Company on the recommendation of the Nomination and Remuneration Committee would vest with the employees over the vesting period set out in the grant notice.

- The Nomination and Remuneration Committee may also prescribe different vesting schedule for different employees (while ensuring a minimum vesting period of one year from the date of grant) based on the reasons to be recorded in writing in accordance with the SEBI ESOP Regulations. Such vesting schedule shall be as specified in the individual grant notices issued to the employees.

- Unless otherwise decided by the Nomination and Remuneration Committee, 25% of the grant will vest after 12 months from the date of grant, and the balance thereafter will vest at the rate of 6.25% per quarter.</td></tr>
<tr><td>Options vested and not exercised</td><td>
<table>
<tr><th>Financial Year/ Period Ended</th><th>Options Vested and Not Exercised</th></tr>
<tr><td>Financial Year 2015</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>Nil</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>Nil</td></tr>
</table>
</td></tr>
<tr><td>Options exercised</td><td>
<table>
<tr><th>Financial Year/ Period Ended</th><th>Options Exercised</th></tr>
<tr><td>Financial Year 2015</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>Nil</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>Nil</td></tr>
</table>
</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>Nil</td></tr>
<tr><td>Options forfeited / lapsed</td><td>
<table>
<tr><th>Financial Year/ Period Ended</th><th>Cumulative Options Forfeited / Lapsed</th></tr>
<tr><td>Financial Year 2015</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>13,600</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>22,200</td></tr>
</table>
</td></tr>
<tr><td>Variation of terms of options</td><td>Pursuant to a resolution of the Board of Directors dated September 23, 2016 and a resolution of the Shareholders dated November 19, 2016, the exercise period under ESOP 2016 was amended in order to ensure compliance with the SEBI ICDR Regulations. Further, amendments were made to the definitions of ‘employee’, ‘promoter’, promoter group’ and ‘independent director’ to ensure compliance with the SEBI ESOP Regulations and the Companies Act, 2013.</td></tr>
<tr><td>Money realized by exercise of options</td><td>Not applicable</td></tr>
<tr><td>Total number of options in force</td><td>
<table>
<tr><th>Financial Year/ Period Ended</th><th>Options in force</th></tr>
<tr><td>Financial Year 2015</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>2,477,615 options</td></tr>
<tr><td>Financial Year 2018 (up to May 22, 2017)</td><td>2,604,215 options</td></tr>
</table>
</td></tr>
</table>

Particulars	Details
Employee-wise detail of options granted to	
i. Senior managerial personnel	<table><tr><th>Name</th><th>No. of Options</th><th>Percentage of total options granted</th></tr><tr><td>Sanjay Nayak</td><td>302,000</td><td>11.50</td></tr><tr><td>Arnob Roy</td><td>250,000</td><td>9.52</td></tr><tr><td>Kumar N. Sivarajan</td><td>180,000</td><td>6.85</td></tr><tr><td>Venkatesh Gadiyar</td><td>105,000</td><td>4.00</td></tr><tr><td>Sukhvinder Kumar</td><td>24,000</td><td>0.91</td></tr><tr><td>Krishnakanth G.V.</td><td>6,000</td><td>0.23</td></tr><tr><td>**Total**</td><td>**867,000**</td><td>**33.01**</td></tr></table>
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<table><tr><th>Financial Year</th><th>Name</th><th>Options Granted</th><th>% of total options granted during the year</th></tr><tr><td>Financial Year 2015</td><td colspan="3">Not Applicable</td></tr><tr><td>Financial Year 2016</td><td colspan="3">Not Applicable</td></tr><tr><td>Financial Year 2017</td><td>Murali R</td><td>134,315</td><td>5.11</td></tr><tr><td>Financial Year 2018 (up to May 22, 2017)</td><td colspan="3">Not Applicable*</td></tr></table>**The proportion of the grants made to each employee to the total grants made during the FY 2018 can be ascertained only at the end of the financial year.*
iii. Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted Earnings per Equity Share – (face value ₹10 per Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance Accounting Standard (AS) 20 'Earnings per Share'	The reported diluted earnings per equity share calculated in accordance with relevant accounting standards is as follows:<table><tr><th>Year</th><th>Reported Diluted EPS as per Standalone Restated Financial Information#</th><th>Reported Diluted EPS as per Consolidated Restated Financial Information#</th></tr><tr><td>Financial Year 2015*</td><td>(2.69)</td><td>(2.90)</td></tr><tr><td>Financial Year 2016*</td><td>4.13</td><td>4.36</td></tr><tr><td>Financial Year 2017</td><td>7.92</td><td>9.40</td></tr></table>*# The options being anti-dilutive, are ignored in the calculation of diluted EPS.* **There were no options granted under ESOP 2016 for Financial Years 2015 and 2016*
Lock-in	Nil
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee	a. The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' for ESOP 2014, ESOP 2014A and ESOP 2016 as per the Standalone Restated Financial Information is as under: *(₹ in million)*<table><tr><th></th><th>For the year ended</th></tr></table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share – (face value ₹10 per Equity Share)</td><td>

Particulars	March 31, 2017	March 31, 2016*	March 31, 2015*
(Loss)/Profit (as reported)	532.08	274.96	(165.58)
Add/ (less): stock based employee compensation (intrinsic value)	-	-	-
Add/(less): stock based compensation expenses determined under fair value method for the grants issued (see below)	(115.56)	(31.10)	(40.03)
Net Profit /(Loss) (proforma) – in ₹	416.52	243.86	(205.61)
Basic earnings per share (as reported) – in ₹	7.92	4.46	(2.69)
Basic earnings per share (proforma) – ₹	6.20	3.96	(3.34)
Diluted earnings per share (as reported) – ₹	7.92	4.13	(2.69)
Diluted earnings per share (proforma) – ₹	6.20	3.67	(3.34)

**There were no options granted under ESOP 2016 for Financial Years 2015 and 2016*

b. The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' for ESOP 2014, ESOP 2014A and ESOP 2016 as per the Consolidated Restated Financial Information is as under:

(₹ in million)

Particulars	For year ended		
	March 31, 2017	March 31, 2016*	March 31, 2015*
(Loss)/Profit (as reported)	632.22	290.05	(178.66)
Add/ (less): stock based employee compensation (intrinsic value)	-	-	-
Add/(less): stock based compensation expenses determined under fair value method for the grants issued (see below)	(115.56)	(31.10)	(40.03)
Net Profit /(Loss) (proforma)	516.66	258.95	(218.69)
Basic earnings per share (as reported) – in ₹	9.40	4.71	(2.90)
Basic earnings per share (proforma) – in ₹	7.69	4.20	(3.55)
Diluted earnings per share (as reported) – in ₹	9.40	4.36	(2.90)
Diluted earnings per share (proforma ₹) – in ₹	7.69	3.89	(3.55)

**There were no options granted under ESOP 2016 for Financial Years 2015 and 2016*
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td>The weighted average exercise price, fair value and intrinsic value for the options outstanding are as follows:
<table>
<tr><th>Financial year / Period</th><th>Weighted average Intrinsic value as on date of grant based on the consolidated financial information</th><th>Weighted average exercise price as on the date of grant</th><th>Weighted average Fair value as on the date of grant</th></tr>
<tr><td>Financial Year 2015#</td><td>Not Applicable</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016#</td><td>Not Applicable</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2017</td><td>Nil*</td><td>85</td><td>4.11</td></tr>
<tr><td>Financial Year 2018 (Upto May 22, 2017)</td><td>Nil*</td><td>110</td><td>23.38</td></tr>
</table>
#There were no options granted under this scheme for Financial Years 2015 and 2016
* Exercise price of options is above the intrinsic value of the shares.</td></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td>The employee stock options granted in terms of this plan is accounted under the Intrinsic Value Method.

For estimating the fair value of options our Company has adopted the Black Scholes method with the following assumptions:
<table>
<tr><th>Particulars</th><th>Financial Year 2015*</th><th>Financial Year 2016*</th><th>Financial Year 2017</th><th>Financial Year 2018 (up to May 22, 2017)</th></tr>
<tr><td>Risk Free Interest Rate</td><td>Not Applicable</td><td>Not Applicable</td><td>7.61%</td><td>7.59%</td></tr>
<tr><td>Option life (comprising the vesting period and the exercise period)</td><td>Not Applicable</td><td>Not Applicable</td><td>5-8 Years</td><td>5-8 Years</td></tr>
<tr><td>Exercise period from the date of vesting</td><td>Not Applicable</td><td>Not Applicable</td><td>4 Years</td><td>4 Years</td></tr>
<tr><td>Expected Annual Volatility of Shares</td><td>Not Applicable</td><td>Not Applicable</td><td>0%</td><td>0%</td></tr>
<tr><td>Expected Dividend Yield</td><td>Not Applicable</td><td>Not Applicable</td><td>0%</td><td>0%</td></tr>
</table>
* Note: The assumptions are given for the period in which options have been granted to the employees as per ESOP 2016. No options has been granted during Financial Years 2015 and 2016.</td></tr>
<tr><td>Impact on profit and Earnings per Equity Share – (face value ₹10 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed in respect of options granted in the last three years</td><td>Employee Stock Options granted in terms of ESOP 2016 is accounted under the “Intrinsic Value Method” stated in the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The same is in accordance with the ESOP Regulations.
<table>
<tr><th>Financial Year/ Period Ended</th><th>Effect on Profits</th><th>Effect on EPS</th></tr>
<tr><td>Financial Year 2015*</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Financial Year 2016*</td><td>Not Applicable</td><td>Not Applicable</td></tr>
</table></td></tr>
</table>

Particulars	Details		
	Financial Year 2017	Nil	Nil
	**There were no options granted under ESOP 2016 for Financial Years 2015 and 2016*		
Intention of the holders of Equity Shares allotted on exercise of options granted to sell their shares within three months after the date of listing of Equity Shares pursuant to the Offer	Not Applicable		
Intention to sell Equity Shares arising out of the ESOP 2016 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2016 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions), which inter alia shall include name, designation and quantum of the equity shares issued under the ESOP 2016 and the quantum they intend to sell within 3 months.	Not Applicable		

19. Except as stated below, none of our Directors and their immediate relatives have purchased or sold any securities of our Company or the Subsidiaries during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with the SEBI and until the date of this Red Herring Prospectus:

Name of the Transferor	Name of the Transferee	Date of Transfer	Number of equity shares	Price per equity shares (₹)	Aggregate Consideration (in ₹)	Percentage (%) of the fully paid-up pre-Offer capital
Sanjay Nayak^	Sudha Nayak	April 24, 2017	11,000	Nil	Nil	0.00**
Sanjay Nayak*	Samena Spectrum Co	August 24, 2016	540,100	120	64,812,000	0.78
TEWT	Sanjay Nayak	November 14, 2016	364,667	65	23,703,355	0.52

^Sanjay Nayak had transferred 11,000 Equity Shares by way of a gift to his mother, Sudha Nayak.

**Sanjay Nayak has also subscribed to 606,406 Equity Shares on March 31, 2017 pursuant to ESOP 2014 and 102,618 Equity Shares on April 30, 2017 pursuant to exercise of options issued under ESOP 2014.*

***less than 0.01%.*

20. As of the date of the filing of this Red Herring Prospectus, the total number of our Shareholders is 639.

21. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements, safety net or standby arrangements for purchase of the Equity Shares to be offered as a part of the Offer.

22. All Equity Shares issued 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 Red Herring Prospectus.

23. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum Allotment lot.

24. There have been no financing arrangements whereby, our Directors, and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business during a period of six months preceding the date of filing of this Red Herring Prospectus.

25. 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. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under the Offer; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any employee stock options or similar securities, as disclosed in the Draft Red Herring Prospectus and this Red Herring Prospectus and as will be disclosed in the Prospectus, provided they have been approved by our Board. Provided further that if our Company enters into acquisitions or joint ventures or if the business needs otherwise arise, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares for participation in such acquisitions or joint ventures or other arrangements.

26. Except for any issue of Equity Shares pursuant to exercise of employee stock options granted under ESOP 2014, ESOP 2014A or ESOP 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 the date of filing of the Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.

27. The Offer is being made in terms of Regulation 26(2) of the SEBI ICDR Regulations and through a Book Building Process wherein at least 75% of the Offer shall be Allotted on a proportionate basis to QIBs. Our Company may, in consultation with the BRLMs and Selling Shareholders, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third shall be available for allocation to domestic Mutual Funds only. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net 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 more than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. 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 participate in the Offer. For further details, see "Offer Procedure" on page 391.

28. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

29. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

30. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company and our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

31. Except options granted pursuant to ESOP 2014, ESOP 2014A and ESOP 2016, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale.

Requirement of Funds

Our Company proposes to utilize the Net Proceeds towards funding the following objects:

1. Capital expenditure towards payment of salaries and wages of our research and development team;

2. Working capital requirement; and

3. General corporate purposes.

(collectively, referred to herein as the "**Objects**").

In addition, our Company expects to achieve the benefits of listing of the Equity Shares on the Stock Exchanges which, we believe, will result in the enhancement of our Company's brand and creation of a public market for our Equity Shares in India.

The main objects clause as set out in the MOA enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

Net Proceeds

The details of the proceeds of the Fresh Issue are summarized in the table below:

Particulars	Amount (₹ in million)
Gross Proceeds of the Fresh Issue	4,500
(Less) Offer expenses in relation to the Fresh Issue(1)(2)	[●]
Net Proceeds of the Fresh Issue	**[●]**

(1) *To be finalized upon determination of the Offer Price*
(2) *All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be shared in the proportion as agreed between our Company and the Selling Shareholders, upon successful completion of the Offer, in accordance with applicable law*

Means of Finance

We intend to completely finance our Objects from the Net Proceeds, existing Equity, internal accruals and financing from banks. Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue.

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. Subject to applicable law, if the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with Regulation 4(4) of SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated costs of the Objects, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Fresh Issue. Our Company may vary the Objects in the manner provided in "– Variation in Objects" at page 112.

The above fund requirements are based on internal management estimates and are subject to change in the future, and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For details of factors that may affect these estimates, see "Risk Factors" on page 19.

Utilization of Net Proceeds

The proposed utilization of the Net Proceeds is set forth in the table as stated below:

Particulars	Amount (₹ in million)
Capital expenditure towards payment of salaries and wages of our research and development team	452.86
Working capital requirement	3,030.00
General corporate purposes(1)	[●]
Net Proceeds	[●]

(1) To be finalized upon determination of the Offer Price. The amount shall not exceed 25% of the Gross Proceeds of the Fresh Issue

Schedule of Implementation and Deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed as stated below:

(₹ in million)

Particulars	Amount to be funded from the Net Proceeds	Estimated utilization of Net Proceeds in Financial Year 2018
Capital expenditure towards payment of salaries and wages of our research and development team	452.86	452.86
Working capital requirement	3,030.00	3,030.00
General corporate purposes(1)	[●]	[●]
Total	[●]	[●]

(1) To be finalized upon determination of the Offer Price. The amount shall not exceed 25% of the Gross Proceeds of the Fresh Issue

Details of the Objects

1. Capital expenditure towards payment of salaries and wages of our research and development team

We are a technology company and require sustained investment in research and development activities to stay competitive. We constantly monitor the technological developments and global standards in our industry, customer requirements as well as competitive landscape to determine the technological enhancements, new features and functionality required with respect to our existing products as well as new products. We also assess the prospective return on our investment, growth opportunities, as well as the costs and resources necessary for these research and development efforts.

Our research and product development is carried out by our research and development team. We have research and development centres in Bengaluru, Mumbai and Gurgaon, which are recognized under Section 35(2AB) of the Income Tax Act, 1961, by the DSIR. The costs incurred towards research and development efforts leading to product innovation and support (including the employee salaries, allowances and contributions to provident fund and other funds, non-recurring engineering charges, material costs, costs associated with laboratory equipment, computing equipment and product development) are eligible for tax deduction. The DSIR requires us to file an audit certificate issued by our Statutory Auditors, towards the revenue and tangible capital expenses incurred on research and development activities during the year. The DSIR then evaluates this audit certificate and issues a certificate of total research and development capital and revenue expenditure that are eligible for deduction under Section 35(2AB) of the Income Tax Act, 1961 for our units that are registered with the DSIR.

Out of the total costs incurred towards research and product development, a substantial amount is incurred on expenses towards salaries and wages paid to our research and development team.

Our Company's accounting policy, in accordance with Accounting Standard 26 – Intangible Assets, requires all revenue expenditure pertaining to research be charged to the statement of profit and loss. Product development costs are also charged to the statement of profit and loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized under 'Intangible assets under development'. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for fixed assets. Hence, expenditure on research and development eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use. The intangible is capitalized as an asset once the trial test of the product is completed and the same is ready to be put into commercial use, and are amortised over a period of 24 months on pro-rata basis from the date the products are capitalized.

For further details in relation to the accounting policy in relation to intangible assets and the details in relation to the proportion of salaries and wages charged to profit and loss account and to the extent capitalized, please refer section "Financial Statements" on pages 200 and 244, respectively.

The details of the cost incurred towards salaries and wages of our research and development team and the salaries and wages capitalized during the Financial Years 2015, 2016 and 2017 on a standalone basis are set forth below:

(₹ in million except for percentages)

Particulars	Financial Year		
	2015	2016	2017
R & D expenses (gross)	489.58	644.21	730.17
R & D salaries and wages	408.79	486.45	546.17
R & D capitalization of salaries and wages	321.46	337.35	391.62
Revenues from operations (net)	3,858.33	6,255.34	8,653.42
R & D revenue expenses (gross)/ Net revenues (in %)	12.7%	10.3%	8.4%
R & D capitalization of salaries and wages/ R & D salaries and wages (in %)	78.6%	69.3%	71.7%

On the basis of the costs incurred towards salaries and wages of our research and development team during the Financial Years 2015, 2016 and 2017 and the amounts capitalized during such period, our Board pursuant to their resolutions dated February 9, 2017 and May 17, 2017 has estimated that a sum of ₹646.94 million will be incurred towards salaries and wages of our research and development team and salaries and wages expected to be capitalized will be ₹452.86 million during Financial Year 2018. Accordingly, out of the Net Proceeds, we intend to utilize ₹452.86 million for funding the capital expenditure towards payment of salaries and wages of our research and development team in Financial Year 2018. The projected cost towards salaries and wages of our research and development team and the amounts estimated to be capitalized for the Financial Year 2018 on a standalone basis, as compiled by Manian & Rao, Chartered Accountant, pursuant to its certificate dated May 22, 2017 is set out below:

(₹ in million except percentages)

Particulars	Financial Year
	2018
R & D expenses (gross)	932.08
R & D salaries and wages	646.94
R & D capitalization of salaries and wages	452.86
R & D capitalization of salaries and wages/ R & D salaries and wages (in %)	70.00%

No Directors or Key Management Personnel will have any interest in the proposed payments stated in the table above.

2. Working capital requirement

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, financing from various banks and financial institutions and capital raisings through issue of Equity Shares. Our Company's existing working capital requirement and funding on the basis of the Standalone Restated Financial Information as of March 31, 2015, March 31, 2016 and March 31, 2017 are stated below:

(₹ in million)

Particulars	Financial Year		
	2015	2016	2017
Current Assets			
- Inventories	2,221.95	2,315.81	1,823.34
- Trade Receivables *Trade Receivables (Net)* *Add: Bill Discounting*	2,678.41 *1,947.18* *731.23*	3,640.41 *2,491.37* *1,149.04*	3,684.53 *3,420.72* *263.81*
- Cash and Bank Balances	478.84	690.46	697.37
- Short-term loans and advances	249.45	323.08	449.83
- Other Current assets	215.32	150.47	70.57
Total Current Assets(A)	**5,843.97**	**7,120.23**	**6,725.64**
Current Liabilities			
- Trade Payables	1,226.74	1,998.03	1,357.93
- Other Current Liabilities	303.87	152.19	370.74
- Short-term Provisions	19.57	28.68	38.29
Total Current liabilities (B)	**1,550.18**	**2,178.90**	**1,766.96**
Net Working Capital Requirements (A) - (B)	**4,293.79**	**4,941.33**	**4,958.68**
Existing Funding Pattern :			
A. Borrowings from banks, financial institution and non-banking financial companies (including bill discounting)	2,821.75	3,573.40	2,522.89
B. Internal Accruals/ Equity	1,472.04	1,367.93	2,435.79
Total	**4,293.79**	**4,941.33**	**4,958.68**

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolutions dated February 9, 2017 and May 17, 2017 has approved the business plan for the Financial Year 2018. The projected working capital requirements for Financial Year 2018 is as stated below:

(₹ in million)

Particulars	Financial Year 2018
Current Assets	
- Inventories	2,465.75
- Trade Receivables *Trade receivables (Net)* *Add: Bills Discounting*	4,246.58 *4,246.58* -
- Cash and Bank Balances	663.66
- Short-Term Loans and Advances	386.60
- Other Current Assets	147.95
Total Current Assets (A)	**7,910.54**
Current Liabilities	
- Trade Payables	1,343.52
- Other Current Liabilities	220.00
- Short-Term Provisions	46.50
Total Current Liabilities (B)	**1,610.02**
Net Working Capital Requirements (A) - (B)	**6,300.52**
Proposed funding pattern:	
A. Proceeds from the offer	3,030.00
B. Borrowings from banks and financial institution	770.22
C. Internal Accruals/ Equity	2,500.30
Total	**6,300.52**

Key Assumptions and justifications for the holding periods are as follows:

Days outstanding

Particulars	Actuals			Projected
	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
Inventories	210	135	77	90
Trade receivables	253	212	155	155
Short term loans and advances and other current assets	44	28	22	20
Trade payables and other current liabilities	176	152	90	77
Short term provisions	2	2	2	2

Other assumptions

Inventories	Inventories are built considering the lead-time required for manufacturing and testing to meet the customer delivery timelines and for providing timely warranty and post warranty support to our customers. Inventories are expected to grow along with the growth in our business, on an absolute value basis. Our Company's days of inventory holding (calculated as closing inventories divided by net revenues from operations over 365 days) based on the Standalone Restated Financial Information, was 77 days, 135 days and 210 days for Financial Years 2017, 2016 and 2015, respectively. Our Company has assumed the days of inventory holding to net revenues from operations as 90 days for the Financial Year 2018.
Trade Receivables	This is based on the average standard payment terms across our customers. Our Company's general credit terms vary across geographies and type of customer and our assumptions are based on past trends. Our trade receivables turnover ratio (calculated as closing trade receivables divided by net revenues from operations over 365 days) based on the Standalone Restated Financial Information, was 155 days, 212 days and 253 days for Financial Years 2017, 2016 and 2015, respectively. Our Company has assumed trade receivables turnover ratio as 155 days for Financial Year 2018.
Short term loans and advances and other current assets	Short term loans and advances predominantly consist of security deposits, employee loans and advances, balances with government authorities, prepaid expenses and advances made to our suppliers. Other current assets include interest accrued on deposits, receivable towards KESDM Incentive from State Government, patents claimable, and export incentives receivable from focus product scheme. The days of outstanding for short term loans and advances and other current assets based on the Standalone Restated Financial Information (calculated as short term loans and advances and other current assets divided by net revenues from operations over 365 days) was 22 days, 28 days and 44 days for the Financial Years 2017, 2016 and 2015, respectively. Our Company has assumed days of outstanding for short-term loans and advances and other current assets as 20 days for the Financial Year 2018.
Cash and Bank balances	Our Company is required to keep sufficient bank balances to facilitate the day to day business operations and to meet our non-fund based credit facilities from the banks, such as bank guarantee, margin money and letters of credit requirements etc. Such bank balance requirement is expected to grow in line with the growth in our business.
Trade payables and other current liabilities	This is based on the average standard payment terms of our vendors. Our trade payables predominantly comprises of payables towards purchase of goods and services. Other current liabilities predominantly comprises of current maturities of long term borrowings, interest accrued but not due on borrowings, advances from customers, statutory payables, payables on foreign currency forwards. Days of outstanding (calculated as trade payables and other current liabilities divided by total expenses (excluding depreciation, finance cost and tax expense) over 365 days) based on the Standalone Restated Financial Information, was 90 days, 152 days and 176 days for Financial Years 2017, 2016 and 2015 respectively. In line with past trends, our Company has assumed trade payables and other current liabilities as 77 days of total expenses (excluding depreciation, finance cost and tax expenses) for Financial Year 2018.

Short-term Provisions	Short-term provisions consist of provisions for compensated absences, warranty and taxes. Our Company's days of outstanding provisions based on the Standalone Restated Financial Information (calculated as short term provisions divided by total expenses including tax expenses and excluding depreciation & finance cost over 365 days) was two days for each of the Financial Years 2017, 2016 and 2015. Our Company has assumed provisions as two days of total expenses (including tax expenses and excluding depreciation and finance cost) for Financial Year 2018.

Our Company proposes to utilize ₹3,030.00 million of the Net Proceeds in Financial Year 2018 towards our working capital requirements. The balance portion of our working capital requirement for the Financial Year 2018 will be arranged from existing Equity, internal accruals and borrowings from banks.

Pursuant to the certificate dated May 22, 2017, Manian & Rao, Chartered Accountant, have compiled the working capital estimates from the Standalone Restated Financial Information for the Financial Years 2017, 2016 and 2015, and the working capital projections as approved by the Board pursuant to its resolutions dated February 9, 2017 and May 17, 2017.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds of the Fresh Issue, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize the Net Proceeds include investment in our Subsidiaries, sales, marketing and business development expenses, expansion of facilities and meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilizing surplus amounts, if any. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

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, legal counsels, Registrar to the Offer, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, selling commission and processing/uploading charges payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All the fees and expenses relating to the Offer other than listing fees (which will be borne by our Company) shall be shared between our Company and the Selling Shareholders, upon successful completion of the Offer in proportion to the Equity Shares sold in the Offer, in accordance with applicable law. The Selling Shareholders shall reimburse our Company for all expenses incurred by our Company in relation to the Offer for Sale on each of their behalf. The break-up for the estimated Offer expenses are as follows:

Activity	Amount (1) (₹ in million)	As a % of total estimated Offer related expenses(1)	As a % of Offer size(1)
Fees payable to the BRLMs	[●]	[●]	[●]
Selling commission and processing fees for SCSBs(2)	[●]	[●]	[●]
Selling commission and Processing / uploading charges for members of the Syndicate, Registered Brokers, RTAs and CDPs(3)(4)(5)	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses			
Advertising and marketing expenses			

Activity	Amount (1) (₹ in million)	As a % of total estimated Offer related expenses(1)	As a % of Offer size(1)
Others: i. Listing fees; ii. SEBI, BSE and NSE processing fees; iii. Fees payable to Monitoring Agency; iv. Fees payable to Legal Counsels; and v. Miscellaneous.	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Will be completed after finalization of the Offer Price

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

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

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

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

No additional bidding charges shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

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

*Portion for Retail Individual Bidders**	*₹ 10.00 per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ 10.00 per valid application (plus applicable taxes)*

** Based on valid Applications.*

(3) Selling commission on the portion for Retail Individual Bidders, Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members) would be as follows:

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

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

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members) on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ 10 plus service tax, per valid application bid by the Syndicate (including their sub-Syndicate Members).

The Bidding Charges payable to the Syndicate/ Sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

The selling commission/ Brokerages payable to the SCSBs, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(4) Selling commission payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the Registered Brokers, RTAs or CDPs and submitted to SCSBs for processing, would be as follows:

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

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

(5) Processing / uploading charges payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Bidders, Non-Institutional Bidders, which are directly procured by the Registered Brokers/RTAs/CDPs and submitted to SCSB for processing, would be as follows:

*Portion for Retail Individual Bidders**	*₹ 10.00 per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ 10.00 per valid application (plus applicable taxes)*

** Based on valid Applications.*

The selling commission or charges, as the case may be, payable to SCSBs, members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs is subject to finalization of the Basis of Allotment.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilized have been appraised.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the funds in deposits in one or more Scheduled Commercial Banks included in the Second Schedule of the Reserve Bank of India Act, 1934 as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including any other short-term instrument like non-convertible debentures, commercial papers, etc., pending receipt of the Net Proceeds.

Monitoring Utilization of Funds

Our Company has appointed Axis Bank Limited as monitoring agency for monitoring the utilization of the Net Proceeds. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule IX of SEBI ICDR Regulations on a quarterly basis, till at least 95% of the Net Proceeds, excluding the amount raised for general corporate purposes, have been utilized. Our Board and our management shall provide their comments on such report of the Monitoring Agency. Our Company shall thereafter, within 45 days from the end of each quarter, publically disseminate the report of the Monitoring Agency by uploading the same on our website as well as submitting the same to the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilized for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilized in full. Furthermore, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds from the Objects as stated above and details of category wise variation in the actual utilization of the Net Proceeds of the Offer from the Objects as stated above. The information will also be published in newspapers simultaneously with the submission of such information to the Stock Exchanges, after placing the same before the Audit Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Kannada, the vernacular language of the jurisdiction where our Registered and Corporate Office is situated.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Board of Directors or our Key Management Personnel. There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Board, our Key Management Personnel or our associates.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company 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 ₹10 each and the Offer Price is [●] times the face value at the Floor Price and [●] times the face value at the Cap Price of the Price Band.

Investors should also refer to "Our Business", "Risk Factors" and "Financial Statements" on pages 143, 19 and 189, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Our end-to-end portfolio of optical networking products positions us well to take advantage of the expected industry growth;
- Leadership in the fast growing Indian optical equipment market;
- Track record and culture of innovation leading to product and technology leadership;
- Software defined hardware with ease of use;
- Cost and capital efficient business model;
- Long standing customer relationships with strong repeat business; and
- Strong professionally managed team with significant industry experience.

For further details, see "Our Business - Our Competitive Strengths" on page 144.

Quantitative Factors

The information presented below relating to our Company is based on the Standalone Restated Financial Information and the Consolidated Restated Financial Information prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. For details, see "Financial Statements" on page 189.

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

A. Basic and Diluted Earnings Per Share ("EPS")

As per our Standalone Restated Financial Information:

Fiscal Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2015	(2.69)	1	(2.69)	1
March 31, 2016	4.46	2	4.13	2
March 31, 2017	7.92	3	7.92	3
Weighted Average	**5.00**		**4.89**	

As per our Consolidated Restated Financial Information:

Fiscal Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2015	(2.90)	1	(2.90)	1
March 31, 2016	4.71	2	4.36	2
March 31, 2017	9.40	3	9.40	3
Weighted Average	**5.79**		**5.67**	

Notes:

1. *Earnings per share calculations are in accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014. As per Accounting Standard 20, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous years have been considered accordingly*
2. *The ratios have been computed as below:*

a. *Basic EPS (in ₹) = Net profit, after tax attributable to equity shareholders / Weighted average number of Equity Shares outstanding during the year*
b. *Diluted EPS (in ₹) = Net profit, after tax / Weighted average number of diluted Equity Shares outstanding during the year*

3. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year*
4. *The above statement should be read with "Summary of Significant Differences Between Indian GAAP and Ind AS" and "Financial Statements" on pages 326 and 189, respectively*

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

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for FY 2017 on Standalone Restated Financials	[●]	[●]
Based on basic EPS for FY 2017 on Consolidated Restated Financials	[●]	[●]
Based on diluted EPS for FY 2017 on Standalone Restated Financials	[●]	[●]
Based on diluted EPS for FY 2017 on Consolidated Restated Financials	[●]	[●]

Industry Peer Group P/E ratio

There are no listed entities in India whose business portfolio is comparable with that of our business.

C. Return on Net Worth ("RoNW")

Return on net worth as per Standalone Restated Financial Information:

Fiscal Year ended	RoNW (%)	Weight
March 31, 2015	(4.84)	1
March 31, 2016	7.44	2
March 31, 2017	10.64	3
Weighted Average	**6.99**	

Note:
RoNW = Net profit after tax / Net worth at the end of the year
Net worth represents the aggregate of the paid up share capital and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account

Return on net worth as per Consolidated Restated Financial Information:

Fiscal Year ended	RoNW (%)	Weight
March 31, 2015	(5.39)	1
March 31, 2016	8.05	2
March 31, 2017	12.63	3
Weighted Average	**8.10**	

Note:
RoNW = Net profit after tax, as restated for the year, attributable to equity Shareholders / Net worth (excluding revaluation reserve), as restated, at the end of the year

Net worth represents the aggregate of the paid up share capital and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account

D. Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2017

a) For Basic EPS

Particulars	Standalone (%)	Consolidated (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

b) For Diluted EPS

Particulars	Standalone (%)	Consolidated (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

Note:
Net Worth after Offer = Networth as on March 31, 2017 + ESOP 2014 Allotments post March 31, 2017 till date + Fresh Issue Proceeds

E. Net Asset Value ("NAV") per Equity Share of face value of ₹10 each

NAV per Equity Share	Standalone (₹)	Consolidated (₹)
As on March 31, 2017	70.69	70.78
After the Offer*	[●]	[●]
Offer Price		[●]

** Net Worth after Offer = Networth as on March 31, 2017 + ESOP 2014 Allotments post March 31, 2017 till date + Fresh Issue Proceeds*

Notes:
1. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process*
2. *Net Asset Value per Equity Share represents net worth as restated/number of Equity Shares as at period or year end*
3. *Net worth represents the aggregate of the paid up share capital and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account*

F. Comparison with Listed Industry Peers

There are no listed entities in India whose business portfolio is comparable with that of our business.

The Offer Price will be [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company, in consultation with the BRLMs, on the basis of assessment of market 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 19, 143, 334 and 189, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in "Risk Factors" beginning on page 19 or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

The Board of Directors
Tejas Networks Limited
5th Floor, JP Software Park
Plot No. 25, Sl. No. 13, 14, 17 & 18
Konnapana Agrahara Village
Begur Hobli, Bangalore - 560100

Dear Sirs,

Sub: Statement of possible special direct tax benefits available to Tejas Networks Limited and its shareholders

We refer to the proposed initial public offer of equity shares of **Tejas Networks Limited** ('the Company') and enclose the statement showing the current position of special direct tax benefits available to the Company, and to its shareholders as per the provisions of the Income-tax Act, 1961 ('the Act') for inclusion in the letter of offer.

This statement is provided for general information purposes only and each investor is advised to consult its own tax consultant with respect to specific income tax implications arising out of participation in the issue.

Unless otherwise specified, sections referred below are sections of the Act. The benefits set out below are subject to conditions specified therein read with the Income Tax Rules, 1962, as amended from time to time, presently in force.

The benefits outlined in the enclosed statement based on the information and particulars provided by the Company are neither exhaustive nor conclusive.

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

a) the Company or its shareholders will continue to obtain these benefits in future;
b) the conditions prescribed for availing the benefits have been/would be met with; and
c) the revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include the enclosed statement regarding special direct tax benefits available to the Company and to its shareholders in the letter for the proposed initial public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India, the Registrar of Companies and the Stock Exchange(s).

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of **Tejas Networks Limited** and shall not, without our prior written consent, be disclosed to any other person.

Yours faithfully,
For
Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Sekar K. R.
Partner
(Membership No.: 028899)
Place: Bangalore
Date: 24 January 2017

Statement of special direct tax benefits available to Tejas Networks Limited ('the Company') and its shareholders

1. Special tax benefits available to the Company

1.1 For companies engaged in the business of bio-technology or in any business of manufacture or production of any article or thing

As per section 35(2AB) of the Act, the Company is entitled to a weighted deduction at the rate of 200% of the scientific research and development expenditure incurred by the Company, both capital and revenue in nature (except on land and building), on in-house research and development facility, as approved by the prescribed authority. This deduction would be restricted to 150% of the said expenditure from FY 2017-18 (i.e. AY 2018-19) to FY 2019-20 (AY 2020-21), and to 100% of the said expenditure from FY 2020-21 (i.e. AY 2021-22) onwards.

1.2 For companies spending on scientific research

Under section 35(1)(i) and section 35(1)(iv) of the Act, the Company is entitled to a deduction of any revenue and capital expenditure, respectively, incurred on scientific research related to the business of the Company, other than expenditure on the acquisition of any land.

Any expenditure on which a deduction under section 35(2AB) of the Act has been claimed cannot be claimed again under section 35(1)(i) or 35(1)(iv) of the Act.

2. Special tax benefits available to shareholders

Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for shareholders

Notes:

1. All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by the joint holders.

2. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

3. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from industry and government sources and has not been independently verified by us, the Book Running Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

Overview of a telecommunications network

Telecommunication networks are built by broadly two types of entities: telecommunications carriers and enterprises.

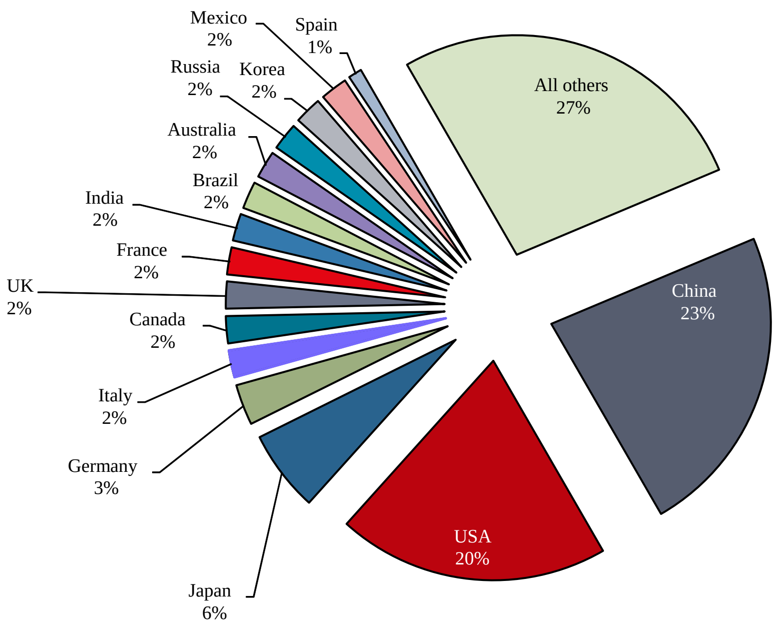
Telecommunications carriers that build telecommunications networks include: communications service providers ("**CSPs**"), carrier-neutral providers ("**CNPs**") and internet content providers ("**ICPs**"). Fixed CSPs are companies or business units within companies engaged in the provision of telecommunications services delivered over a largely wire- or fibre-based network. Mobile CSPs are companies or business units within companies engaged in the provision of telecommunications services delivered over a largely wireless network, commonly known as "cellular" carriers in some regions. CNPs are companies with data centre, fibre and/or cell tower networks that sell or rent capacity or services to CSPs, ICPs and other providers. *(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)* ICPs are companies whose primary business is the creation, storage and dissemination of digital information.

Enterprises use active network equipment (such as routers and switches), communication devices (such as desk phones and audio/video conferencing systems) and structured cabling systems (such as optical fibre cables), across wired and wireless local area network ("**LAN**"). Ethernet is a popular networking LAN technology utilised by enterprises. Ethernet-based LAN equipment are further categorised into switches and routers.

A typical telecommunications network comprises passive infrastructure (such as telecommunications towers and cables), active infrastructure (such as wireless switches, controllers and gateway equipment, as well as wireline optical transmission equipment) and user equipment (such as smart phones, tablets and laptops, used by end-users to access telecommunications networks).

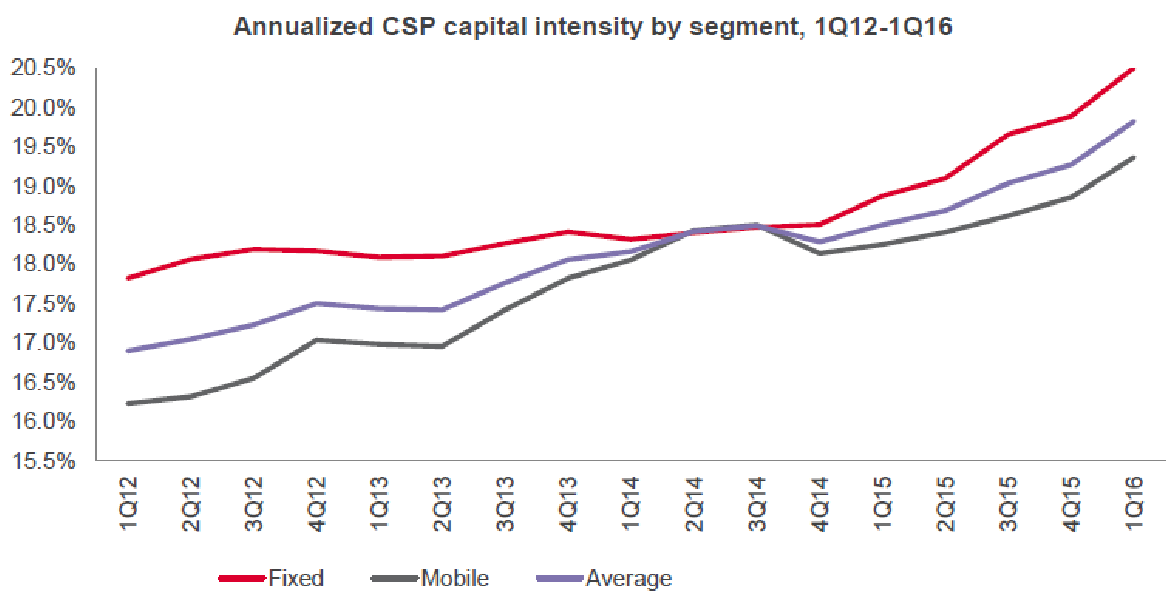
According to Ovum, in 2015, telecommunications expenditure by CSPs accounted for over 80% of the global capital expenditure in optical networking industry. During the first quarter of 2016, the annualised global capital expenditure by CSPs amounted to approximately US$ 343 billion. The chart below sets forth the annualised capital expenditure by CSPs globally and across certain countries during the year ending first quarter of 2016:

Annualised CSP Capital Expenditure: 1Q2016 by country (US$ 343 billion)



(Source: Communications Service Provider (CSP) Revenue & Capex Tracker: 1Q16, published in June 2016 by Ovum)

According to Ovum, the average annualised capital intensity (which is the ratio of the total capital expenditure to the total revenues) for global CSPs grew from 18.3% in the year ending fourth quarter of 2014 to 19.8% in the year ending first quarter of 2016. The chart below sets forth the annualised CSP capital intensity by fixed, mobile and average segments from the first quarter of 2012 to the first quarter of 2016.



(Source: Communications Service Provider (CSP) Revenue & Capex Tracker: 1Q16, published in June 2016 by Ovum)

A telecommunications network typically comprises access, metro and long-haul networks.

Access network

An access network is a wireless or a wireline network on the outer perimeter of a telecommunications network, connecting a residential or a business premise to the service provider's network. Whilst traditionally copper cables were used in the access network, with increasing data speed, the current trend is to use optical fibre.

Metro network

A metro network aggregates and distributes traffic collected from numerous access networks. A network of a city or a state (where distances are less than 1,000 km) can typically be categorised as a metro network.

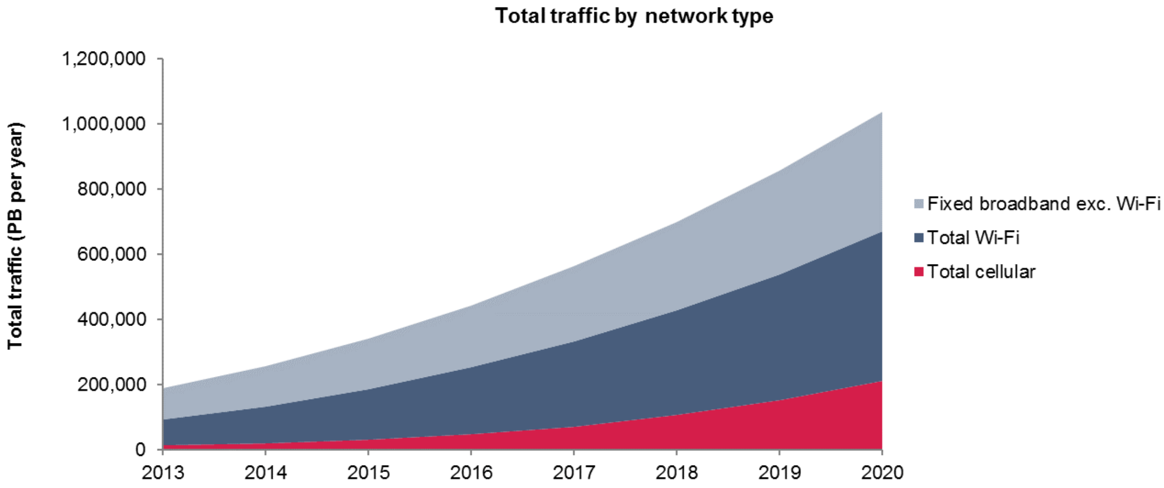
Long-haul network

A long-haul or a core network interconnects metro networks using high bandwidth transmission media and is typically used for transmissions over very long distances, such as between cities or from coast to coast, often exceeding 1,000 km in total transmission length.

Trends driving data consumption in telecommunications networks globally

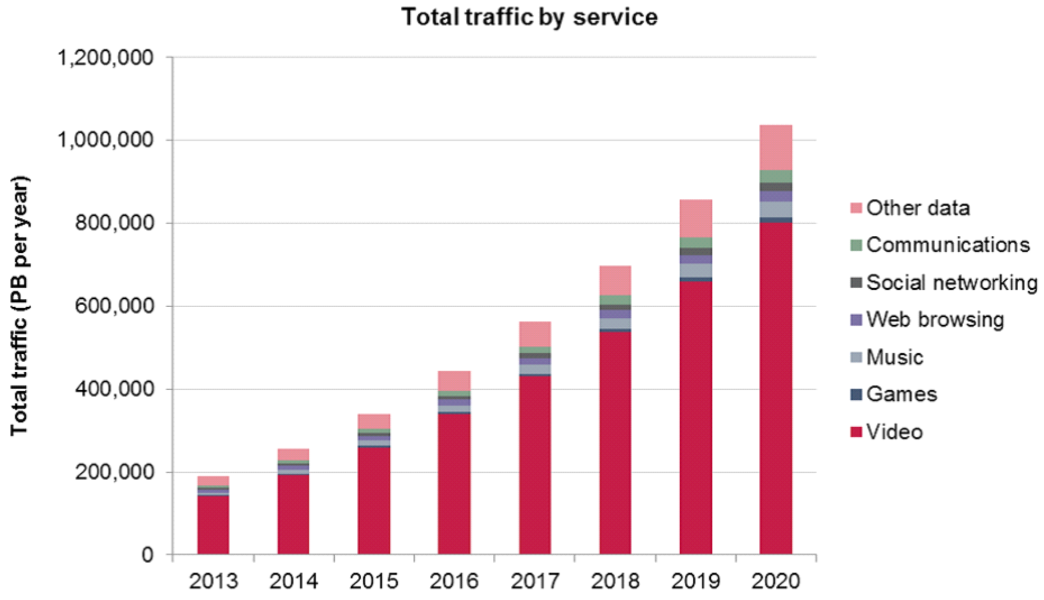
According to Ovum, total global telecommunications access network traffic is expected to grow at a 25% compound annual growth rate ("**CAGR**") for the period from 2015 to 2020. In absolute terms, access traffic volumes are expected to grow from around 340,000 petabytes ("**PB**") in 2015 to just over 1 million PB in 2020. Cellular traffic will be the primary contributor to this growth, which is expected to grow at a CAGR of 47.9% for the period from 2015 to 2020, which is equivalent to the total cellular traffic growing by seven times over this period. *(Source: Digital Economy 2025: Telecoms Core Scenario, published 10 March 2016 by Ovum and Network Traffic Forecast: 2015 to 2020, published in December 2015 by Ovum)*

The graph below sets forth actual (for the period from 2013 to 2015) and projected (for the period from 2016 to 2020) total cellular traffic by network type:



(Source: Network Traffic Forecast, 2015-2020, published in December 2015 by Ovum))

The table below sets forth actual (for the period from 2013 to 2015) and projected (for the period from 2016 to 2020) global network traffic by service segments:



(*Source: Digital Economy 2025: Telecoms Core Scenario, published on 10 March 2016 by Ovum*)

Ovum expects video to contribute to three-fourth of the total global network traffic during the period from 2015 to 2020 and drive the overall network traffic growth. In addition, Ovum expects that by 2020, two-thirds of cellular traffic will be video. As such, telecommunications networks will need to be highly adept at efficiently transporting video traffic. (*Source: Digital Economy 2025: Telecoms Core Scenario, published on 10 March 2016 by Ovum*)

Set out below are the key trends driving this growth in network traffic:

Evolution of high-speed internet technologies

Adoption of high-speed mobile and fixed broadband technologies is growing globally. Mobile networks are moving from 2G/3G to 4G/LTE and 4.5G/ LTE-advanced technologies, which offer higher data rates. In fixed wired broadband networks, broadband access based on GPON technology offers higher bandwidth of up to 10Gbps, compared to the traditional broadband access technologies which offer bandwidth up to 1Gbps.

Proliferation of powerful networking devices

There is an increasing proliferation of powerful networking devices such as smart phones, tablets, laptops which can process large bandwidth applications.

The growth of the Internet of Things ("**IoT**") is leading to an increase in the number of networking end points and is expected to have a significant impact on data traffic. (*Source: Optical Networks Forecast Report 2015-20, published on 18 February 2016 by Ovum*)

Growth in enterprise cloud services and data centres

Migration to cloud-based services is a major driver for network evolution. Businesses worldwide are increasing their usage of online applications and services that are delivered over the cloud which is driving the need for high-speed data services. (*Source: Optical Networks Forecast Report 2015-20, published on 18 February 2016 by Ovum*) In addition, the emergence of web-scale data centres operated by ICPs is resulting in a significant growth in data traffic. ICPs have significant bandwidth requirements for interconnectivity and are among the first to deploy advanced modulation formats for 200G and 400G transmission. (*Source: 2016 Trends to Watch: Optical Networks, published on 15 December 2015 by Ovum*)

Applications, games and hi-definition video content is driving data consumption

High bandwidth content such as mobile applications, games and high-definition videos are being created and consumed worldwide. Ovum estimates that as of March 2016, 62% of end-users watch online videos daily. According to Ovum, video-centric services such as Netflix and YouTube as of March 2016 contribute up to 50% of daily data traffic. *(Source: 2016 Trends to Watch: Optical Networks, published on 15 December 2015 by Ovum)* Traditional telecommunication services such as short message service are also undergoing transformation and are being replaced by data-oriented services such as instant messaging, social networking and e-mails. Voice is also being increasingly substituted by IP applications such as Skype. *(Source: Digital Economy 2025: Telecoms Core Scenario, published on 10 March 2016 by Ovum)* This in turn is driving data consumption.

Growth drivers in the Indian telecommunications equipment market

Increased use of smart phones and mobile data usage

Ovum expects mobile and broadband subscription and penetration in India to grow in the future. The table below sets forth actual (for the period from 2013 to 2015) and projected (for the period from 2016 to 2021) mobile and broadband subscriptions in India:

(Subscriptions in 000s)

Device type	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Subscriptions	8,72,732	9,24,558	9,99,410	10,56,484	11,15,151	11,69,857	12,18,773	12,62,380	13,01,028
Total Mobile Broadband Subscriptions	78,895	1,07,306	1,52,126	2,61,128	4,07,167	5,66,300	7,45,410	9,18,129	10,59,556
Mobile Broadband Handsets	71,989	99,054	1,40,741	2,45,812	3,87,156	5,40,985	7,14,144	8,82,655	10,20,720
Portable Broadband Devices	6,907	8,253	11,386	15,317	20,012	25,316	31,267	35,475	38,837
Total Mobile Non-Broadband Subscriptions	7,93,837	8,17,252	8,47,285	7,95,356	7,07,984	6,03,558	4,73,363	3,44,250	2,41,472
Population	1,27,94,98,874	1,29,52,91,543	1,31,10,50,527	1,32,68,01,576	1,34,25,12,706	1,35,81,37,719	1,37,36,05,069	1,38,88,58,917	1,40,38,82,689

(Source: Mobile Broadband Subscription Forecast: 2016–21 dated December 2016, published by Ovum)

The table below sets forth actual (for the period from 2013 to 2015) and projected (for the period from 2016 to 2021) mobile and broadband penetration in India:

Measure	2013	2014	2015	2016	2017	2018	2019	2020	2021
Mobile Broadband Penetration of Total Subscriptions (%)	9.04%	11.61%	15.22%	24.72%	36.51%	48.41%	61.16%	72.73%	81.44%
Mobile Handsets Penetration of Total Mobile Broadband Subscriptions (%)	91.25%	92.31%	92.52%	94.13%	95.09%	95.53%	95.81%	96.14%	96.33%
Portable Devices Penetration of Total Mobile Broadband	8.76%	7.69%	7.48%	5.87%	4.92%	4.47%	4.19%	3.86%	3.67%

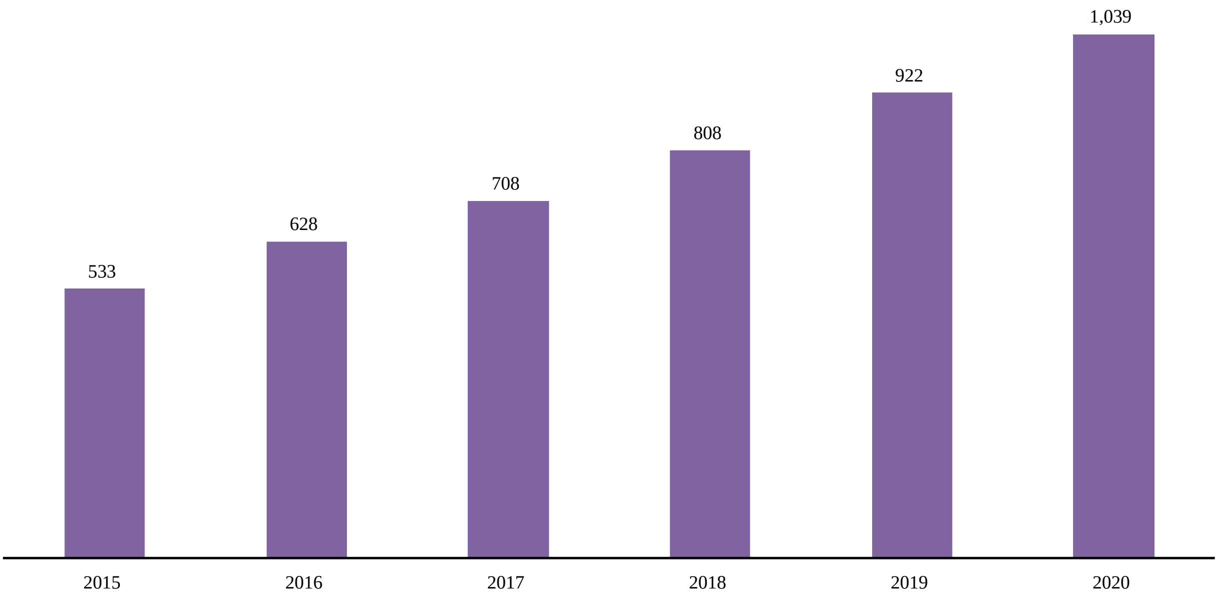
Measure	2013	2014	2015	2016	2017	2018	2019	2020	2021
Subscriptions (%)									
Mobile Non-Broadband Penetration of Total Subscriptions (%)	90.96%	88.39%	84.78%	75.28%	63.49%	51.59%	38.84%	27.27%	18.56%
Mobile Broadband Penetration of Total Population (%)	6.17%	8.28%	11.60%	19.68%	30.33%	41.70%	54.27%	66.11%	75.47%

(Source: Mobile Broadband Subscription Forecast: 2016–21 dated December 2016, published by Ovum)

Rapid growth in enterprise Ethernet services

Ovum expects the enterprise Ethernet services market in India to reach approximately US$ 1 billion by 2020. The chart below sets forth actual (for 2015) and projected (for the period from 2016 to 2020) enterprise Ethernet services revenues in India.

Enterprise Ethernet Services Revenues (in US$ millions)



(Source: Ethernet Services Forecast Spreadsheet: 2015-2020 dated September 2015, published by Ovum)

Data is a key revenue driver for Indian telecommunications companies

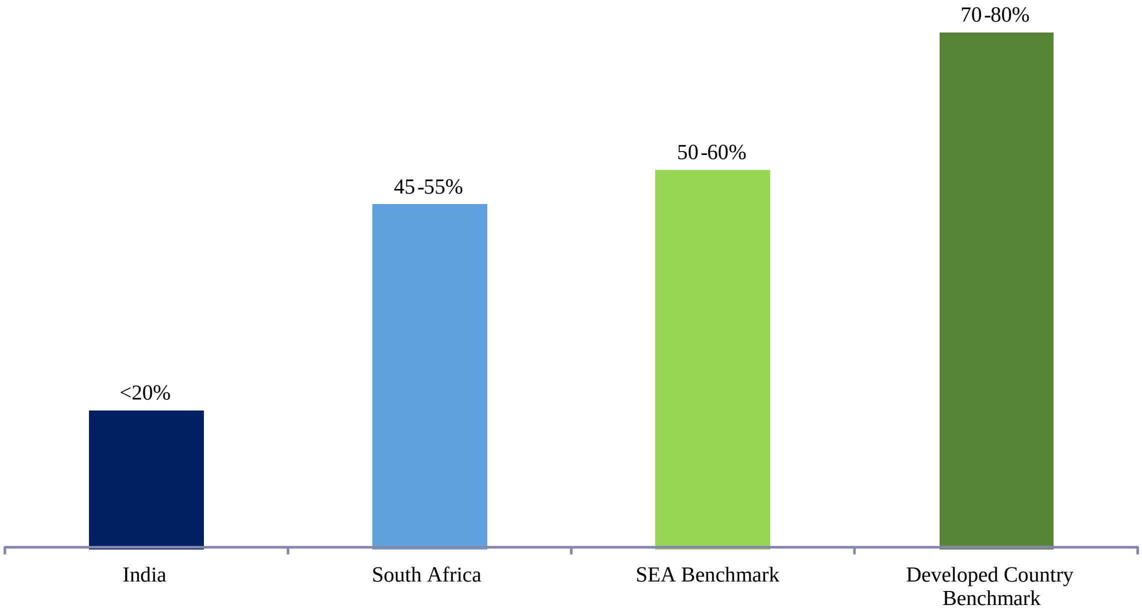
According to the Telecom Regulatory Authority of India ("**TRAI**"), broadband subscriptions have been increasing over the years. As of July 31, 2016, there were 166.96 million broadband subscribers in India compared to 113.32 million broadband subscribers as of July 31, 2015 and 70.81 million broadband subscribers as of July 31, 2014. As of July 31, 2016, the five largest wired broadband service providers in terms of subscriber base in India were BSNL (with 9.86 million subscribers), Bharti Airtel (with 1.88 million subscribers), MTNL (with 1.08 million subscribers), Atria Convergence Technologies (with 1.05 million subscribers) and YOU Broadband (with 0.57 million subscribers). As at July, 31, 2016, the five largest wireless broadband service providers in terms of subscriber base in India were Bharti Airtel (with 42.53 million subscribers), Vodafone (with 33.36 million subscribers), Idea Cellular (with 28.19 million subscribers), Reliance Communications Group (with 14.63 million subscribers) and BSNL (with 11.07 million subscirbers). ***(****Sources: TRAI Highlights of Telecom Subscription Data as on July 31, 2016, Press Release Nos. 97/2016, 54/2015 and 61/2014)*

Fiberisation of backhaul network

An efficient and robust mobile network that not only ensures seamless voice but also data connectivity across 2G, 3G, and 4G/LTE technologies is critical for any telecommunications player. According to Deloitte, in India, less than 20% sites are fiberised compared to 70%-80% sites in a developed country. (*Source: Indian Tower Industry, The Future Is Data, published in June 2015 by Deloitte*)

Deloitte sets out the extent of fiberisation across the world as follows:

Fiberised Sites around the World



(*Source: Indian Tower Industry, The Future Is Data, published in June 2015 by Deloitte*)

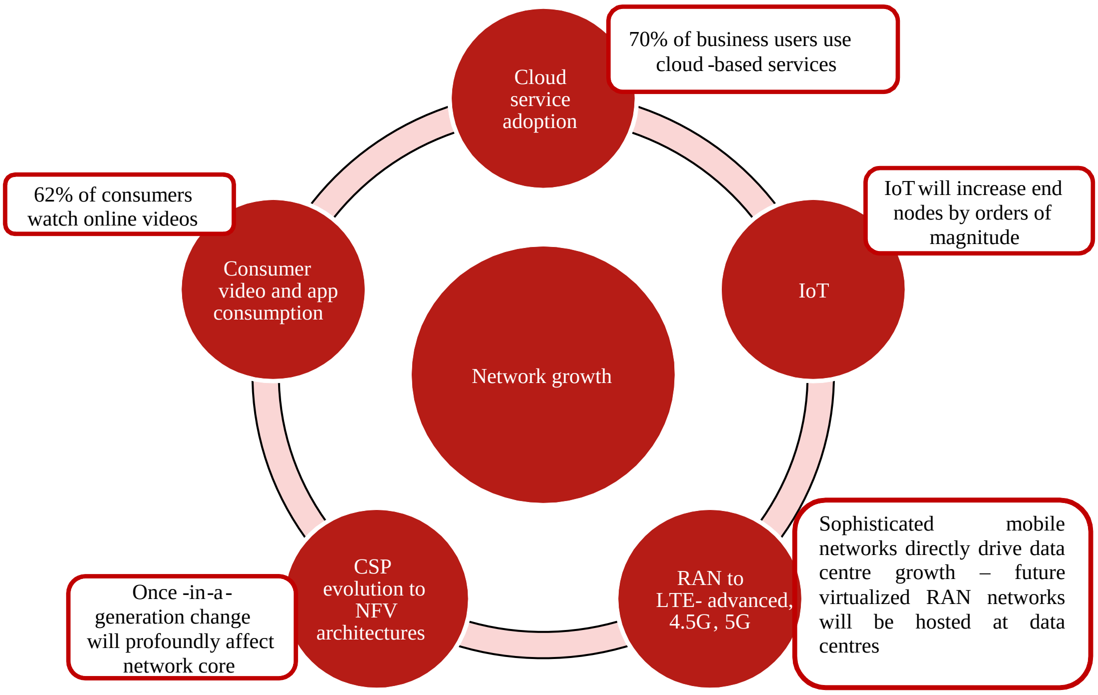
The Department of Telecommunications, Government of India, has introduced Indian Telegraph Right of Way Rules, 2016 (the "**RoW Rules**") to speed up the approval process for overground (mobile towers) and underground (optical fibre) infrastructure. The new rules are effective from November 15, 2016.

Key growth drivers for capital expenditure in optical networks

Applications and access expansions driving technology adoption and core network expansion

The optical networking market is constantly evolving, characterised by new applications, technologies and access extensions. According to Ovum, telecommunications networks are in the midst of a major transformation as operators look to speed up the transition to cloud-based, software-driven networks. This transformation is evident across the entire network infrastructure and is having a strong impact on the optical network equipment market. As a result, there is a transition from the fixed network CSP ecosystem to converged mobile, data centre, ICPs, cloud service provider and connectivity ecosystem that continues to grow rapidly. This transformation is driving the adoption of new technology to support network expansion. *(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)*

The chart below shows the relationships between the key applications that will drive future capital expenditure and network growth.



(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)

The growth of IoT is also expected have a significant impact on the telecommunications networks by increasing traffic. The global cellular machine-to-machine connections are expected to grow to 529 million by the end of 2019. *(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)*

In addition, a large number of government and private entities are stakeholders in Smart Cities. Applications and solutions for a greater civic purpose will be delivered over a civic infrastructure in Smart Cities. Smart Cities are a platform and more applications can be added once the initial platform is in place. *(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)*

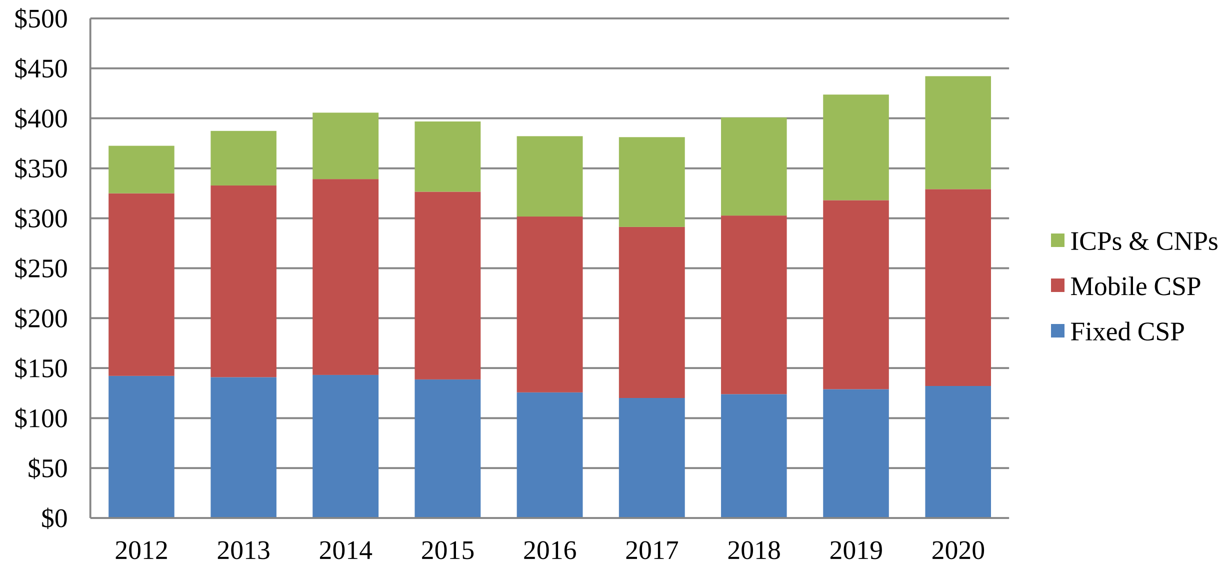
Further, the migration from CSP to network function virtualisation ("**NFV**") architecture will also help data centre growth and ultimately, the optical network. *(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)* Although the standards, network and product architectures, and ecosystem are still developing, NFV is data centre architecture and will have significant long-term data centre interconnection requirements on optical fibre. Further, a new open-source development effort, open networking operating system, is evolving the central office re-architected as a data centre ("**CORD**") strategy with a vision to bring the data centre economy and cloud agility to service provider networks by developing a software defined networking ("**SDN**") operating system software. SDN will enable programmable networks by separating hardware and software and control of equipment using open application programming interfaces. Services can be turned up on-demand in seconds and minutes rather than weeks and months, giving operators an automated, elastic, and programmable network. According to Ovum, CORD could lead to a tremendous network transformation, with substantial growth in data centre capability and re-architecting of the underpinning optical layer. *(Source: Optical Networks Forecast Report: 2015–20, published in February 2016 by Ovum)*

Increased capital expenditure by ICPs

Ovum expects capital expenditure by ICPs in optical networks to grow at 9.3% CAGR, from 2014 to 2020. ICPs have been commissioning global, national and metro networks and continue to add capacity. *(Source: Optical Networks Forecast Spreadsheet: 2015–20 published in December 2015 by Ovum)*

The graph below sets forth the capital expenditure in optical networks, as forecasted, by each of fixed CSPs, mobile CSPs, ICPs and CNPs for the years indicated:

Capex forecast for fixed CSPs, Mobile CSPs vs. ICPs/CNPs (US$ Billions)

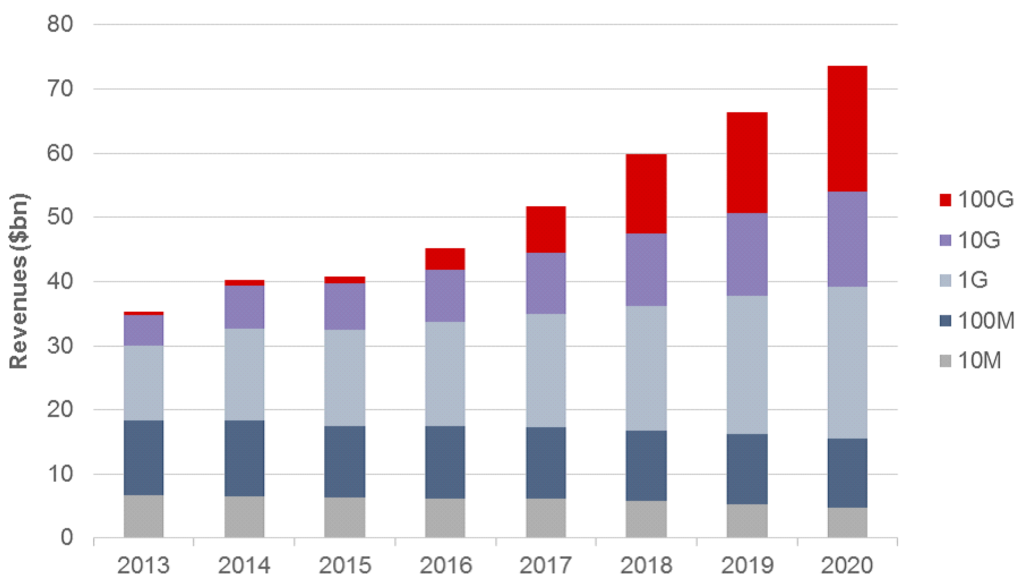


(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)

Growing adoption of cloud services by enterprises

Ovum expects the global Ethernet services market to exceed US$ 70 billion by 2020, growing at a 10.7% CAGR from 2014. Cloud service adoption by enterprises is growing and Ethernet is well positioned as the secure, high-bandwidth, low-cost-per-bit data service of choice for access and for interconnecting data centres. (*Source: Ethernet Services Forecast Report: 2015–20, published on 28 September 2015 by Ovum*)

Enterprise customers are moving from 100Mbps to 1G and 10G wavelengths. The graph below sets forth actual (for 2013 and 2014) and projected (for the period from 2015 to 2020) revenue generated by Ethernet services by port speed:



(*Source: Ethernet Services Forecast Report: 2015–20, published on 28 September 2015 by Ovum*)

In addition, large ICPs, CSPs, enterprises, governments and carrier-neutral operators have deployed web-scale data centres, which have growing interconnection requirements. Data centre interconnect is achieved through high-capacity Ethernet. (*Source: Ethernet Services Forecast Report: 2015–20, published on 28 September 2015*)

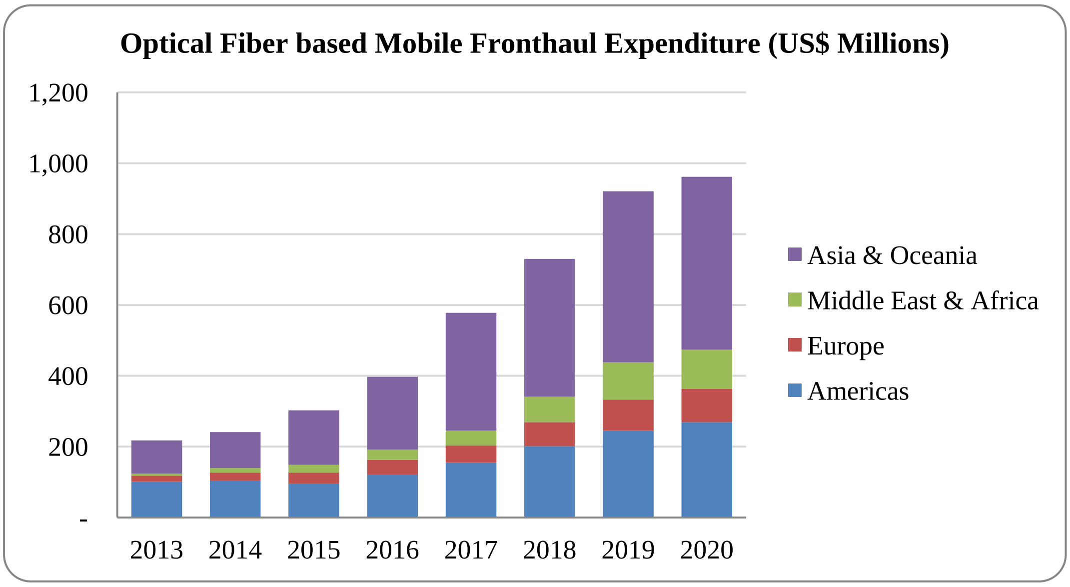
Furthermore, the IoT is an Ethernet-connected network of sensors and devices. The overall bandwidth will grow with greater geographical reach of the IoT as the number of connected devices multiplies. (*Source: Ethernet Services Forecast Report: 2015–20, published on 28 September 2015 by Ovum*)

Increasing mobile backhaul and fronthaul expenditure

Mobile backhaul is defined as the transport of cell phone traffic between the cellular base station and the mobile switching centre. Mobile fronthaul is the transport of cellular traffic between a remote radio head and a baseband unit ("**BBU**") in a cellular network architecture. The mobile network architecture has been evolving over the last several years from a legacy architecture where large radios are connected to antennas via coaxial cable to a new architecture that separates the radio frequency portion of the radio from the digital portion, allowing the radio to be located closer to the antenna. The separation of the digital processing capabilities, also called BBU from the analog radio or remote radio head or unit reduces the equipment footprint at the cell site and allows for more efficient network operations. In this architecture, the connection between the BBU and remote radio unit is provided via high-speed serial links over fibre-optic cable rather than a coaxial cable. These high-speed serial links use the common public radio interface, open base station architecture initiative or open radio interface specifications. *(Source: Mobile Backhaul and Fronthaul Forecast Report: 2015–20 published in September 2015 by Ovum)*

According to Ovum, optical fibre based mobile backhaul expenditure will grow from $3,591.42 million in 2015 to $5,349.54 million by 2020. (*Source: Mobile Backhaul and Fronthaul Forecast: 2015–20 Spreadsheet, published in September 2015 by Ovum*)

According to Ovum, optical fibre based mobile fronthaul expenditure will grow from US$302.50 million in 2015 to US$961.55 million by 2020. The graph below sets forth actual (for the period from 2013 to 2015) and projected (for the period from 2016 to 2020) optical fibre based mobile fronthaul expenditure in US$:



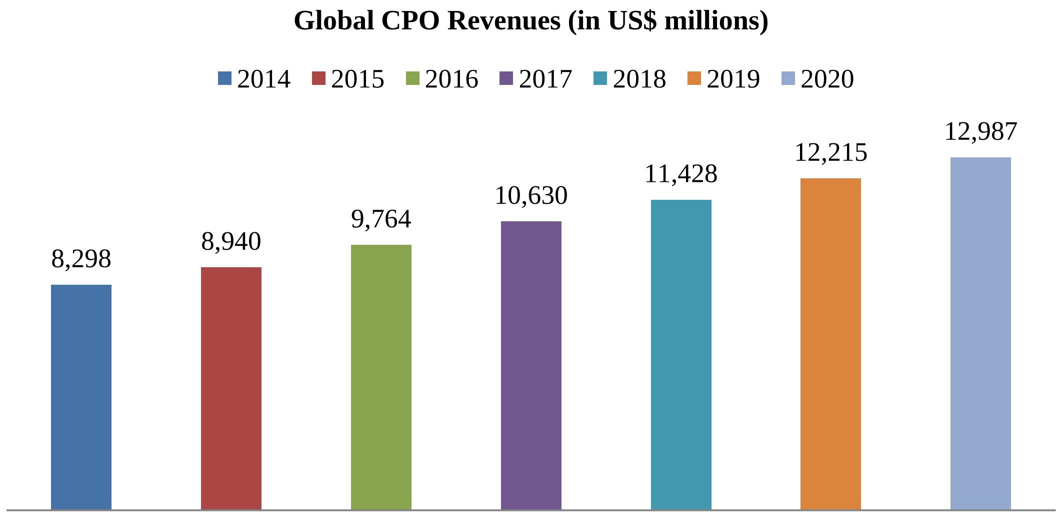
(*Source: Mobile Backhaul and Fronthaul Forecast: 2015–20 Spreadsheet, published in September 2015 by Ovum*)

Overview and market trends for the key optical networking and broadband access products

Below is a brief overview and the market trends relating to the key optical networking and broadband access products.

Converged-Packet Optical Products

Converged-packet optical ("**CPO**") products can simultaneously support transport, processing and switching of both circuit and data traffic within one product. CPO products are key growth drivers of the global optical networking market. The graph below sets forth actual (for 2014) and projected (for the period from 2015 to 2020) global CPO revenue:



(Source: Optical Networks Forecast Spreadsheet: 2015-20 published in December 2015 by Ovum)

Ovum expects the revenue from CPO applications in India to grow from US$ 404 million in 2016 (as forecasted) to US$ 695 million in 2020. *(Source: Optical Networks Forecast Spreadsheet: 2015-20 published in December 2015 by Ovum)*

Packet Transport Network Products

Packet transport network ("**PTN**") products primarily transport data traffic and can also transport voice traffic by emulating it as packets of data. PTN products include Edge IP/MPLS and IP/Ethernet products. The table below sets forth actual (for 2012 and 2013) and projected (for the period from 2014 to 2020) global service provider revenue for each of Edge IP/MPLS and IP/Ethernet segments, as well as the CAGR for such period:

(in US$ millions except percentages)

Product segment	2012	2013	2014	2015	2016	2017	2018	2019	2020	CAGR
Edge IP/MPLS	9,108	9,604	9,885	10,256	10,469	10,822	11,445	12,157	12,815	4.2%
IP/Ethernet	2,245	2,348	2,248	2,258	2,279	2,396	2,525	2,622	2,745	2.3%
Total Ethernet Transport	**11,353**	**11,952**	**12,133**	**12,514**	**12,747**	**13,218**	**13,970**	**14,779**	**15,560**	**3.8%**

(Source: Service Provider Switching & Routing Forecast Spreadsheet: 2014–20, published in November 2014 by Ovum)

Dense Wavelength Division Multiplex Products

An optical fibre carries traffic in the form of light pulses. Through multiplexing, dense wavelength division multiplexing ("**DWDM**") products enable the transportation of multiple wavelengths of light of different colours simultaneously over the same fibre, thereby allowing large volumes of data to be transported over a single optical fibre. Ovum categorises DWDM products as "WDM/CPO-T" which includes WMD/CPO category of products that integrate both DWDM and CPO functions within the same platform and WDM category of products that do not support CPO functions. Further, WDM/CPO-T products are available in different sizes and capacities depending on whether they are to be deployed in optical access, optical metro or optical backbone networks. These are classified as WDM/CPO-T access, WDM/CPO-T metro and WDM/CPO-T backbone respectively. *(Source: Product Re-segmentation, published in May 2012 by Ovum)*

The table below sets forth actual (for the period from 2012 to 2014) and projected (for the period from 2015 to 2020) global revenue for each of the segments of WMD/CPO-T, as well as the CAGR for such period:

(in US$ millions except percentages)

ON Product Segments	2012	2013	2014	2015	2016	2017	2018	2019	2020	CAGR
WDM/CPO-T	8,715	9,972	10,463	10,718	11,368	12,083	12,822	13,602	14,436	5.1%
WDM/CPO	4,457	5,798	6,746	7,177	7,817	8,506	9,237	10,011	10,840	7.1%
WDM	4,258	4,174	3,717	3,541	3,551	3,577	3,585	3,591	3,596	0.3%
WDM/CPO-T Access	471	505	571	571	645	736	818	902	990	9.6%
WDM/CPO-T Metro	4,494	5,250	5,363	5,487	5,949	6,402	6,866	7,405	7,981	6.4%
WDM/CPO-T Backbone	3,750	4,217	4,529	4,660	4,774	4,946	5,138	5,295	5,465	2.7%

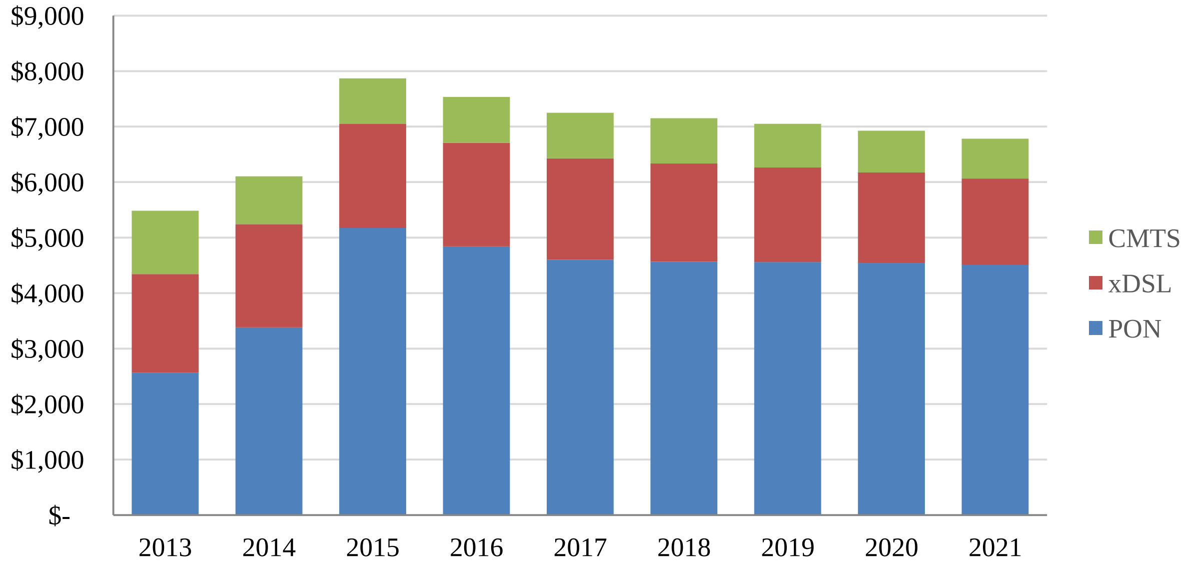
(Source: Optical Networks Forecast Spreadsheet: 2015–20, published in December 2015 by Ovum)

GPON based Broadband Access Products

GPON products are optical fibre based broadband access products used in fibre-to-the-home/curb/building/premise broadband access applications. GPON based broadband access comprises an optical line terminal ("**OLT**") that is installed at a service provider's exchange location, which connects multiple optical network terminals ("**ONTs**") installed at the customer premises.

Ovum expects the global wireline broadband access equipment revenues to decline from approximately US$ 7.9 billion in 2015 to US$ 6.8 billion in 2021. As per Ovum, PON equipment revenues will continue to represent the largest segment under wireline broadband access equipment from 2015 to 2021. *(Source: Broadband Access Equipment Forecast (PON, xDSL, CMTS): 2015–21, published in February 2016 by Ovum)* The chart below sets forth actual (for the period from 2013 to 2015) and projected (for the period from 2016 to 2021) global wireline broadband revenues by each of PON, xDSL and CMTS segments:

Global wireline broadband access equipment revenues by segment (in US$ millions)

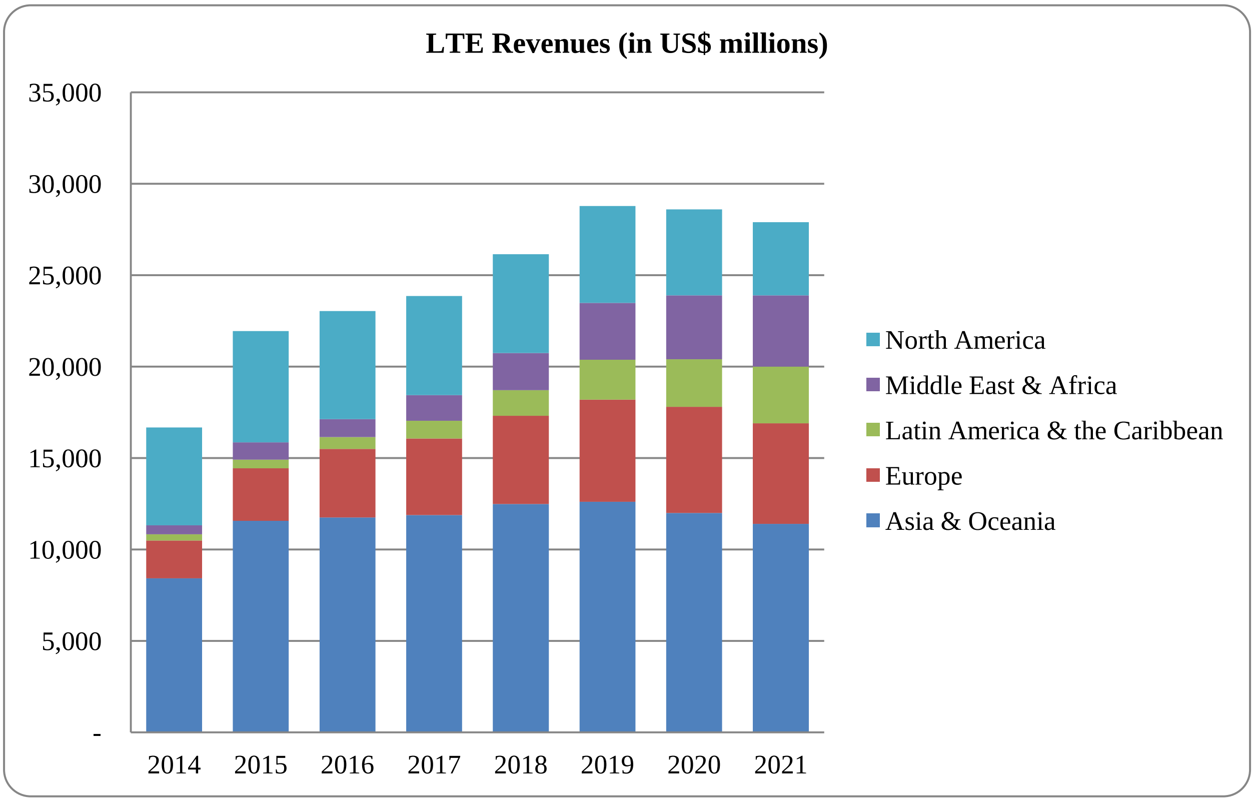


(Source: Broadband Access Equipment Forecast (PON, xDSL, CMTS): 2015–21, published in February 2016 by Ovum)

Passive optical networking ("**PON**") includes a suite of technologies used to deliver broadband services over optical fibre. The PON segment also covers GPON based broadband access products. Digital subscriber loop ("**xDSL**") includes a suite of technologies used to deliver broadband Internet services over the same wires that are used for landline phone services. Cable modem termination services ("**CMTS**") includes technologies used to deliver broadband Internet services over the same wires that are used for cable television services.

4G/LTE based Wireless Broadband Access Products

4G/LTE products are broadband access products used for delivering high-speed broadband services over wireless frequencies. The table below sets forth actual (for 2014 and 2015) and projected (for the period from 2016 to 2020) global revenues by geography for LTE:



(Source: Radio Access Network Forecast: 2016–21, published in May 2016 by Ovum)

Enterprise Switches

Enterprise Ethernet switches are deployed in a LAN within offices or campuses. Enterprise Ethernet switches enable inter-connection of computing devices and accurate redirection of packet traffic from source to destination devices within offices and campuses.

According to TechSci Research, surging bandwidth requirements, growing data security concerns and escalating adoption and integration of LAN equipment in large business setups and small and medium enterprises are some of the major factors expected to aid the growth of the Indian enterprise network LAN equipment market during the period from 2016 to 2021. Moreover, increase in the number of data centre build-outs, increasing machine-to-machine communication market and the expansion of cloud networking are anticipated to further aid the enterprise network LAN equipment market in the country over the span of next five years. Furthermore, favourable government initiatives such as Digital India Programme, National Optical Fibre Network (Bharatnet) and Network of Spectrum are also expected to positively influence the India enterprise network LAN equipment market over the next five years. *(Source: TechSci Research website, accessible at* https://www.techsciresearch.com/report/india-enterprise-network-lan-equipment-market-by-type-switches-routers-gateways-cables-ethernet-nic-adapters-hubs-others-by-end-use-it-telecom-bfsi-healthcare-etc-competition-forecast-and-opportunities/810.html*)*

According to TechSci Research, the size of the India enterprise network LAN equipment market is anticipated to cross US$ 2.5 billion by the end of 2021. Switches dominated India's enterprise network LAN equipment market during the period from 2011 to 2015, and this segment is anticipated to maintain its dominance over the next five years as well. *(Source: TechSci Research website, accessible at* https://www.techsciresearch.com/report/india-enterprise-network-lan-equipment-market-by-type-switches-routers-gateways-cables-ethernet-nic-adapters-hubs-others-by-end-use-it-telecom-bfsi-healthcare-etc-competition-forecast-and-opportunities/810.html*)*

Growth drivers in the optical networking segment

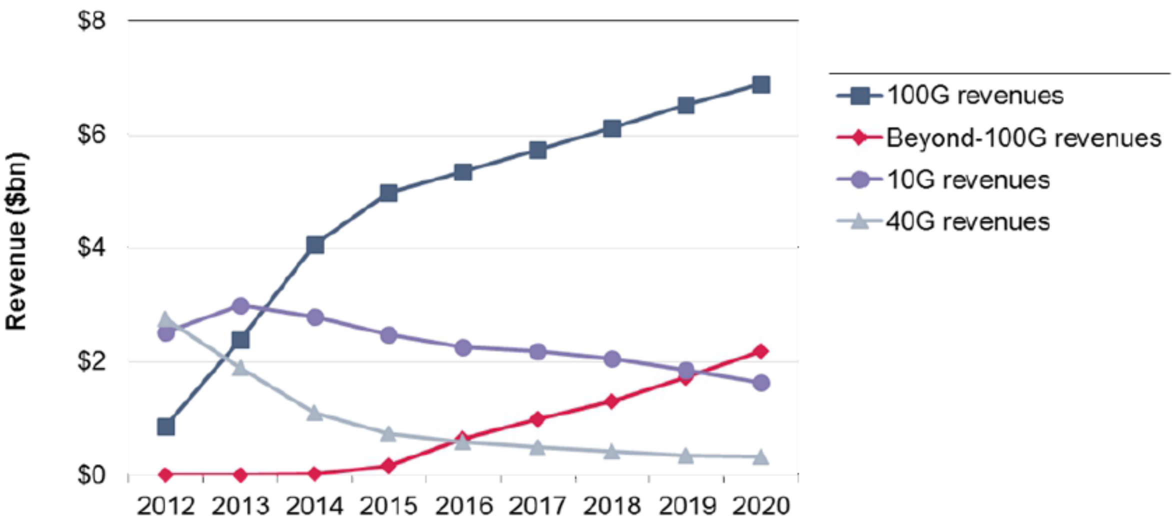
CPO, 100G, greater-than 100G, OTN and ROADM technologies driving product segment growth

From a product perspective, CPO, 100G, greater-than 100G, OTN and ROADM technologies are the key growth drivers for optical networking products. According to Ovum, each of CPO, 100G, OTN and ROADM product segments have are growing at a CAGR 7.8%, 9.2%, 14.6% and 11.1%, respectively from 2014 to 2020. *(Source: Optical Networks Forecast Spreadsheet: 2015–20 published in December 2015 by Ovum)*

100G and beyond

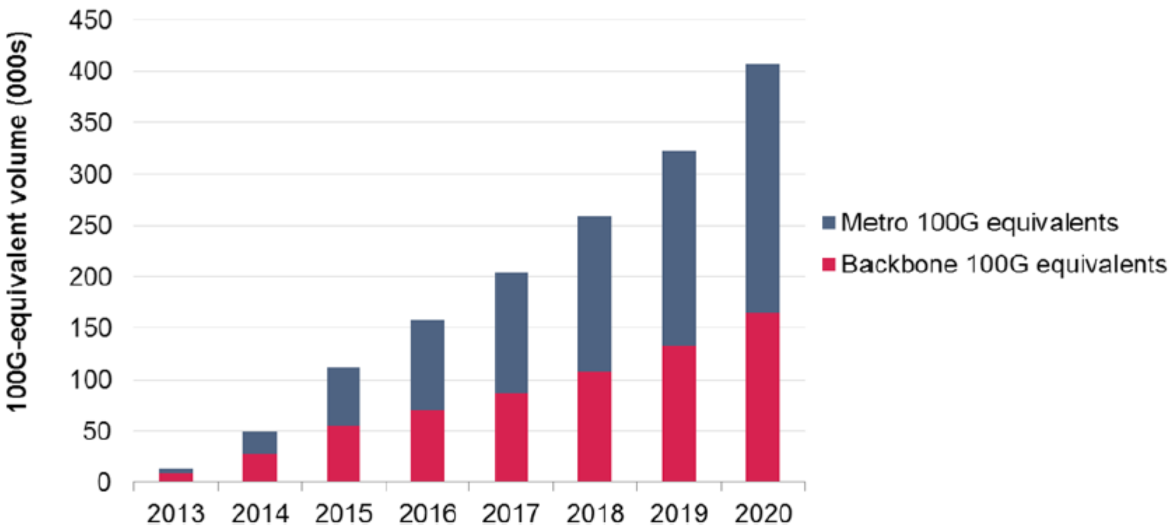
Ovum expects the 200G to 400G products ("**greater-than 100G**") to make a material disruption in the optical networking market. The greater-than 100G market generated over US$ 200 million revenue in 2015. The greater-than 100G market is currently predominantly 16QAM solutions of 200G delivered through chipsets at fairly short distances, generally less than 400km. 200G delivers more bandwidth at lower cost per-bit than two 100G ports. Early adaptors of greater-than 100G include ICPs, governments and CSPs. Ovum expects this market to grow substantially as more vendors introduce this capability. *(Source: Optical Networks Forecast Report: 2015–20, published in February 2016 by Ovum)*

The graph below sets forth actual (for the period from 2012 to 2015) and projected (for the period from 2016 to 2020) global revenues for each of the 10G, 40G, 100G and greater-than 100G segments:



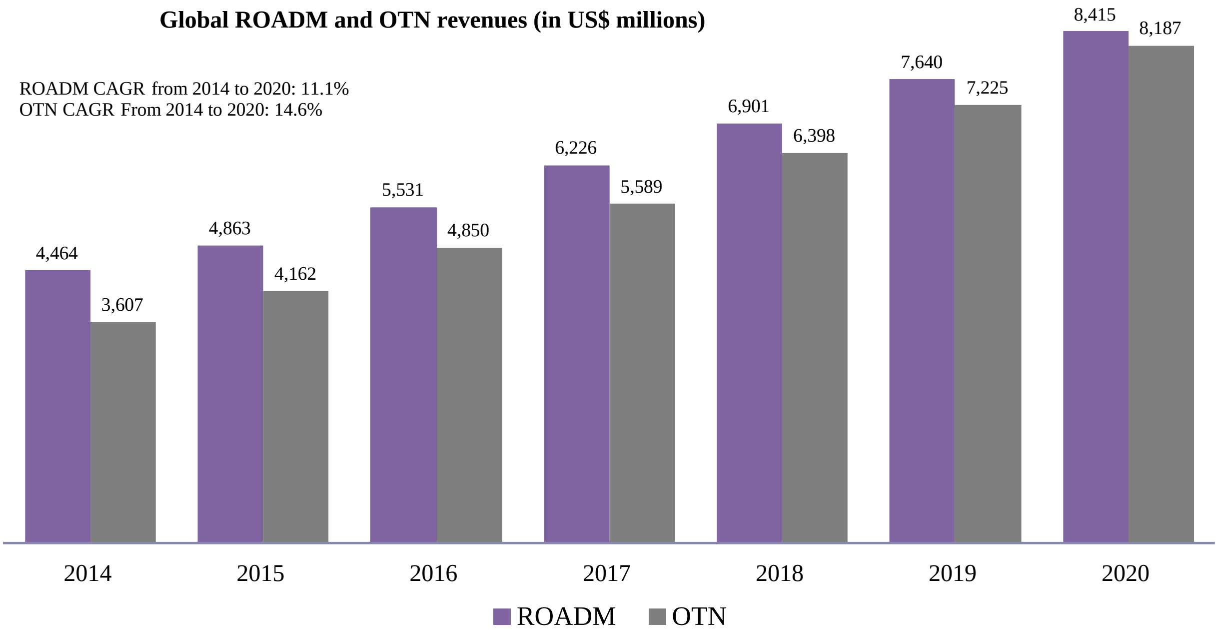
(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)

In addition to the emergence of greater-than 100G, the metro 100G market is expected to continue, aided by cost-reduced solutions. The chart below sets forth Ovum's 100G-equivalent metro and backbone forecasts for the periods indicated:



ROADM and OTN

The demand for optical switching applications, ROADM and OTN, continues to grow. The chart below sets forth the actual (for 2014 and 2015) and projected (for the period from 2016 to 2020) global revenue from ROADM and OTN application segments.

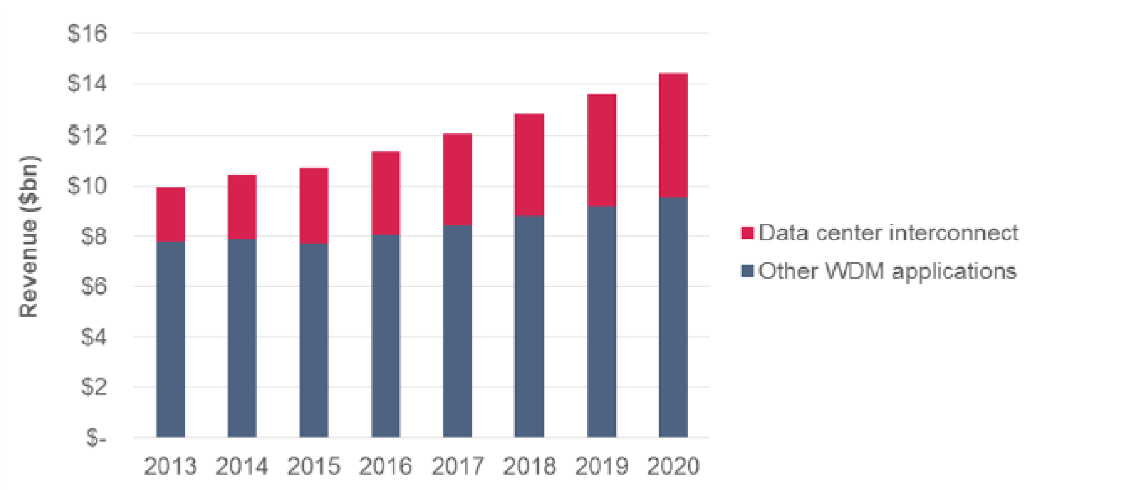


(Source: Optical Networks Forecast Spreadsheet: 2015–20 published in December 2015 by Ovum)

Data centre interconnect driving sales of optical networking products

Data centre interconnects ("**DCIs**") are driving sales of optical networking products such as WDM/CPO-T. WDM/CPO-T enables high-capacity inter-connections between data centres on optical fibre. Global DCI is growing at more than twice the rate of growth of global optical network market. According to Ovum, revenues for DCI are growing by 10.2% annually and are projected to surpass US$ 4.9 billion by 2020, representing 32% of total WDM/CPO-T spending. *(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)*

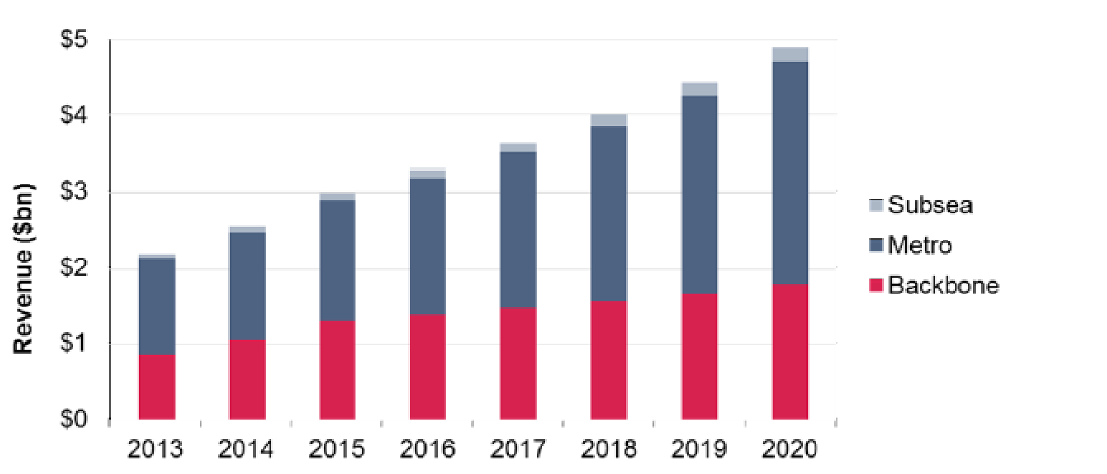
Figure 13: DCI vs other WDM applications forecast



Source: Ovum

Data centre sizes and locations are largely driven by the availability of space, power and tax exemptions. In many cases, data centre facilities are spread across several locations in a city or campuses, generating a significant amount of traffic between servers located in the different buildings and driving the need for large amounts of interconnect capacity. The combination of evolving very large ICP networks and expanding carrier-neutral networks is driving the growth in the metro DCI segment.

Figure 14: Global DCI forecast by distance



Source: Ovum

The metro DCI network requires connectivity between every node on the network. Optical links between data centres (nodes) can be calculated by multiplying the number of nodes (n) by (n-1)/2. Thus a five-node data centre network in a metro would require 10 fibre links, each potentially carrying multiples of 100G wavelengths. As such, the largest ICPs may deploy hundreds to thousands of 100G wavelengths in a metro network for DCI. *(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)*

New purpose-built DCI products are emerging

As the data centre market evolved, CSPs began interconnecting data centres with the same optical networking equipment used in the traditional metro and long-haul networking applications. However, ICP data centre operators operate web-scale warehouse-size data centres that require optical networking equipment that is significantly different. In response, the market for optical networking products specifically designed for DCI has evolved. Demand for these purpose-built metro DCI products is substantial. *(Source: Optical Networks Forecast*

Report: 2015–20 published in February 2016 by Ovum)

LTE deployment driving operator spend

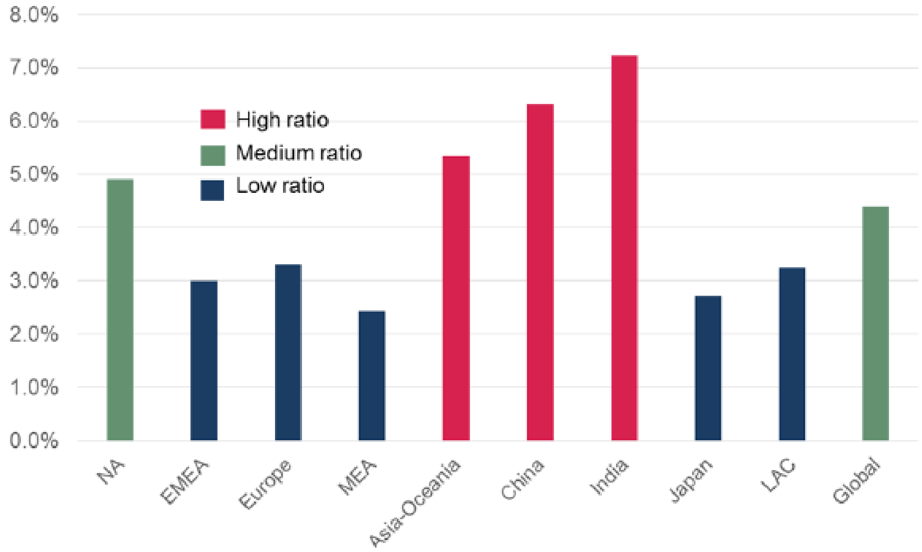
The ongoing mobile network transition to LTE is the key driver for enhancing backhaul capacity of mobile networks. In 2014, mobile operators spent US$ 7.8 billion on backhaul and fronthaul equipment required to transport data from cell site locations to mobile switching centres. This market is projected to exceed US$ 13.2 billion in 2020, driven in the short term by LTE transition in India, renewed investment in China and improved macroeconomic conditions in Europe.

Mobile backhaul is the transport of cell phone traffic between the cellular base station and mobile switching centre. Mobile fronthaul is the transport of cellular traffic between a remote radio head and a baseband unit in a cellular network architecture. A wide range of optical equipment support mobile backhaul and fronthaul. *(Source: Mobile Backhaul and Fronthaul Forecast Report: 2015–20 published in September 2015 by Ovum)*

Capital expenditure trends in the global telecommunications and optical networks

Globally, capital expenditure in fixed and mobile networks is expected to remain relatively unchanged from 2014 to 2020. Telecommunications capital expenditure in India, North America and the Middle East and Africa region is projected to grow at CAGRs of 7.7%, 2.1%, and 1.1%, respectively from 2014 to 2020. While the other regions of the world are expected to reduce their capital expenditure, with Japan, China, Latin America and Europe projected to reduce their capital expenditure by 0.3%, 2.6%, 4.3%, and 4.6%, respectively from 2014 to 2020. Capital expenditure in optical networks, as a proportion of the total telecommunications capital expenditure differs in different economies around the world. India, China and Asia and Oceania region were forecasted to spend 7.2%, 6.3%, and 5.3%, respectively of their telecommunications capital expenditure budgets on optical networks in 2015, projecting a growth in investment and development of this market. Europe, Latin America, Japan and the Middle East and Africa region were forecasted to spend 3.3%, 3.2%, 2.7% and 2.4%, respectively of their total budgeted telecommunications capital expenditure on optical networks in 2015. The low optical network expenditure exhibits either of the two trends: (i) limited business and consumer market; or (ii) mature, low-growth markets with limited and maintenance-type investments. For instance, in North America, the optical network capital expenditure was forecasted to be 4.9% of the total telecommunications capital expenditure budget in 2015, reflective of healthy communications service provider fibre extension projects and large-scale internet content provider investment in optical network. *(Sources: Optical Networks Forecast Spreadsheet: 2015-20 published in December 2015, and Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)*

The graph below sets forth the capital expenditure in optical networks, as forecasted, as a proportion of the total telecommunications capital expenditure for each of the regions indicated in 2015.



The optical networking market provides the technologies underlying the global digital economy. Ovum estimates the global optical networking market revenue at approximately US$ 15 billion in 2016. (*Source: Optical Networks Forecast Spreadsheet: 2015-20 published in December 2015 by Ovum*)

Ovum expects the global optical networking market size to reach approximately US$ 17 billion by 2019. The table below sets forth actual (for the period from 2013 to 2015) and projected (for the period from 2016 to 2020) revenues of the various optical networking product segments.

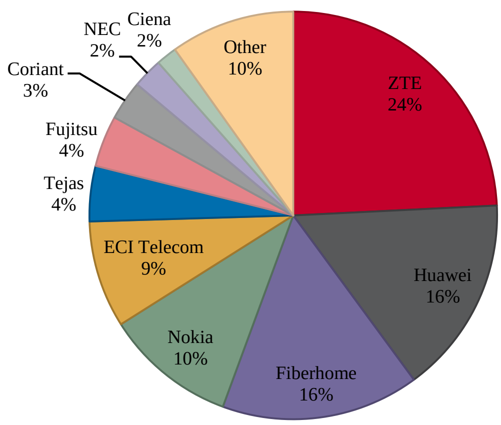
(in US$ millions)

Product Segments	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Aggregation	4,908	3,666	3,047	2,882	2,856	2,811	2,750	2,677	2,590
Aggregation TDM	3,462	2,152	1,495	1,120	908	687	558	473	443
Aggregation CPO	1,446	1,514	1,552	1,762	1,947	2,124	2,191	2,204	2,147
Bandwidth Management Revenues	515	272	161	147	134	119	118	112	105
WDM/CPO-T	8,715	9,972	10,463	10,718	11,368	12,083	12,822	13,602	14,436
WDM/CPO	4,457	5,798	6,746	7,177	7,817	8,506	9,237	10,011	10,840
WDM	4,258	4,174	3,717	3,541	3,551	3,577	3,585	3,591	3,596
WDM/CPO-T Access	471	505	571	571	645	736	818	902	990
WDM/CPO-T Metro	4,494	5,250	5,363	5,487	5,949	6,402	6,866	7,405	7,981
WDM/CPO-T Backbone	3,750	4,217	4,529	4,660	4,774	4,946	5,138	5,295	5,465
SLTE	460	556	400	592	639	691	732	776	822
Total ON Product Segments	**14,598**	**14,466**	**14,071**	**14,339**	**14,997**	**15,703**	**16,421**	**17,166**	**17,954**

(*Source: Optical Networks Forecast Spreadsheet: 2015-20 published in December 2015 by Ovum*)

The graph below sets forth the key players in the aggregation product segment globally, and their market share during the third quarter of 2015 to the second quarter of 2016:

Global Aggregation Product Segment 3Q15–2Q16: US$ 2.5 billion market

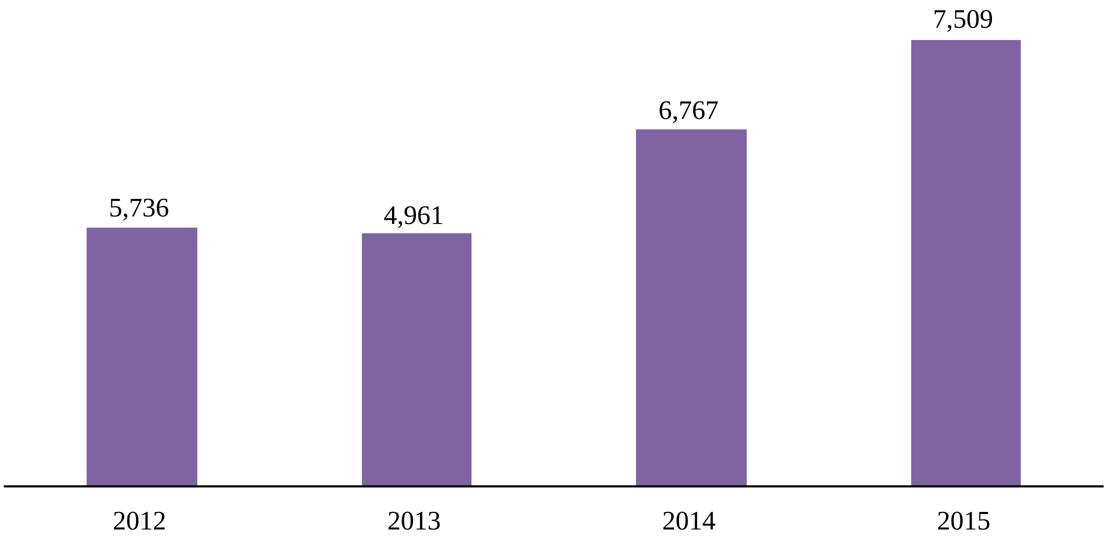


(*Source: Market Share Spreadsheet: 2Q16 ON Global, published in August 2016 by Ovum)*

Capital expenditure trends in the Indian telecommunications and optical networks

Data usage has increased significantly over the last few years, which has resulted in network congestions. Telecommunications operators are trying to implement technology solutions to address this issue whilst meeting the data needs of their customers. According to Ovum, the capital expenditure of Indian telecommunications operators exceeded US$ 7.5 billion in 2015, growing from US$ 4.9 billion in 2013. The table below sets forth the total capital expenditure of all telecommunications operators in India for the period from 2012 to 2015 that excludes their respective capital expenditure on spectrum. *(Source: Communications Service Provider Capex and Revenue Tracker: 1Q16, published in June 2016 by Ovum)*

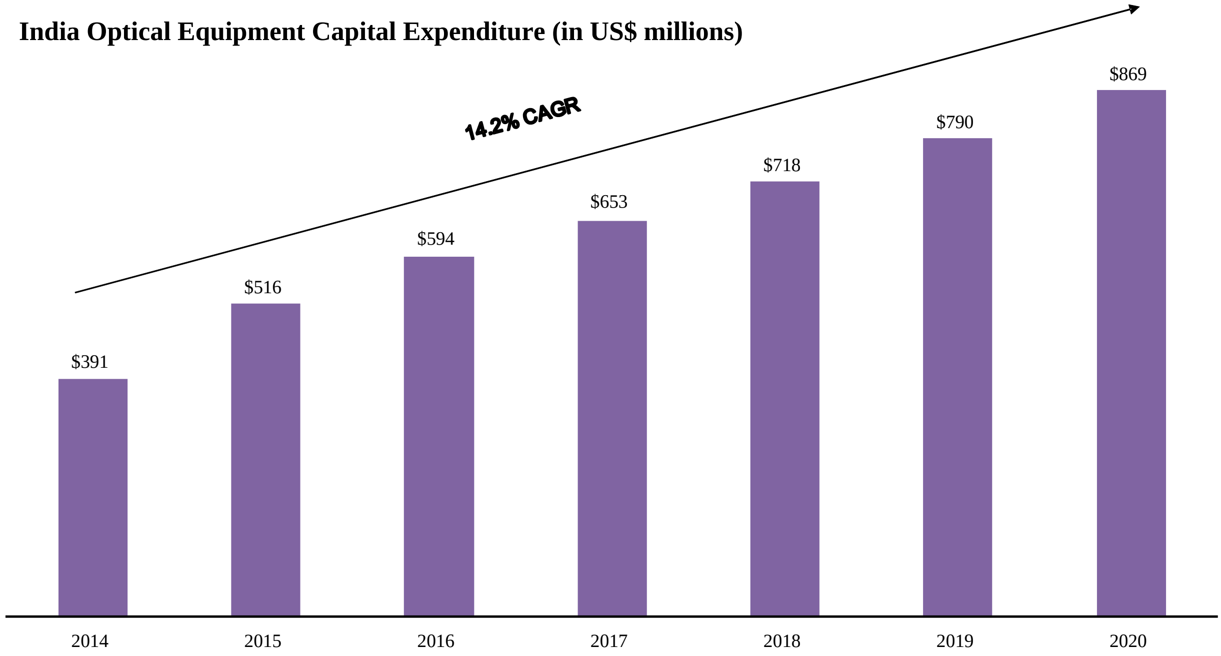
Capital expenditure of telecommunications operators in India (in US$ millions) excluding capital expenditure on spectrum



(Source: Communications Service Provider Capex and Revenue Tracker: 1Q16, published in June 2016 by Ovum)

In India, investment in optical networking infrastructure has grown in the recent years, including a growth in data centre construction. According to Ovum, Indian telecommunications operators allocated an estimated 7.2% of their entire capital expenditure in 2015 for the development of optical networking infrastructure. The graph below shows India's actual (for 2014) and projected (for the period from 2015 to 2020) optical equipment expenditure. *(Source: Optical Networks Forecast Spreadsheet: 2015-2020, published in February 2016 by Ovum)*

India Optical Equipment Capital Expenditure (in US$ millions)



(*Source: Optical Networks Forecast Spreadsheet: 2015-20 published in December 2015 by Ovum*)

Ovum estimates the Indian optical networking market revenue at approximately US$ 594 million in 2016 and expects it to grow to US$ 869 million in 2020. The table below sets forth actual (for the period from 2012 to 2014) and projected (for the period from 2015 to 2020) revenue from each of the products segments of the Indian optical networking market, as well as the CAGR for this period:

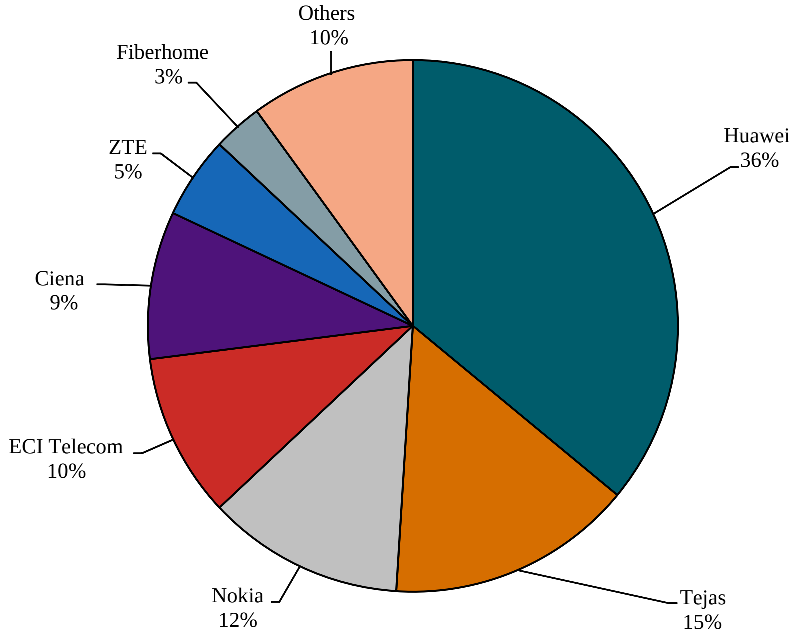
(in US$ millions, except percentages)

Optical Networking Product Segments	2012	2013	2014	2015	2016	2017	2018	2019	2020	CAGR
Aggregation	229	161	173	233	256	269	282	294	307	10.0%
Aggregation TDM	160	88	82	93	78	53	52	49	46	(9.1)%
Aggregation CPO	69	73	91	139	178	215	230	245	261	19.1%
Bandwidth Management Revenues	15	7	4	5	5	6	6	6	6	7.6%
WDM/CPO-T	147	188	214	279	332	379	431	490	556	17.2%
WDM/CPO	66	102	127	181	226	268	316	371	434	22.8%
WDM	81	87	87	98	107	111	115	118	122	5.7%
WDM/CPO-T Access	7	7	9	10	12	13	14	16	17	11.7%
WDM/CPO-T Metro	40	74	88	103	131	157	187	221	261	19.9%
WDM/CPO-T Backbone	100	107	117	165	190	209	230	253	278	15.5%
Total Revenue	**390**	**357**	**391**	**516**	**594**	**653**	**718**	**790**	**869**	**14.2%**
Optical Networking Applications										
CPO	135	175	218	320	404	483	546	616	695	21.3%
ROADM	35	41	48	68	93	119	151	190	236	30.2%
40G	25	14	20	17	19	20	21	21	22	0.9%
100G	4	18	101	134	160	183	208	237	269	17.7%
OTN	44	84	116	162	203	242	288	342	405	23.1%

(Source: Optical Networks Forecast Spreadsheet: 2015-20 published in December 2015 by Ovum)

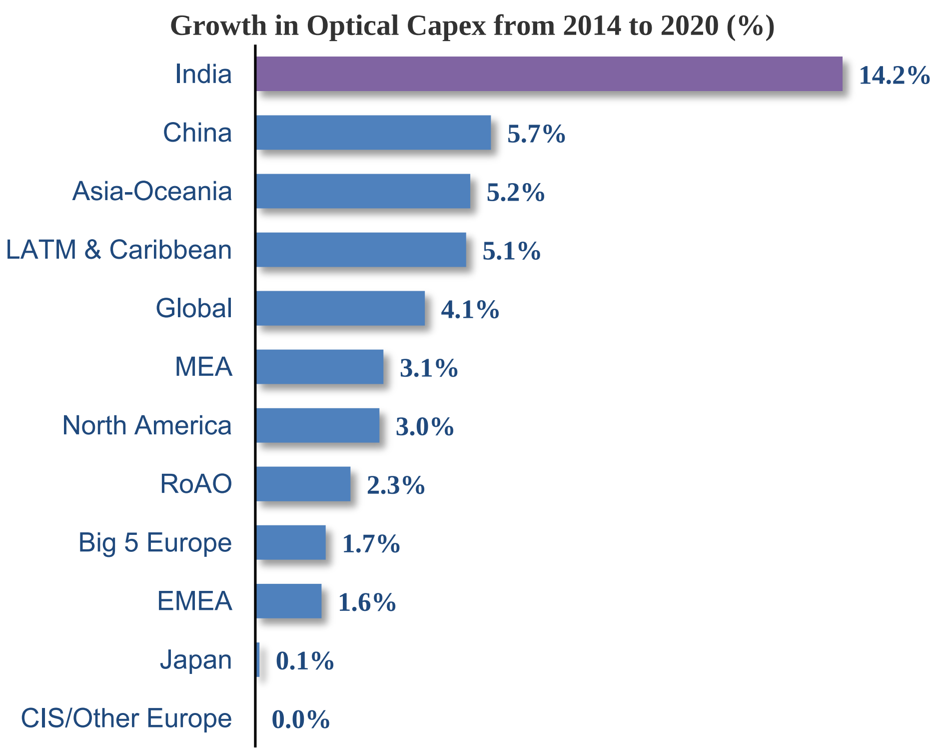
The graph below sets forth the key optical networking market players in India and their market share during the second quarter of 2015 to the first quarter of 2016:

India Optical Networking market share 2Q2015 to 1Q2016 (US$ 0.6 billion)



(Source: Market Share Spreadsheet: 1Q16 ON Subregional EMEA and AP, published in June 2016 by Ovum)

The graph below shows the actual (for 2013 and 2014) and projected (for the period from 2016 to 2020) global growth in optical capital expenditure by geographic segments.



(Source: Optical Networks Forecast Spreadsheet: 2015-20 published in December 2015 by Ovum)

Global growth projections for optical networking market

The optical networking market grows in three fundamental ways: geographic extension, capacity expansion and interconnection among CSPs and others. Network investment continues despite uneven macroeconomic and geopolitical conditions. The global optical network market is projected to grow at a 4.1% CAGR, from 2014 to 2020. India has exhibited strong growth prospects due to renewed mobile network growth and data centre construction. India's optical networking market is expected to grow at a 14.2% CAGR, from 2014 to 2020. China, with growth been driven by Smart Cities, FTTx, mobile and long-haul DCI, is projected to grow at a 5.7% CAGR, from 2014 to 2020. The Asia and Oceania region, driven by the growth in India and China, is projected to grow at a 5.2% CAGR, from 2014 to 2020. North America's optical networking market is projected to grow at a 3.0% CAGR, from 2014 to 2020 based on a renewed focus on high-performance business services, cloud adoption and DCI. *(Source: Optical Networks Forecast Report: 2015–20 published in February 2016 by Ovum)*

Government Initiatives

Set forth below are some of the key government initiatives generally affecting telecommunications industry.

Make in India

Make in India is a Government of India initiative devised to transform India into a global design and manufacturing hub. Electronics systems is a focus sector for the Make in India initiative and the Government of India provides various financial incentives to support domestic manufacturing in this sector. (*Source: Make in India website,* http://www.makeinindia.com/sector/electronic-systems)

Digital India

The Digital India programme is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. Digital India is to be implemented by the entire Government with overall coordination being done by the Department of Electronics and Information Technology. Digital India aims to encourage broadband highways, universal access to mobile connectivity, public internet access programme, e-governance: reforming government through technology, e-kranti - electronic delivery of services, information for all, electronics manufacturing, it for jobs and early harvest programmes. Each of these areas is a complex programme in itself and involves multiple Ministries and Departments. (*Source: Digital India website, accessible at* http://www.digitalindia.gov.in/content/programme-pillars)

National Optical Fibre Network (Bharatnet) ("NOFN (Bharatnet)")

NOFN (Bharatnet) is a rural connectivity project of the Government of India which seeks to link of India through broadband optical fibre network of the order of 1.7 million kilometers. A special purpose vehicle, Bharat Broadband Network Limited has been incorporated for the establishment, management and operation of the project. NOFN (Bharatnet) will extend the optical fibre network to 250,000 *gram panchayats* (which are local self-government bodies in villages or smaller town in India) in India to enable service providers both in the government as well as the private sector to create last mile connectivity and provide e-Education, e-Health and e-Governance services to rural users. The NOFN (Bharatnet) project is being implemented by three central public sector undertakings, Bharat Sanchar Nigam Limited, PowerGrid Corporation of India Limited and Railtel India Limited. A key feature of the project that the GPON equipment used in the project has been designed, developed and manufactured in India. (*Source: Bharat Broadband Network Limited, Annual Report for 2014-15, available at http://www.trai.gov.in/WriteReadData/Recommendation/Documents/Recommendations%20on%20BharatNet%2001.02.2016%20FINAL.pdf*)

National Knowledge Network ("NKN")

NKN project is aimed at establishing a strong and robust Indian network which will be capable of providing secure and reliable connectivity. NKN, with its multi-gigabit capability aims to connect all universities, research institutions, libraries, laboratories, healthcare and agricultural institutions across India to enable multidisciplinary and collaborative research and innovation. The leading mission oriented agencies in the fields of nuclear, space and defence research are also part of NKN.

The Cabinet Committee on Infrastructure of the Government of India approved the NKN project, with ₹5.99 billion to be implemented over a period of 10 years. The key objectives of NKN are to:

- establish a high-speed backbone connectivity which will enable knowledge and information sharing;
- enabling collaborative research, development and innovation;
- facilitating advanced distance education in specialised fields, including engineering, science and medicine;
- facilitating an ultra-high speed backbone for e-Governance;
- facilitating integration of networks different sectors in the field of research, education, health, commerce and governance; and
- link to global networks to collaborate with the research communities worldwide.

(Source: National Knowledge Network website, accessed on October 12, 2016 at http://nkn.gov.in/about-us)

Smart Cities

The Smart Cities Mission of the Government of India intends to promote cities that provide sustainable and inclusive development. The core infrastructure elements in a Smart City would include:

- adequate water supply;
- assured electricity supply;
- sanitation, including solid waste management;
- efficient urban mobility and public transport;
- affordable housing;
- robust IT connectivity and digitalisation;
- good governance, especially e-Governance and citizen participation;
- sustainable environment;
- safety and security of citizens, particularly women, children and the elderly; and
- health and education.

The Smart Cities will also implement "smart solutions" for e-Governance and citizen services, waste management, water management, energy management and urban mobility.

The purpose of the Smart Cities Mission is to drive economic growth and improve the quality of life of people by enabling local area development and harnessing technology. The Smart Cities Mission will cover 100 cities for the period between Fiscal Years 2016 and 2020. During this period, the Government of India proposes to provide ₹480 billion for the development of Smart Cities, with an average of ₹1 billion being allocated to each city each year. In addition, an equal amount will have to be contributed by the state or the urban local bodies. (*Source: Smart Cities, Mission Statement and Guidelines, published by the Ministry of Urban Development, Government of India in June 2015*)

Set forth below are the key government initiatives promoting domestic manufacturing in the telecommunications industry:

Preferential Market Access Policy ("PMA Policy")

The Department of Telecommunications of the Government of India issued the PMA Policy on October 5, 2012. The PMA Policy provides preference to domestically manufactured electronic products as a part of the procurement process for the electronic products that have security implications for India, and are to be used by the government departments. The criteria to qualify as a domestically manufactured product and for computation of domestic value addition with respect to telecom products covered under the PMA policy has been specified in a gazetted notification released in January, 2017. *(Source: Ministry of Communication and Information Technology, Department of Telecommunications, Notification dated 5 October 2012, and Ministry of Communication (Department of Telecommunications) Notification dated 11 January 2017, accessible at http://www.dot.gov.in/latestupdates/gazette-notification-value-addition-criterion-preference-domestically-manufactured)*

Modified Special Incentive Package Scheme ("M-SIPS")

M-SIPS is aimed at attracting investments in electronic manufacturing to address the inadequate manufacturing base for electronic products in India. *(Source: Ministry of Communications and Information Technology, Department of Electronics and Information Technology, Notification dated 27 July 2012, as amended)* M-SIPS provides capital subsidies of 20% in special economic zones and 25% in non-special economic zones. It also provides for reimbursements of countervailing duties and excise duties for capital equipment for the non special economic zone units. *(Source: Ministry of Communication and Information Technology website, accessible at http://meity.gov.in/esdm/incentive-schemes)*

Merchandise Exports from India Scheme ("MEIS")

MEIS intends to reduce infrastructural inefficiencies and associated costs involved in the export of goods or products, which are produced or manufactured in India, especially those having high export intensity, employment potential and thereby enhancing India's export competitiveness. Under MEIS, status holders are business leaders who have excelled in international trade and have successfully contributed to India's foreign trade. Status holders are entitled to export freely exportable items free of costs subject to an annual limit of ₹100,000 or 2% of average annual report realisation during the preceding three licensing years, whichever is lower. *(Source: Government of India, Ministry of Commerce and Industry Foreign Trade Policy for the period from April 1, 2015 to March 31, 2020, available at http://dgft.gov.in/exim/2000/Updated_FTP_2015-2020.pdf)*

Defence Procurement Policy ("DPP-2016")

Defence Procurement Policy focuses on institutionalising, streamlining, and simplifying defence procurement to compliment and support the "Make in India" initiative of the Government of India. It does so by promoting indigenous design, development and manufacturing of defence equipment, platforms, systems and sub-systems. In line with this, the DPP-2016 has created a new procurement category called Indigenously Designed, Developed and Manufactured, ("**IDDM**") to promote an increase in localisation and design capacity. In order for products from Indian vendors to qualify as an IDDM product, 40% of the product must comprise indigenous content. *(Source: Ministry of Defence website, accessible at* http://www.mod.nic.in/writereaddata/Background.pdf *)*

Support for International Patent Protection in Electronics and Information Technology ("SIP-EIT")

SIP-EIT is a Government of India scheme aimed at providing financial support to micro, small and medium enterprises and technology start-ups in India for international patent filing, to encourage innovation and recognise the value and capabilities of global intellectual property, as well as capturing growth opportunities in the information communication technology and electronics sector. *(Source: Ministry of Communication and Information Technology website, accessible at http://www.ict-ipr.in/sipeit/SIPEITForm)*

To disseminate the benefits of SIP-EIT in an equitable manner, only five applications every financial year with a total of 25 applications during the period from December 2014 to November 2019 will be considered for reimbursement from a single applicant. Reimbursement will be limited to a total of Rs 150,000 per invention or 50% of the total expenses incurred in filing and processing of patent application, whichever is lesser. *(Source: Ministry of Communication and Information Technology website, Brochure for Support for International Patent Protection in Electronics and Information Technology, accessible at http://www.ict-ipr.in/sipeit/login)*

Karnataka Electronic System Design and Manufacturing Policy 2013 ("K-ESDM Policy")

The objective of the Karnataka ESDM Policy is to facilitate, promote and develop the electronic system design and manufacturing sector in the State of Karnataka and make Karnataka a preferred destination for investment in this sector. Under the Karnataka ESDM Policy, the State Government of Karnataka provides research and development grants in the in the form of reimbursement up to 20% of the actual research and development expenses (including manpower costs) incurred annually by an electronic system design and manufacturing company, subject to a maximum of 2% of their annual turnover. The research and development grant shall be subject to a maximum of ₹10 million for each company, each year and such grants are in addition to any similar benefits announced by the government of India. (*Source: Karnataka Electronic System Design and Manufacturing Policy 2013, available at http://www.bangaloreitbt.in/docs/2013/3/ESDM-Policy-ENGLISH.pdf*)

Anti-dumping duties on Synchronous Digital Hierarchy (SDH) Transmission Equipment

Government of India has imposed anti-dumping duty on imports of SDH transmission equipment from the People's Republic of China and Israel until 2020. The duty imposed is up to 86.59% of CIF (Cost, Insurance and Freight) value of imports of SDH from subject countries. *(Source: Government of India, Ministry of Finance (Department of Revenue) Notification No. 15/2016-Custom dated April 26, 2016, available at http://www.cbec.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-add2016/csadd15-2016.pdf;jsessionid=DC0B5C3672D909CABA983B23E2A9CC18)*

Customs duty on products not covered by the Information Technology Agreement ("ITA") enforced by the World Trade Organisation

Government of India has imposed customs duty of 10% on specific telecommunication products not covered under the ITA. The identified list of products includes optical transport equipment, a combination of one or more of packet optical transport product/switch, optical transport network products, IP radios, carrier Ethernet switch, packet transport node products, multiprotocol label switching-transport profile products, multiple input / multiple output and long term evolution products. *(Source: Government of India, Ministry of Finance (Department of Revenue) Notification No. 12/2016-Custom dated March 1, 2016, accessible at http://www.cbec.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-tarr2016/cs12-2016.pdf)*

Indian Telegraph Right of Way Rules, 2016

The Department of Telecom, Government of India has implemented new right of way ("**RoW**") rules for simplifying and expediting the setting up of telecommunications towers and laying of underground optical fibre infrastructure. The RoW rules came into effect from November 15, 2016 and are meant to enable faster government approvals and ensure a time-bound resolution of disputes between government authorities and the telecommunications industry. *(Source: Government of India, Department of Telecommunications, Ministry of Communications, Gazette Notification No. GSR 1070(E) dated November 15, 2016, available at* http://www.dot.gov.in/sites/default/files/2016_11_18%20RoW%20Policy.pdf*)*

OUR BUSINESS

Overview

We are an India-based optical and data networking products company with customers in over 60 countries. We design, develop and sell high-performance and cost-competitive products to telecommunications service providers, internet service providers, utility companies, defence companies and government entities (collectively, "**Communication Service Providers**"). Our products are used to build high-speed communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks over optical fibre. Our products utilise a programmable software-defined hardware architecture with a common software code-base that delivers an app-like ease of development and upgrades of new features and technology standards. Currently, India is our largest geographic segment (in terms of revenue) and we are well-positioned to take advantage of the growth opportunities arising out of the Digital India and the Make-in-India programs of the Indian Government.

We have invested heavily in research and development in order to grow through multiple technology cycles and are well-positioned to capitalize on the expected growth in optical capital expenditure globally. Driven by rising smartphone penetration and a massive increase in data traffic, global optical capital expenditure is expected to increase from US$14.6 billion in 2014 to US$17.9 billion in 2020. (*Source: Ovum Optical Networks Spreadsheet: 2015-2020, published in December 2015*) Further, optical equipment expenditure in India is expected to grow from US$391 million in 2014 to US$869 million by 2020, at a CAGR of 14.2% (*Source: Ovum Optical Network Forecast Spreadsheet 2015-2020*). For the year ended March 31, 2016, we were the second largest optical networking products company in terms of market share in India, with a market share of 15% in the overall optical networking market. (*Source: Ovum Market Share Spreadsheet: 1Q16 ON Subregional EMEA and AP, published in June 2016*).

Our current product portfolio targets access (i.e., the outer perimeter of a telecommunications network which connects to the end consumers), metro (i.e., networks that aggregate and distribute traffic collected from access networks within a large city or region) and long-haul (i.e., networks that interconnect metro networks using high bandwidth transmission) networks. Our hardware is modular and our software-defined architecture allows us to remotely upgrade our hardware with new capabilities and features. This enables our customers to adopt a "pay-as-you-grow" approach (i.e., purchase our products/services incrementally as needed) while adopting new services, and also enables them to extend the life of installed systems through regular feature upgrades without having to invest in new hardware purchases. Our software-defined hardware architecture also enables us to deploy the same products across multiple hardware platforms in multiple geographies by making country-specific adaptations, thus allowing us to save costs and realize economies of scale.

Our engineering and management teams have diverse experience in optical communication systems, networking protocols, Field Programmable Gate Array ("**FPGA**") design, embedded system software, application software, high-speed printed circuit board ("**PCB**") design, thermal and mechanical design, product management, quality and test engineering and reliability engineering. This multi-disciplinary skillset in a range of advanced technologies, methodologies and processes has enabled us to develop over 40 carrier-grade equipment, over 300 high-speed PCB and over 250 silicon intellectual properties ("**IPs**") as of the date of this Red Herring Prospectus.

As of April 30, 2017 we have filed 333 patent applications, with 203 filings in India, 89 filings in the United States and 6 filings in Europe, out of which 56 patents have been granted and we have also filed 35 patent applications under the Patent Cooperation Treaty.

We outsource most of our manufacturing to reputed electronics manufacturing services ("**EMS**") companies. This allows us to stay asset-light and enables us to scale-up production without requiring a corresponding increase in capital expenditure towards our own manufacturing operations. Further, our business model with operations substantially located in India, gives us significant cost advantage in research and development, product development, sales, marketing, customer support and manufacturing. Our India-based operations also allow us to design, develop, manufacture and sell high-performance and cost-competitive products in India and globally.

We sell our products predominantly through a combination of direct sales to Communication Service Providers as well as by leveraging our strong relationships with leading global optical vendors as well as integrated solution providers as original equipment manufacturer ("**OEMs**").

We have a history of high customer retention and our top five revenue generating customers (except two customers) for each of financial years 2017, 2016 and 2015 have been continuing to use our products for over a decade. Our strategic OEM relationships enable us to gain access to their customers, especially in North America and Europe and grow our international business in these geographies.

Our consolidated restated revenues from operations (net) for the Fiscal Years 2015, 2016 and 2017 were ₹3,868.26 million, ₹6,274.57 million and ₹8,781.96 million. The following table sets forth our consolidated restated revenue from operations (net), EBITDA and profit/loss for the respective periods indicated, each on a consolidated basis:

(₹ in million)

	Fiscal years		
	2015	**2016**	**2017**
Revenue from operations (net)	3,868.26	6,274.57	8,781.96
EBITDA(1)	685.21	1,130.46	1,742.29
Restated Profit/(Loss) for the year	(178.66)	290.05	632.22

Notes:
(1) EBITDA means restated earnings before exceptional items, interest, tax, depreciation and amortization

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

Our end-to-end portfolio of optical networking products positions us well to take advantage of the expected industry growth

Global trends such as the evolution of new high-speed internet technologies, the proliferation of affordable smartphones and smart TVs, growth in enterprise services and data centres, and increasing consumption of video content are driving rapid growth in global data consumption. These trends necessitate significant growth in optical capital expenditure by both telecommunications companies and government entities, which we are well placed to capitalize on. For further details, see "Industry Overview" on page 118. We have an end-to-end portfolio of optical networking products for access, metro and long-haul networks and are therefore well-positioned to capitalize on the expected growth in optical capital expenditure by Communication Service Providers in the private sector, government entities and Public Sector Undertakings ("**PSUs**"). We have built a reputation for technologically advanced, high quality products that are supported by our reliable customer service. We are the only India-based optical transport systems company that is TL9000 certified and our products have delivered a field uptime exceeding 99.999% since 2008. We are ranked as the sixth largest supplier in the Global Optical aggregation segment, and we are growing faster than the market. *(Source: Market Share Spreadsheet: 2Q16 ON Global, published in August 2016 by Ovum)*

Our products are deployed in the networks of many large global network operators, spanning over 60 countries as of the date of this Red Herring Prospectus. Our products utilize a programmable software-defined hardware architecture, which allows them to be customized to meet market-specific requirements of features and performance. The programmable software-defined hardware architecture, along with our adoption of global technology standards have enabled our products to be deployed worldwide, in both developed and emerging markets.

We believe that we are able to leverage our long-standing customer relationships in India and in the international markets, as well as our strong global OEM partnerships to capitalize on the expected growth in the optical capital expenditure.

Leadership in the fast growing Indian optical equipment market

In India, we had the second largest market share in the overall optical networking market (which included multinational competitors) during the year ended March 31, 2016. (*Source: Ovum Market Share Spreadsheet: 1Q16 ON Subregional EMEA and AP, published in June 2016*). We have been consistently ranked in the top-three in the last three years in terms of market share in the optical networking market. (*Source: Ovum Market Share Spreadsheet: 1Q16 ON Subregional EMEA and AP, published in June 2016*).

We are benefiting from increased optical capital expenditure in India, which is driven by rapid adoption of smartphones, increased data usage and several large government initiatives aimed at increasing broadband access in the country. Indian network operators have historically under-invested in optical fibre transmission, as compared to their peers in China and the United States, due to their initial focus on offering voice services and because of challenges in getting "Right-of-Way" for laying optical fibre in the cities. Less than 20% of cell towers in India are connected on fibre, as compared to 70-80% in developed countries. (*Source: Indian Tower Industry, The Future Is Data, published in June 2015 by Deloitte*) With the advent of high-speed 3G and 4G networks and the increased use of data, low fibre connectivity becomes an impediment for Communication Service Providers and leads to poor user experience, higher call drops and greater customer churn, as the current backhaul technology does not have adequate capacity. This is compelling network operators to invest in optical networks, upgrade their network capacities and increase the fibre-connectivity to telecommunications towers, so as to retain and grow their market share. Further, with effect from November 15, 2016, the Department of Telecommunications in India has introduced new Right of Way rules that are expected to expedite the approval process for laying of optical fibre and mobile tower infrastructure rollouts by reducing the processing time to a maximum of sixty days from the date of application. This is expected to further accelerate the deployment of optical fibre in India. For further details, see "Industry Overview" on page 118.

We believe that Government investment in the telecommunications infrastructure through projects such as the National Optical Fibre Network ("**NOFN**"), the National Knowledge Network ("**NKN**") and Smart Cities, will provide us significant business growth opportunities. In addition, we stand to benefit from Government policies such as Make in India and the Preferential Market Access ("**PMA**") Policy, which are targeted towards encouraging indigenous technology/product development and manufacturing. For further details, see "Industry Overview" on page 118.

We have an established local presence in India with four sales offices and 15 support centres around the country, which enable us to provide high quality customer support. Our products have been deployed by leading telecommunications operators in India, such as Bharti Airtel Limited, Tata Communications, Aircel Limited and Bharat Sanchar Nigam Limited, with whom we have long-standing customer relationships. Further, large public sector utilities such as Power Grid Corporation of India, RailTel Corporation of India, are our customers. Our products incorporate several key requirements of emerging markets and are hence well suited for Indian market conditions. For instance, our TJ1400 product is not only suited to the large scale transport of 2G voice traffic but can also simultaneously cater to the 4G data requirements of the Indian market.

Further, the optical and data networking products business is characterized by a high-entry barrier because of the initial investment required in research and development, demand for skilled professionals across multiple domains and the up-front time taken to successfully develop the networking products and solutions. Due to our extensive history of operations in India and incumbency with key customers, we stand to benefit from the high-entry barrier against domestic competition.

Track record and culture of innovation leading to product and technology leadership

We have made consistent investments in research and development over the years, primarily in relation to optical networking products. For Fiscal Years 2017, 2016 and 2015, our gross research and development expenses amounted to ₹730.17 million, ₹644.21 million and ₹489.58 million respectively. Out of these amounts, in line with our accounting policies, we capitalized ₹400.91 million, ₹346.81 million and ₹323.34 million. As of May 15, 2017 approximately 51.57% of our employees work in research and development functions.

We are a differentiated technology company and have demonstrated the ability to keep pace across technology cycles (from 2G to 3G to 4G) because of our early research and development efforts. We have consistently upgraded or launched new products in anticipation of changing technologies, adoption of faster speed networks and transformation from legacy to new generation networks. For example, we anticipated the adoption of Multiprotocol Label Switching – Transport Profile ("**MPLS-TP**") technology for packet transport networks and implemented it on our TJ1400 and TJ1600 products.

We endeavour to design our products to ensure they are "future ready", by using programmable software-defined hardware architecture which enables us to adapt to changes in technologies, new standards and customer requirements.

Recent additions to our optical product portfolio address broadband access requirements on optical fibre using the Gigabit Capable Passive Optical Network ("**GPON**") technology for Fiber to the X ("**FTTX**") applications which includes Fiber to the Home/Premise/Building/Node/Curb applications. GPON expands our addressable market to include the residential and enterprise broadband access over optical fibre. We are also investing in products for wireless broadband access using Fourth Generation Long-Term Evolution ("**4G/LTE**") technology. For details, see "Our Operations – Optical Networking Products".

In addition, we are tracking and driving emerging international standards in 5G and optical networking through our leadership in the Telecommunications Standards Development Society, India ("**TSDSI**"). We are an active member of TSDSI and regularly contribute by participating and leading technical working groups in the wireless and optical domains. Our Chief Technology Officer Dr. Kumar N. Sivarajan was the first chairman of TSDSI, from October 2014 to October 2016 and continues to serve on TSDSI's Governing Council. We consistently innovate and upgrade our product and solutions portfolio which gives us a technology advantage and helps us in retaining our existing customers and in the acquisition of new customer accounts. As of the date of this Red Herring Prospectus, we have developed over 300 high-speed PCBs, over 250 silicon IPs and more than 3 million lines of software code, which have contributed to the development of over 40 carrier-grade products, since our inception. Our innovations have also resulted in the filing of 333 patent applications as of April 30, 2017.

Software-defined hardware with ease of use

Our products are characterized by flexible architecture based around a proprietary software base and a common hardware platform. We have a portfolio of re-usable "building blocks" of hardware as well as software, which enables us to develop cost-effective and highly customizable products and also provides a time-to-market advantage.

Our products utilise a programmable software-defined hardware architecture implemented with programmable semiconductor devices, and a common software code-base that delivers an app-like ease of development and upgrades of new features and technology standards. Further, our advanced software and hardware integration leads to higher performance and lower costs. We are able to help Communication Service Providers manage costs by enabling them to extend the life of installed systems through regular software upgrades which help them transition across technology changes in their networks, without having to invest in new hardware purchases. Our software led approach also enables us to sell the same product globally by making country specific adaptations.

Our scalable, re-programmable and re-usable products allow reduction in total cost of ownership for our customers and improve the overall efficiencies of their network and operations.

Cost and capital efficient business model

Our business model is based on locating substantially all of our operations in India, except for international sales and support, which results in significantly lower operating expenses as compared to our global competitors. Further, since all our research and development is based in India, we are able to develop state-of-the-art products and are able to generate significantly better returns on our research and development investments, by leveraging the availability of qualified and cost-effective engineering talent in India.

We manufacture our products in India through partnerships with reputed EMS companies, Sanmina Corporation and Cyient helping us to stay asset-light and cost-efficient in production. We have an in-house manufacturing facility focused on final integration, testing and quality control in order to ensure only high quality products are delivered to our customers.

Our turn-key EMS model is highly scalable and capital efficient. It allows us to adjust our manufacturing capacity to meet changes in customer demand, while optimizing our working capital since the EMS takes the responsibilities of sourcing and managing long-lead components. We do maintain direct relationships with our strategic component suppliers in order to get prompt technical support, favourable pricing and short delivery times.

Further, we have an experienced sales and customer support team. As of May 15, 2017 our 64 member sales team is ably supported by a 120-member customer support team for technical support, installation, commissioning and training. For our international sales, we leverage our partnerships with leading global optical and integrated systems vendors as OEMs to sell in the global markets. This allows us to keep our sales costs low while selling to the OEMs' customers that may otherwise not be accessible to us.

Long standing customer relationships with strong repeat business

Our end-to-end product portfolio has helped us forge strong relationships with our major clients. We sell our products predominantly through a combination of direct sales to Communication Service Providers as well as by leveraging our strong relationships with OEMs. Our products have been deployed by leading telecommunications companies and we also have PSUs, who offer telecommunication services, as our clients. In addition, we have utility companies such as railways, electricity and oil and gas companies as our clients, who use our products to build optical communication networks for their internal use to reliably carry monitoring and control traffic from/to their field systems over long distances.

We have a history of high client retention from both private and public sector clients and derive a significant proportion of our revenues from repeat business (defined as repeat business generated from a customer in the past five financial years) built on our successful execution of prior engagements. In Financial Years 2015, 2016 and 2017, we generated 94.06%, 96.16% and 88.47%, respectively, of our revenue from operations (net) from existing clients. In addition, our top five revenue generating customers (except two customers) for each of the financial years 2017, 2016 and 2015 have been continuing to use our products for over a decade. We have also increased the product portfolio provided to our clients over periods of time. For instance, we introduced GPON products in 2016.

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

Strong professionally managed team with significant industry experience

We have a strong and experienced management team which provides us with a competitive advantage. Our key management personnel comprising our Chief Executive Officer, Chief Technology Officer and President-Optical Products have advanced degrees in engineering from US universities and have an average of over 25 years of global experience. Several key members of our management team have been with us for more than ten years and have extensive experience in the industry. We have built our leadership team to include personnel with experience in optical communication systems, networking protocols, FPGA design, embedded system software, application software, high-speed PCB design, thermal and mechanical design, product management, quality and test engineering and reliability engineering- working both in India as well as internationally.

Our Strategy

Continue investments in innovations focused on the high growth optical networking segments

We have an end-to-end portfolio of networking products for access, metro and long-haul networks. We aim to continue investing in research and development and expand our product portfolio with a particular focus on the high growth segments of the optical communications market.

We expect high growth in segments such as 100 Gbps, greater-than 100 Gbps, Optical Transport Network (“**OTN**”), Converged Packet Optical (“**CPO**”) and Reconfigurable Optical Add-drop Multiplexer (“**ROADM**”) in the near future. 100 Gbps and greater-than 100 Gbps technologies are displacing both 10 Gbps and 40 Gbps in metro and core networks. Further, CPO continues to be the preferred optical aggregation platform. Global CPO Revenues are expected to grow at a CAGR of 7.8% from US$ 8.3 billion in 2014 to US$ 12.9 billion by 2020. Further, the demand for optical switching technologies, ROADM and OTN, is growing rapidly at a CAGR of 11.1% and 14.6% respectively. The global revenue for ROADM is expected to grow from US$ 4.5 billion in 2014 to US$ 8.4 by 2020. The global market for OTN is expected to grow from US$ 3.6 billion in 2014 to US$ 8.2 billion by 2020. *(Source: Optical Networks Forecast Spreadsheet: 2015-20 published in December 2015 by Ovum)* For further details, see “Industry Overview” on page 118.

We intend to continue our investments in the above segments and develop new products such as CPO, PTN and DWDM products with 100 Gbps/200 Gbps/400 Gbps interfaces, CPO and DWDM products with ROADM functionalities and OTN switches, which will strengthen our solutions in these segments. We intend to leverage our re-usable hardware and software building blocks to shorten our product development cycles.

Expand into newer and adjacent product areas

We intend to expand our product portfolio into new and adjacent product areas which serve the requirements of our existing and targeted customer base. For instance, we have recently introduced our FTTX product based on GPON technology to deliver high-speed broadband on fibre to customer premises. Our GPON Optical Line Terminal ("**OLT**") is an add-on blade on our existing TJ1400 product, giving us an opportunity to sell this solution to the large deployed base of TJ1400, at an incremental cost. For further details, see "Our Operations – Our Products – New Broadband Access Products" on page 152. We intend to leverage our incumbency and relationships in the Indian market as well as with customers in other international markets to sell from our expanded product portfolio. In addition, we also aim to sell our new products to new customers (such as our LTE products to fixed wireless operators and Ethernet switches to large enterprises for their campus switch requirements).

We are currently investing in new products in the following adjacent areas:

- LTE (eNodeB and EPC): Wireless access product on 4G/LTE to provide fixed wireless services to enterprises, residential customers and for mobile backhaul.

- Next-generation PON: Higher-speed fiber broadband products based on new and emerging PON standards such as 10G EPON, XGS-PON and NG-PON2 (TWDM PON). 10G EPON is an IEEE fiber broadband standard for residential networks that can offer up to 10Gbps bandwidth to subscribers. XGS-PON is an ITU standard that enables CSPs to offer up to 10Gbps symmetrical bandwidth to subscribers. NG-PON2 (TWDM PON) is also an ITU standard that supports multiplexing of multiple wavelengths with tunable optics to enhance capacity and deliver faster service restoration in the case of enterprise applications. We are also developing a next-generation Optical Network Terminal ("**ONT**") product as a virtualized customer premises equipment ("**vCPE**") for software-defined wide area networks ("**SD-WAN**"), based on the emerging Network Functions Virtualization ("**NFV**") paradigm.

- L2/L3 Ethernet Switches: We are targeting this product initially for use in large enterprise campus networks such as those being built by defence, state wide area networks and smart cities. We expect that several of these will be Government-funded projects and covered under the PMA policy. For further details, see *"*Industry Overview*"* on page 118. We have received initial orders for this product.

Continue to strengthen our leadership position in India

We have a strong incumbent advantage in India and we will continue to invest in sales efforts to increase our market share in the expanding Indian market. The key elements of our growth strategy for India, in relation to both private and PSU Communications Service Providers are set forth below:

In relation to private Communications Service Providers, we intend to leverage our relationships across customer organizations (from the senior management down to the operations teams) to capture a larger portion of their optical and data networking spend. We also intend to sell add-on upgrades on our existing deployed products, based on existing as well as new technologies. Further, we aim to win repeat business from our customers as they increase their overall expenditure to expand their optical network footprint and upgrade their network capacities for higher data traffic. Using our strong local support presence, we aim to become a preferred partner for our customers' operational teams.

We intend to utilize the benefits of PMA policy to gain a large share of government procurements in the telecommunication sector and build on our successful track record in executing projects for PSU customers to get repeat business. Further, we are also expanding our product portfolio to meet the technical requirements of large upcoming government projects. Lastly, we expect to benefit from government projects (such as Smart City, NOFN, NFS, NKN, Digital India and Make in India) that will require significant capital expenditure by the Government. For further details, see *"*Industry Overview*"* on page 118.

Expand global sales network in emerging and selected developed markets

We intend to build customer relationships both in high-growth emerging markets as well as in certain developed countries, where we believe we have a significant advantage compared to our competitors. Accordingly, we aim to strengthen sales operations in these geographies, by adding more sales and customer support personnel, leveraging our existing customer relationships and market position to capture larger proportion of customer spend and increasing direct sales focus on new countries in emerging markets.

In relation to emerging markets, we believe we can replicate our business model in India in other emerging markets, which have similar market conditions and customer needs. We already have made inroads with customer wins in SAARC, South-East Asia, Africa and Central America and will continue to expand our sales investments in these geographies. We benefit from reduced competitive intensity as the US and European vendors have been consolidating. For further details, see "Industry Overview" on page 118. Further, we expect to benefit from the Government of India's focus on promotion of telecom project exports to SE Asia and African countries.

In relation to developed markets, we intend to expand our existing OEM relationships with Ciena Corporation, NEC Corporation and RAD Data Communications Ltd and also explore other potential partnerships. We provide complementary products to our OEM partners, who in turn integrate our products with their own product offerings, to provide a comprehensive solution to their service provider relationships. Examples of such offerings by our OEM partners include:

- Utility network modernisation projects with seamless evolution to next-generation communication architectures;
- Transitioning legacy networks of telecommunications carriers into robust, cost-effective, network infrastructures that can handle higher bandwidth demands.
- As a feeder for metro optical networks, and for delivering wireless backhaul and enterprise business services.

Our OEM partners value their relationship with us because it readily allows them to offer a complete competitive solution, based on their own products and complemented by our products.

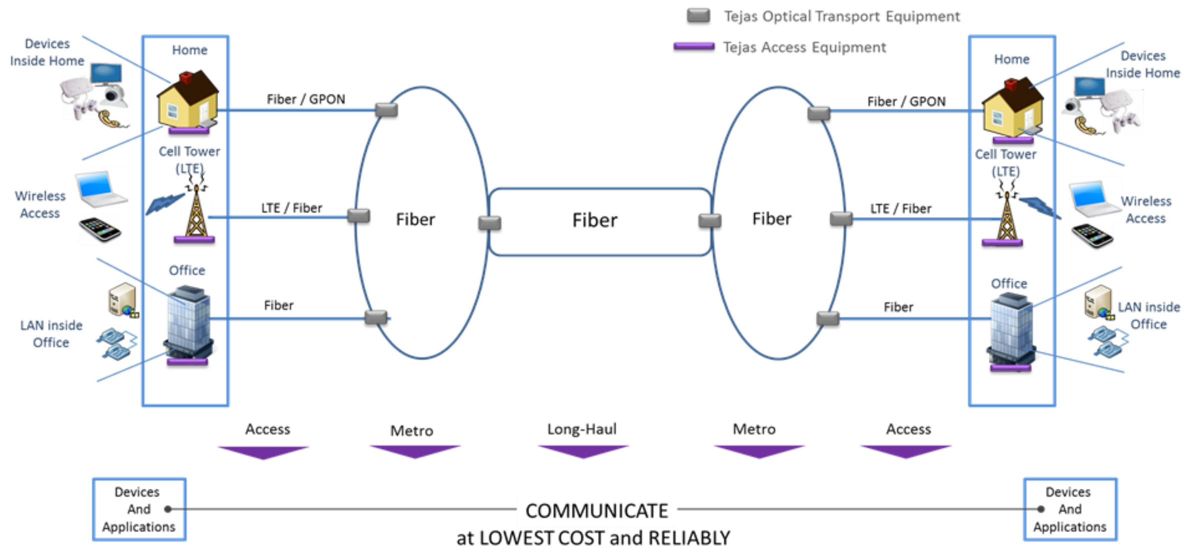
In addition, we aim to build sales networks in developed markets, such as the United States, to target segments, which may not be the focus areas for our OEM partners (e.g., small local telecom operators and utility companies). Our non-exclusive OEM relationships allow us to do this.

Furthermore, we intend to increase our international sales and market share by leveraging the efforts of the Telecom Export Promotion Council ("**TEPC**") and by becoming a part of large telecom export projects that the Government of India may secure using government-to-government line of credit and sovereign loans from EXIM Bank of India. Our Chief Executive Officer, is currently Co- Chairman of TEPC.

OUR OPERATIONS

Our Products

We provide an end-to-end portfolio of optical and data networking products covering access, metro and long-haul networks. For further details on these network segments, see "Industry Overview – Overview of a telecommunications network" on page 118. The diagram below sets forth our products offered across various segments of the telecommunications network:



Our products are used to build communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks over optical fibre. We offer a diverse portfolio of products based on global technology standards, which enable telecommunications networks that are used to provide mobile, internet and broadband services, primarily over optical fibre. We broadly categorise our products as optical networking products and broadband access products. Our optical networking products can be flexibly configured as CPO, PTN and DWDM products as per the Communications Service Provider's needs and traffic requirements in the telecommunications network. We offer broadband access products based on GPON technology for FTTX broadband access. We are also investing in new wireless broadband access products based on 4G/LTE technology, enterprise Ethernet switches and next-generation PON products. We also provide intelligent network management software for easy deployment of large-scale networks. Our network management software enables unified management of our products from a graphical and web-based user interface. In addition, our products are designed to cater to the emerging trends in Software Defined Networks ("**SDN**") and NFV enabled, CPO transport networks. For further details on technical terminologies, see "Definitions and Abbreviations – Technical/Industry Related Terms/Abbreviations" on page 9.

Our key optical networking products include the TJ1400 and TJ1600 family of products, which can be flexibly configured as CPO, PTN and DWDM products. Our TJ1400 and TJ1600 family of products can also serve as platforms for broadband access based on GPON and 4G/LTE technologies. Besides TJ1400 and TJ1600, we also sell TJ2911, TJ1400P-M, TJ1270, TJ2100 ONT products. Our TJ2911 and TJ1400P-M series of products are Ethernet switches. TJ1270 products can be deployed for multiservice aggregation in optical networks; TJ2100 ONT product can be deployed as a customer premise equipment in GPON networks. We are also developing TJ6003W products for packet switching in LTE networks.

During Fiscal Years 2015, 2016 and 2017, sale of our products contributed to 91.0%, 95.2% and 95.7% of our consolidated gross revenue from operations. We generated 57.3%, 72.1% and 65.1% of our consolidated gross revenue from operations in India and 42.7%, 27.9% and 34.9% of our consolidated gross revenue from operations in international markets during Fiscal Years 2015, 2016 and 2017, respectively.

Set forth below are certain details on the products we offer:

Optical Networking Products

In legacy optical networks, data and voice traffic used to be transported by multi-service provisioning platform ("**MSPP**") products as digital circuits based on synchronous optical networking ("**SONET**") technology in North America and synchronous digital hierarchy ("**SDH**") technology in the rest of the world. As the volume of data traffic on telecommunications networks has increased due to the emergence of smartphones, high-speed residential broadband services, 3G/4G mobile internet and business Ethernet services, traditional MSPP products are being displaced by three new product categories: CPO, PTN and DWDM products.

CPO Products

Network traffic can be in the form of circuits, which are connections used for carrying voice traffic or provide fixed capacity leased lines, or in the form of individual packets of data that are used for internet access. CPO products can simultaneously support transport, processing and switching of both circuit and data traffic.

Our CPO products are based on our "Any Transport Network" ("**XTN**") architecture that permits the same product to smoothly transition from being a pure circuit switching configuration to a packet-circuit hybrid switching configuration, and eventually into a pure-packet configuration as the proportion of data traffic increases. This flexibility allows Communications Service Providers to optimise their network infrastructure and cost-effectively alter their network to address traffic variances and customer demands. Our CPO products are designed to support multiple circuit and data technologies such as Ethernet, OTN, MPLS, SDH/SONET and ROADM carried on a single optical wavelength or on multiple wavelengths. For further details on technical terminologies, see "Definitions and Abbreviations – Technical/Industry Related Terms/Abbreviations" on page 9.

Our CPO products include TJ1600 and TJ1400 that are deployed in access, metro and long-haul networks. The target customers for these products are telecommunications service providers.

PTN Products

PTN products are used by telecommunications operators when the proportion of circuit traffic (which may be predominantly voice) in their networks is low compared to data traffic. PTN products are optical networking products that primarily transport data traffic and can also transport voice traffic by emulating it as packets of data.

Our PTN products include TJ1600 and TJ1400 that allow service providers to build PTNs with ease of operations administration, network maintenance and efficient fault isolation and fault recovery features. Our PTN products are designed to support advanced data networking technologies, such as MPLS-TP, circuit emulation and carrier ethernet. For further details on technical terminologies, see "Definitions and Abbreviations – Technical/Industry Related Terms/Abbreviations" on page 9.

The target customers for our PTN products are telecommunications service providers delivering data and circuit traffic on their networks.

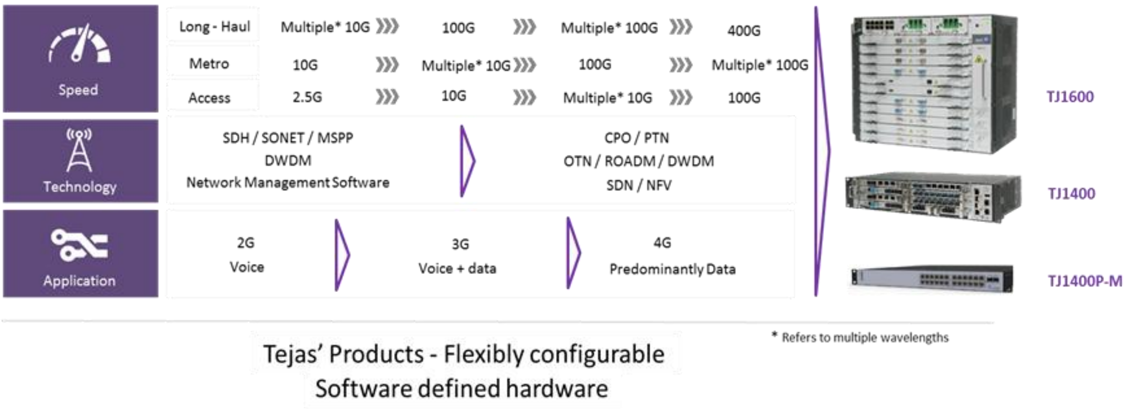
DWDM Products

An optical fibre carries traffic in the form of light pulses. Through multiplexing, DWDM technology enables the transportation of multiple wavelengths of light of different colour simultaneously over the same fibre, thereby allowing large volumes of data to be transported over a single optic fibre. Advanced CPO products are often integrated with DWDM functions.

Our DWDM products are high-density and high-capacity optical networking products that have the ability to combine over 80 light wavelengths on a single optical fibre over thousands of kilometres, resulting in cost savings for our customers. Our DWDM products include TJ1600, in multiple chassis sizes and a range of line cards to deliver a variety of services and applications in metro and long-haul networks. Our DWDM products are designed to support advanced optical technologies, such as OTN, ROADM, 100 Gbps, and greater-than 100 Gbps optics. For further details on technical terminologies, see "Definitions and Abbreviations – Technical/Industry Related Terms/Abbreviations" on page 9.

The target customers for our DWDM products are telecommunications service providers that are building high-capacity optical networks by optimising on the number of optical fibres to reduce the cost of transmission per bit.

The diagram below sets forth the features of our optical networking products in terms of speed, technologies covered and application:



New Broadband Access Products

In recent years, telecommunications service providers are deploying GPON and LTE broadband access technologies to address the growing demand for high-speed mobile and fixed broadband connections in access networks.

GPON based Broadband Access Products

GPON technology enables optical fibre based FTTX broadband access. GPON technology complies with the standards prescribed by the ITU. GPON based OLT equipment is installed at a service provider's exchange location, and connects multiple optical network terminals ("**ONTs**") installed at the customer premises. GPON technology uses passive splitters in the field, which reduces the overall fibre requirements in a service area thereby leading to lower network costs.

We have introduced broadband access products based on GPON technology for FTTX broadband access on our TJ1400 and TJ2100 ONT platforms, which were launched commercially in 2016. Our GPON based products offer both OLT and ONT solutions. Our GPON based products for OLT solutions can be offered either as an add-on line card to be integrated into our existing optical networking products deployed by a customer or as a separate product.

The target customers for our GPON based products are service providers who need to deliver high-capacity fixed-line broadband services to residential customers and reliable high-speed data connectivity services to businesses.

4G/ LTE based Wireless Broadband Access Products

LTE technology enables the delivery of high-speed mobile broadband over wireless frequencies. LTE technology complies with the standards prescribed by the 3rd Generation Partnership Project ("**3GPP**") of the ITU. Implementation of LTE technology is being driven by the higher proliferation of desktop and mobile computing devices to access broadband applications. LTE technology also is preferred in areas where new fibre laying is difficult due to right-of-way issues.

We are developing wireless access products called eNodeB line cards based on 4G/LTE technology as per 3GPP Release 9 standards. eNodeB line cards provide broadband access from a base station to the broadband access equipment at the customer's premises. Our eNodeB line cards work within our existing TJ1600 product or as a separate product. eNodeB line cards are meant to achieve higher mobile broadband data rates compared to the data rates achieved by products based on 3G technology. Multiple eNodeB line cards can be stacked in a single chassis to achieve incremental scale-up of an LTE deployment. eNodeB line cards can also co-exist and interoperate with packet transport line cards, used for optical backhaul, which is the transport of traffic from the broadband access equipment at the customer's premise to the base station. As a result of this design, a single chassis can provide both wireless broadband access and optical backhaul, thus resulting in cost savings. The integration of 4G/LTE technology with eNodeB line cards on optical products also enables new mobile fronthaul architecture based on emerging common public radio interface standards ("**CPRI**"). Further, an evolution of the LTE standard, optimised for use in "Internet of Things" based public safety networks and Smart City projects is also emerging as a potential application. We are also developing an Evolved Packet Core ("**EPC**") product which enables packet switching in LTE networks.

The target customers for our 4G/LTE based wireless access products are telecommunications service providers offering high-speed fixed wireless services to businesses, residential customers and for mobile backhaul.

Enterprise Ethernet Switches

Enterprise Ethernet switches are deployed in local area networks ("**LAN**") within offices or campuses. Enterprise Ethernet switches enable inter-connection of computing devices and accurate redirection of packet traffic from source to destination devices within offices and campuses. Our enterprise Ethernet switches are TJ2911 and TJ1400P-M products that support Carrier Ethernet and Internet protocol ("**IP**") features and were launched commercially in 2015.

The main target customers for our enterprise Ethernet switches are central and state government establishments including defence agencies and public sector units that are constructing campus data networks. Government ministries, departments (except the Ministry of Defence) and agencies under their direct control and all government funded telecommunications projects are currently subject to the Government of India's PMA Policy, which requires the use of local content in public procurement of electronics and information and telecommunications technology products in India. For details, see *"*Industry Overview*"* on page 118.

Network Management Software

We offer our customers network management software called TejNMS. TejNMS provides graphical user interface based tools that manage the fault, configuration, accounting, performance and security functions of a network. Through the adoption of standard interfaces, TejNMS offers customers a network-wide view, which allows them to configure and deploy our, as well as third party's network elements. TejNMS is able to automatically discover network elements whenever they are implemented on a network and calculate optimised network paths for a given service, thereby enabling us to serve our customers efficiently. TejNMS serves as a single unified management solution for our complete product portfolio including both optical networking products and broadband access products.

Technology

While our products are based on global technology standards, our implementation is proprietary and provides us with a competitive advantage. Our products are based on a combination of custom hardware along with associated software that has been developed by us.

The key elements of technologies that we rely on are:

Software

Common software code-base

Our application software is written in common developer languages such as C++ and Java on the Linux operating system. We have designed our application software on a common platform to support all of our product lines. This accelerates new product development process and improves the quality of our products by decreasing or eliminating the need of rewriting and verifying software for each new product. Because our products are implemented in carrier networks that have stringent requirements for network availability and reliability, we develop robust software with stringent process and testing controls to ensure carrier-class operability. A common software code-base also lowers our costs related to product support and software maintenance, since new features and bug-fixes become available across all our products at the same time.

Common test and verification set up

We have developed a largely automated proprietary product verification suite that is designed for testing stringent carrier-class reliability requirements. The automation enables us to quickly release any new software across all products at the same time and still ensure that it is verified on all of our products before being implemented in the field. We seek to constantly upgrade and improve our verification suite as we identify new tools and techniques.

Protocol stacks

We have developed multiple protocol stacks, which are software suites each implementing multiple network protocols, in-house or through partnership with leading protocol stack providers. This flexible approach allows us to deliver required protocols quickly on our products. Our software is modular and has evolved over time to support multiple protocol stacks. Because of our common software base, we can support variety of protocols across our products.

Hardware

Programmable silicon chips

Our products incorporate silicon semiconductor chips, which include programmable FPGAs and application specific standard products ("**ASSP**"), which offer fixed functions. We selectively implement our designs on FPGAs or purchase standard readily available ASSP. An FPGA silicon semiconductor chip contains programmable logic components called logic blocks and programmable interconnects. The logic blocks can be programmed to perform various functions and these logic blocks can be flexibly interconnected through programmable interconnects, which are switches that can connect or disconnect inputs and outputs of logic blocks. This programmability allows us to rapidly implement new functions and protocols in new product designs, remotely upgrade equipment already deployed in customer networks and simplify our product designs for multiple protocols and transmission speeds. This enables our customers to adopt a "pay-as-you-grow" approach while adopting new services and getting early implementations of new standards and technologies, resulting in a lower life-cycle cost for their network investments. In addition, our customers are able to transition their existing deployed network from legacy voice-centric standards to the new data-driven standards.

In order to deliver these functionalities, we develop proprietary logic designs in VERILOG, which is a standard programming language and compile them into software that programs the FPGAs. In addition, we can save development time and cost by reusing our proprietary logic designs in new products to deliver similar functionality as required in the future. We also benefit from the low cost of FPGA silicon chips, due to their use in large volumes across multiple industry verticals. In addition, we leverage the advancements in the silicon process technology which improve performance and capacity of FPGA silicon chips and lower their costs further, thus providing us with a time-to-market advantage for new standards and features.

PCB Assembly

Our products consist of multiple PCBs on which individual components are mounted, that together implement the functionality of the product. Such PCB assemblies are also referred to as cards, which are field replaceable units that allow us to realise multiple configurations on the same product and satisfy different customer requirements. PCBs are shipped from manufacturing facilities as a part of a product or can also be installed or removed at a later stage from systems deployed in the field. To reduce development time and cost, we have developed proprietary software that intelligently designs our PCB assemblies in an optimised way. Our PCB assemblies incorporate built-in-self-test circuits, high-speed communications links, intelligent thermal management systems and advance failure detection.

Backplane

Backplane connects multiple hardware PCB assembly using connectors and is mounted on the mechanical chassis of the product. The backplane allow high speed data transfer between different hardware PCB assemblies. Our products use advanced high-speed backplane connectors that enable us to increase capacity of our existing products over time, on the same chassis, just by adding new PCB assembly. This allows us to leverage our incumbency in our customer's network and upgrade and sell new add-on features.

Optical components

Our products use various kinds of optical components such as lasers (from 100 Mbps to 100 Gbps), optical amplifiers and ROADM from leading global suppliers. Our product designs incorporate industry standard components which can be sourced from multiple vendors. This allows us to procure our components at competitive prices, thereby reducing the overall cost of our products.

Product Evolution and Development Roadmap

Over the years, we have continued to invest in research and development and have developed new products to evolve with changing technological landscape and to meet customer demands.

We develop our products based on customer requirements, technology trends, industry standards and competitive landscape. From the conceptualisation of the product to the eventual commercial production, our product development process covers multiple stages and usually takes between 12 to 24 months.

We intend to continue to expand the features and functionalities on our optical networking products with a particular focus on the high growth applications in the optical networking market. We have developed and continue to develop products with 100 Gbps and greater-than 100 Gbps interfaces, ROADM and OTN applications, as set out in further detail below.

100 Gbps

As bandwidth requirements of telecommunications operators grow, the use of high-speed 100 Gbps wavelength optical interfaces has grown across metro networks. To cater to this growth, we have upgraded our existing CPO, PTN and DWDM products to support 100 Gbps wavelength interfaces using coherent detection technology, which enables long-distance transmission over 1,000 km. We continue to develop greater-than 100 Gbps wavelength solutions (200 Gbps and 400 Gbps) to address new markets such as data centre interconnects ("**DCI**"). For further details, see "Industry Overview" on page 118.

ROADM

ROADM technology enables a network operator to flexibly add, drop, pass or redirect a wavelength at a DWDM node through remote reconfiguration without requiring any physical site visits. Both metro and long-haul networks are seeing a demand for wavelength switching using ROADM functionality. We have incorporated ROADM functionality in our CPO and DWDM products to address this trend and capture a larger share of this market.

OTN Switching

Besides wavelength switching using ROADMs, our customers are also seeking sub-wavelength switching capabilities to efficiently aggregate circuit and packet traffic within a wavelength. OTN switching offers sub-wavelength switching capabilities. Our CPO and DWDM products have introduced OTN switching to efficiently groom and aggregate lower-speed services within higher-capacity 10 Gbps, 40 Gbps, and 100 Gbps wavelengths to minimise the overall cost of the network.

Research and Development

As of May 15, 2017 we had 313 employees in our research and development team. Members of our research and development team have background in semiconductor IP design, computer aided design, industrial design, high-speed board design, embedded software, network protocols, product verification/validation/testing, integration and reliability engineering, regulatory, design for testability and manufacturability and product lifecycle management. Our Chief Technology Officer has over 25 years of industry experience and was the first chairman of TSDSI, India's telecommunications standards development organization.

Senior members of our technology office lead three national telecommunications standards working groups, which are developing new optical backhaul and 5G RAN standards. We also hold membership in international standards bodies, including 3GPP and MEF.

We are also certified by the Department of Scientific and Industrial Research, Government of India and avail a 150% weighted tax deduction on the research and development expenses incurred. We also benefit from the Government of India's Modified Special Incentive Package Scheme to promote domestic manufacturing in electronic systems design and manufacturing sector, which entitles us to a 25% reimbursement on estimated eligible capital expenditure for a project cost of up to ₹7596.6 million relating to our research and development and manufacturing investments in the period from Fiscal Year 2015 to Fiscal Year 2020. We also receive research and development grants under the Karnataka Electronic System Design and Manufacturing Policy 2013 and are eligible for patent cost reimbursement schemes of the Government of India and the State of Karnataka.

Customers

As of March 31, 2017, we had a diverse customer base of over 250 customers across 60 countries. Our customers include telecommunications service providers, internet service providers, utility companies, defence companies and government entities. We broadly categorise our customers into private sector customers in India, PSU customers in India and international customers.

We have also entered into OEM agreements with Ciena, NEC and RAD, pursuant to which they can sell our products under their respective brand names to their customers.

A substantial portion of our sales have been to a relatively few customers. For Fiscal Years 2015, 2016 and 2017, our five largest customers generated net revenue from the sale of products and services (excluding sales to EMS vendors on a pass-through basis) amounting to ₹2,155.97 million, ₹4,226.86 million and ₹5,108.91 million, which contributed to 55.74%, 67.36% and 58.17% of our consolidated net revenue from operations, respectively for such periods. Our five largest customers in Fiscal Year 2015 (in alphabetical order) were Bharti, BSNL, Ciena, Railtel and Tata Communications Limited. Our five largest customers in Fiscal Year 2016 (in alphabetical order) were Bharti, BSNL, Ciena, Sacofa and Tata Communications Limited. Our five largest customers in Fiscal Year 2017 (in alphabetical order) were BBNL, BSNL, Ciena, Sacofa and Tata Communications Limited. We expect that in the future a limited number of large customers will continue to comprise a large percentage of our revenue. We do not have any long-term purchase commitments with any of our large customers and sales are made under purchase orders and/or rate contracts. During Fiscal Years 2015, 2016 and 2017, we generated 29.74%, 27.84% and 19.17% respectively of our consolidated net revenues from operations from private customers in India. During Fiscal Years 2015, 2016 and 2017, we generated 30.54%, 42.14% and 43.67% respectively of our consolidated net revenue from operations from PSU customers in India.

We expect to benefit from the Government of India's PMA Policy which requires the use of local content in public procurement of electronics and information and telecommunications technology products in India to expand our customer base and market share in India. For instance, we have recently introduced L2/L3 Ethernet switches which are used for switching data traffic in LAN within enterprise buildings or campus environments. We propose to initially offer this product to PSU customers and benefit from the market access advantage provided by the PMA Policy in India. For further details, see *"Industry Overview"* on page 118.

During Fiscal Years 2015, 2016 and 2017, we generated 39.71%, 30.02% and 37.17%, respectively of our consolidated net revenue from operations from international customers.

Sales and Marketing

As of May 15, 2017 our sales and marketing team had 64 employees who were involved in sales, pre-sales and marketing activities. Our sales and marketing team focuses on three market segments: private sector customers in India, PSU customers in India and international customers. As of May 15, 2017, we had four sales offices in India, which were located at Bengaluru, Gurgaon, Kolkata and Mumbai and six sales offices in the international markets, which were located at Boston, Dallas, Dubai, Kuala Lumpur, Lagos and Nairobi.

Our end-to-end product portfolio addresses most of the transport needs of our telecommunications customers and helps us forge strong relationships with them and gain a larger proportion of their telecommunications spending. We sell our products predominantly through a combination of direct sales to Communication Service Providers as well as by leveraging our strong relationships with leading global optical and integrated systems vendors as OEMs.

Our sales team identifies and continually engages with current and potential customers and also maintains relationships with our existing OEM and reseller customers. We also leverage our relationship with our OEM and reseller customers by relying on their existing long-standing customer relationships, sales and support infrastructure and local brand recognition. We augment the sales efforts of our OEM and reseller customers by working with their delivery and operations teams and by training their sales, pre-sales and post-sales support teams. Consequently, we are able get access to large number of customers with limited sales investment.

A typical sales process covers technical as well as commercial evaluation and can take between three to 18 months before we make sales to customers. Once a customer chooses us as a vendor, it may either execute purchase orders and/or rate contracts with us, which may be used for subsequent purchase orders for a number of years. A large proportion of our contracts with PSU customers are based on tenders. Bids in response to such tenders are first evaluated on a technical basis subsequent to which price bids are opened. Usually, the lowest bidder sets the price and the total order may be placed with one or more bidders using the lowest bidder's price as a benchmark. Such tenders may have one-time ordering, or may also include provisions for add-on ordering in future, but using the tender price as the basis.

We intend to strengthen our sales and marketing network by adding more sales, pre-sales as well as post-sales personnel. In the private sector in India, we plan to increase our sales by leveraging our existing customer relationships and market position to capture larger proportion of customer spend by working closely with our customers right from design stage to deliver right-fit products ahead of competitors.

In the PSU segment in India, we believe we have deep understanding of the network requirements as well as the buying process of various projects that are being funded by the Government of India. We have been incumbent suppliers to many of these customers and have a successful track record of delivering high-quality, cost-competitive products. Many of these projects are also covered by the PMA Policy, which provides an opportunity for us to gain larger market share in government procurement.

We intend to increase our international sales and market share by direct sales focus on new countries in emerging markets. We also intend to increase our international sales and market share by leveraging the efforts of TEPC and by becoming a part of large telecom export projects that the Government of India may secure using government-to-government line of credit and sovereign loans from EXIM Bank of India. We also plan to directly address smaller network customers in the USA, since this market is fragmented. We believe our product portfolio is suitable for this market. In addition, we intend to strengthen our OEM relationships with Ciena, NEC and RAD, provide complementary product portfolio for large opportunities such as network transformation projects for telecommunications companies, wireless backhaul offerings for 4G/LTE networks and hybrid transport solutions for utility and public safety markets.

For Fiscal Year 2016 and 2017, our sales and marketing expenses represented 10.5% and 8.1%, respectively of our consolidated revenue from operations (net).

Customer Support and Services

We believe our ability to provide ongoing customer support is critical for successful long-term relationships with our customers and the success of our business. We aim to provide the highest levels of service and support to our customers. We offer our customers a broad range of support and services, including technical support, installation, commissioning and training. During Fiscal Year 2016 and 2017, we generated 4.8% and 3.9% of our consolidated gross revenue from operations of support and services.

As of May 15, 2017 we had 120 employees engaged in providing technical support, installation, commissioning and training. As of May 15, 2017 we offer support services at 15 locations in India and through five international support centres in Malaysia, Kenya, South Africa, Bangladesh and Mexico.

We also operate an around-the-clock advanced technical assistance centre from Bengaluru to support our customers globally. In international markets, we provide customer support through a combination of our own employees and third party support providers.

We enter into services agreements with our customers pursuant to which we provide a variety of customer services, including installation and commissioning services, annual maintenance contract services, repair and return services and training through our technical support engineers. The installation services are sold to our customers at the time of the initial product sale, typically for a term of one year, renewable at the option of the customer. We also provide training and other professional services to our end-customers, including services related to the implementation, use, functionality and ongoing maintenance of our products. Product repairs and returns are carried out in-house and by third parties. Our in-house repairs and returns services are provided at our manufacturing facility in Bengaluru. We also use third parties for repairs and returns services at their respective service centres.

We also have a customer training centre in Bengaluru, with fully-operational laboratory facilities. Our training courses are designed to give hands-on experience for our products to our customers as well as to other trainers, who in turn can train more users. Our Company is also a member of the Telecom Sector Skills Council of the Government of India which offers certification courses on telecom operation and maintenance.

Manufacturing

We outsource most of our manufacturing to reputed EMS companies. We use two EMS vendors, which we believe enables us to achieve our product delivery timelines and specifications and also brings efficiency in our supply chain. We conceptualise the products, select suitable components, design the PCBs and the test jigs and specify quality standards. EMS companies procure the components (as approved by us and as per our design), manufacture the PCBs, test and assemble the PCBs (as per our test specifications) and ship tested and qualified PCB cards. We do the product assembly, software and hardware integration and final acceptance testing in-house at our manufacturing facility in Bengaluru and ship the products to our customers.

Our EMS partners are Sanmina Corporation ("**Sanmina**") and Rangsons Electronics Pvt Ltd ("**Rangsons**"), which was subsequently acquired by Cyient Limited ("**Cyient**"). We have entered into manufacturing and service agreements with Sanmina and Cyient for the provision of end-to-end contract manufacturing services to us.

Sanmina manufactures products for us in its Chennai factory. Sanmina is a leading integrated manufacturing solutions provider serving the global EMS market. Cyient manufactures products for us in its Mysore factory. Cyient is a leading Indian EMS company and has operations in North America, Europe, the Middle East, Africa and the Asia-Pacific region. We believe our outsourcing arrangements allow us to increase our production volumes without incurring a corresponding increase in capital expenditure in our own manufacturing operations.

Our in-house manufacturing facility in Bengaluru is located over an area of 70,000 square feet and includes a warehouse with a total size of 31,165 square feet, which we use for storing finished products. As of May 15, 2017 we had 62 employees employed at our manufacturing facility Bengaluru. From time to time, we also engage contract workers at our manufacturing facility, as necessary. This facility is equipped with electrostatic discharge-compliant workstations and test jigs designed by us.

The installed capacity for optical and data networking products at our facility in Bengaluru is 72,000 units per annum. Set forth below are details of finished goods manufactured and utilization (as a percentage of installed capacity) for optical and data networking products at our facility in Bengaluru for the periods indicated:

Fiscal Year	Finished goods manufactured (utilized capacity, units per annum)	Utilization as % (of installed capacity)
Fiscal Year 2015	27,742	38.53
Fiscal Year 2016	31,121	43.22
Fiscal Year 2017	39,331	54.63

Based on our current capacity utilization, we believe that we have adequate capacity to meet our requirements for the next three years.

Our key suppliers of components include Xilinx Inc, Altera Corporation and Acacia. We procure our components from these suppliers on a purchase order basis and do not have long-term contracts with them. We have extensive interactions with their technical and commercial teams to ensure continuous support.

We have also implemented SAP supply chain management and assembly lines and other quality control measures such as review of production samples and inspection of all outgoing products, which we believe improves efficiency.

For Fiscal Year 2016 and 2017, our costs of sales and services represented 62.9% and 64.4%, respectively of our consolidated revenue from operations (net).

Utilities

For our manufacturing processes, our electricity requirements are met from the Bangalore Electricity Supply Company Limited. We use our own water sources for our manufacturing facility.

Quality management

We are TL9000 and ISO9001: 2008 certified for our quality management system. We have established sophisticated design, development and testing infrastructure in-house, which helps us monitor our quality management closely. Our optical networking products have successfully passed all tests and have received approvals from the Telecommunication Engineering Centre of India and have received Technical Specification Evaluation Certificate, signifying that our products meet the specifications set out by PSU customers in India. We have also been approved under various international standards such as MEF CE2.0, CE marking, cTUVus mark, FCC, ICES, Safety standard IEC60950-1 in connection with our products. For further details on technical terminologies, see "Definitions and Abbreviations – Technical/Industry Related Terms/Abbreviations" on page 9. We also comply with two European Union directives on electronics waste, Waste of Electrical and Electronics Equipment and Restriction on the use of Hazardous Substances.

Our products have consistently delivered a high network uptime. For the period from 2008 to 2016, our products have delivered a network uptime of 99.999%.

Competition

Our competitors include end-to-end telecom equipment manufacturers such Huawei Technologies Co., Ltd., Nokia, ZTE Corporation, and Ericsson, specialised optical network equipment providers such as Ciena, Coriant, Fiberhome, Adtran, Adva, ECI, UTStarcom and Infinera and Ethernet switches and IP router providers such as Cisco and Juniper.

Our primary competitors for CPO products are Huawei, Nokia, Ciena and ZTE. Our primary competitors for PTN products are Cisco, Nokia, Huawei, ZTE, ECI and Fiberhome. Our primary competitors for DWDM products are Huawei, Ciena, ZTE, Nokia, Adva and Infinera. Our primary competitors for GPON based broadband access products are Huawei, Nokia, ZTE, Dasan, UTL and Alphion. Our primary competitors for 4G/LTE based wireless broadband access products are Ericsson, Nokia, Samsung, ZTE and Huawei. Our primary competitors for enterprise Ethernet switches are Cisco, Juniper, Huawei and HP.

Intellectual Property

We rely on a combination of intellectual property rights, including patents, trade secrets, copyrights and trademarks, as well as customary contractual protections. Our intellectual property development strategy is to identify in-house inventions in optical and wireless technology areas that are appropriate for patent protection, and file patent applications both in India and internationally for inventions that we consider significant. Although our business is not materially dependent upon any one patent, our patent rights and the products made and sold under our patents, taken as a whole, are a significant element of our business.

We have registered trademarks for the mark "Tejas Networks" and for our logo in India. We also rely on trade secret protection of our networking equipment and software. Additionally, in the course of our research and development activities, we create a range of intellectual property rights which we attempt to protect through patents and copyrights. As of April 30, 2017 we hold 44 international patents, 6 of which were granted in Europe and 38 were granted in the United States. As of April 30, 2017 we have 51 patent applications pending in the United States. We have also filed 35 patent applications under the Patent Cooperation Treaty as of the date of this Red Herring Prospectus. As of the date of this Red Herring Prospectus, we hold 12 patents granted in India and have 191 patent applications pending in India. See also, "Government and Other Approvals" on page 365.

Employees

As of May 15, 2017 we had 607 employees, including 313 employees in research and development, 184 employees in sales, marketing and customer support, 62 employees in manufacturing operations and 48 employees in general and administrative activities. Substantially all of our employees are located in India.

As of May 15, 2017 approximately 51.57% of our employees were engaged in research and development activities. Approximately 37.38% of the members of our research and development team hold advanced technical degrees including PhDs and Master's degrees in engineering. We seek to retain employees by offering competitive compensation and benefits that include stock options and providing opportunities for learning and career growth. During Fiscal Year 2017, our annualized voluntary attrition rate was approximately 10.94%.

None of our employees is represented by a union or covered by a collective bargaining agreement. We have never experienced any work stoppages and believe our employee relations are good.

Properties

Our registered office is located at 5th Floor, Plot No. 25, J P Software Park, Plot No. 25 SY No.13, 14 17 and 18, Konnappana Agrahara Village, Begur Hobli in Bengaluru, Karnataka, India. We occupy approximately 95,000 square feet of office space, which we have leased under a lease agreement.

The following table sets forth details of our leased properties as of the date of this Red Herring Prospectus:

Location	Primary Purpose	Area (in square feet)	Lease Expiration Date
2nd, 3rd, 4th and 5th Floor, J.P.Software Park, Plot No. 25 SY No.13, 14, 15, 17 and 18, Konnappana Agrahara Village, Begur Hobli, Bengaluru	Registered Office, General and administrative, research and development, sales and support	94,582.40	March 14, 2023
Sriranga IT Park, Plot #39, Electronic City Phase II, Hosur Road, Bangalore – 560100	Production facility	70,000	April 30, 2021
Spaze I Tech Park, 09th Floor, Tower A, Sector 49, Sohna Road, Gurgaon, Haryana	Research and development and sales and marketing	8,774	July 31, 2022
301, Sai Plaza, Junction of Jawahar Road & R.B. Mehta Marg, Opp. Ghatkopar Railway Station, Ghatkopar (E), Mumbai - 400 077	Research and development and sales and marketing	3000	November 30, 2020
Shaila Tower J1/16th EP Block, Salt lake, Sector V Room No. 703, 7th Floor, Kolkata 700 091	Sales and marketing	1500	August 31, 2017
Office No: 414, Building-11, Dubai Internet City, P.O. Box: 73030, Dubai, UAE	Sales and marketing	524	June 30, 2017
5057, Keller Springs Road, Suite 300, Addison, TX75001	Sales and marketing	Open office	June 30 2017

Regulations

For details of laws, regulations and policies applicable to our business, see “Regulations and Policies” on page 161.

Legal Proceedings

For details of ongoing legal proceedings to which we are a party, see “Outstanding Litigation and Material Developments” on page 359.

REGULATIONS AND POLICIES

Given below is an indicative summary of certain relevant laws and regulations applicable to our Company. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Key Policies applicable to the Telecommunications sector in India

Policy for preference to domestically manufactured telecom products in procurement due to security considerations and in government procurement

The Department of Information Technology, Ministry of Communications and Information Technology has issued a notification dated February 10, 2012 setting out the preferential market access policy for domestically manufactured electronic products. Pursuant to this notification, preferential access is required to be given to domestically manufactured electronic products that have security implications. As per this policy, each ministry or department of the Government is required to notify the products that have security implications, after which such ministry or department would be required to procure a minimum percentage of their electronic product requirement from domestic manufacturers. The criteria to qualify as a domestically manufactured product has been specified in the notification. The Policy is applicable to procurement of telecom products by Government Ministries/Department through the notification dated October 5, 2012 issued by the Department of Telecommunications, Ministry of Communications and Information Technology.

Key Policy Framework Governing IT-ITES Businesses

Introduced by an Act of Parliament in June 2000, the Information Technology Act provides legal recognition to all transactions carried out by means of electronic data interchange and other means of electronic communication, thus forming the policy framework governing IT-ITES companies in India.

To promote the growth of IT-ITES in India, the central and state governments have introduced a range of incentives, concessions, subsidies and simplification of procedural requirements for companies operating in India. For instance, the Government of Karnataka offers an exemption from entry tax on capital goods upto five years from the date of commencement of project implementation.

Electronic Hardware Technology Park (EHTP) Scheme ("Scheme")

The Ministry of Commerce through its notification No. 42(N-8)92-97 dated September 14, 1992 notified the EHTP Scheme. The Ministry of Commerce and Industry amended the same through its notification no. 5(RE-95)/92-97 dated April 30, 1995. The Scheme is administered by the Department of Electronics, Ministry of Communications & Information Technology, GoI. Such parks have been developed for encouraging exports of electronic hardware items including hard disk drives, computers, television, etc. In terms of the Scheme, an EHTP can be set up by the central or the state government or by public or private sector undertakings or by a combination thereof. An EHTP may be an individual unit by itself or a unit located in an area designated as an EHTP. The entire production of an EHTP is to be exported except sales in the domestic tariff areas, subject to the limits set down. The Scheme provides a framework wherein the units established in a EHTP are eligible to claim various benefits, including tax holiday, clubbing of net foreign exchange earned by the EHTP with the net foreign exchange earning of its parent/associate company in the domestic tariff area and permissibility of foreign equity upto 100%.

Public Procurement policy for Micro and Small Enterprises Order, 2012 ("Order")

The Central Government by order dated March 23, 2012 formulated the policy in respect of procurement of goods and services, produced and provided by micro and small enterprises, by ministries, departments and public sector undertakings. In terms of the Order, since Financial Year 2015, every central ministry or department or public sector undertaking shall achieve an overall procurement of minimum of 20% of the total purchases of products produced and services rendered by MSME. The GoI has constituted a review committee, *inter alia*, to review the list of items reserved for exclusive purchase from MSME and for monitoring the achievements under the policy.

Karnataka Electronic System Design and Manufacturing Policy 2013

For details in relation to the objective of this policy, see "Industry Overview" on page 118.

Foreign Trade Policy (2015-2020)

Ministry of Commerce and Industry, Department of Commerce, Directorate General of Foreign Trade through its notification dated April 1, 2015, notified the Foreign Trade Policy, 2015-2020 (the "**Foreign Trade Policy**"). The Foreign Trade Policy provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in keeping with the "Make in India" vision of the Prime Minister of India. The policy aims to support both the manufacturing and services sector, with an emphasis on "ease of doing business" in India. The Foreign Trade Policy introduced "Service Export from India Scheme" (the "**SEIS**") wherein companies rendering export services relating to engineering services are eligible for a 5% duty credit on the net foreign exchange earned.

The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act")

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

Environment Regulations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, State PCB, which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The State PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the State PCBs, which are required to be periodically renewed.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Environment Protection Act, 1986 ("EPA")

The EPA has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

Water (Prevention & Control of Pollution) Cess Act, 1977 ("Water Cess Act") and Water (Prevention & Control of Pollution) Cess Rules, 1978 ("Water Cess Rules")

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the central and State PCBs for the prevention and control of water pollution constituted under the Water Act. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, *inter alia,* for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

Intellectual property

Our intellectual property includes our registered intellectual property rights, including patents and patent applications made by us in relation to various inventive products and processes and registered, as well as unregistered rights in intellectual property in relation to software. The salient features of the legal regime governing the acquisition and protection of intellectual property in India are briefly outlined below.

The Patents Act, 1970 ("Patents Act")

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights ("**TRIPS**"); India recognizes both product as well as process patents. The Patents Act provides for the following, among other things:

- Patent protection period of 20 years from the date of filing the patent application;
- Recognition of product patents in respect of food, medicine and drugs;
- Import of patented products will not be considered as an infringement; and
- Under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer. An application for a patent can be filed in any of the four patent offices in India.

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made to the Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

Others

Labour related laws

India has extensive labour related legislations. In addition to the shops and commercial establishment legislations, applicable in the states in which establishments are set up, certain other employment related laws and regulations that may be applicable to our Company and our Subsidiaries in India, including:

1. Child Labour (Prohibition and Regulation) Act, 1986;
2. Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
3. The Contract Labour (Regulation and Abolition) Act, 1970;
4. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
5. The Employees' State Insurance Act, 1948;
6. The Employees Compensation Act, 1923;
7. The Equal Remuneration Act, 1976;
8. The Factories Act, 1948;
9. The Industrial Disputes Act, 1947;
10. The Industrial Employment (Standing Orders) Act, 1946;
11. The Maternity Benefit Act, 1961;
12. The Minimum Wages Act, 1948;

13. The Payment of Bonus Act, 1965;
14. The Payment of Gratuity Act, 1972; and
15. The Payment of Wages Act, 1936.

Laws relating to taxation

The tax related laws that are pertinent include the Value Added Tax 2005, the Income Tax Act 1961, the Customs Act 1961, the Central Sales Tax Act 1956 and various service tax notifications.

Laws applicable for operations outside India

Our Company operates in various jurisdictions, including Israel, Nigeria and Singapore through our Subsidiaries. The relevant laws in these jurisdictions are applicable to our Subsidiaries, 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 originally incorporated as Tejas Networks India Private Limited on April 24, 2000 at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. Our Company was subsequently converted into a public limited company and its name was changed to Tejas Networks India Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on October 23, 2002. Subsequently, the name of our Company was further changed to Tejas Networks Limited to reflect the global outlook of our Company and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on March 18, 2008.

Changes in Registered Office

The details of changes in the registered office of our Company are given below:

Date of change of registered office	Details of the address of registered office
July 21, 2000	From Eden Rock Apartments, No. 2H,Yellappa Chetty Layout, Bengaluru 560 042, Karnataka, India to Zone 2, 1st Floor, Khanija Bhavan, No. 49, Race Course Road, Bengaluru 560 001, Karnataka, India
July 15, 2005	From Zone 2, 1st Floor, Khanija Bhavan, No. 49, Race Course Road, Bengaluru 560 001, Karnataka, India to No. 58, 1st Main Road, J.P. Nagar, 3rd Phase, Bengaluru 560 076, Karnataka, India
November 17, 2011	From No. 58, 1st Main Road, J.P. Nagar, 3rd Phase, Bengaluru 560 076, Karnataka, India to 2nd Floor, GNR Tech Park, No. 46/4 Garvebhavi Palya, Kudlu Gate, Hosur Main Road, Bengaluru 560 068, Karnataka, India
May 16, 2012	From 2nd Floor, GNR Tech Park, No. 46/4 Garvebhavi Palya, Kudlu Gate, Hosur Main Road, Bengaluru 560 068, Karnataka, India to J.P. Software Park, Plot No. 25, Sy. No. 13, 14, 17 and 18, Konnapana Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India

The Registered Office was changed due to administrative and operational convenience.

Main Objects of our Company

The main objects contained in the MoA of our Company are as follows:

"1. To engage in the business of providing, designing, developing, selling, and servicing of networking equipment and software in India and abroad.

2 To develop, manufacture and deal in application tools of all kinds for internet based applications, and to provide internet service, and deal with all kinds of software and hardware related to all fields to internet communication.

3. To develop, manufacture, deal in, export and import all kinds of computer software, application software, computer systems like data management systems, digital systems, storage systems, memory systems, information systems and the like."

The main objects as contained in the MoA enable our Company to carry on our existing business as well as to carry on the activities for which funds are being raised in the Offer.

Amendments to the MoA

Set out below are the amendments to the MoA since the incorporation of our Company.

Date of Shareholders' Resolution	Particulars
January 17, 2002	Clause V of the MoA was amended to reflect the increase in authorized capital from ₹1,000,000 comprising of 100,000 Equity Shares of ₹10 each to ₹260,000,000 comprising of 200,000 Equity Shares of ₹10 each and 258,000 preference shares of ₹1,000 each
November 25, 2003	Clause V of the MoA was amended to reflect the increase in authorized capital from ₹260,000,000 comprising of 200,000 Equity Shares of ₹10 each and 258,000 preference shares

Date of Shareholders' Resolution	Particulars
	of ₹1,000 each to ₹367,000,000 comprising of 200,000 Equity Shares of ₹10 each and 365,000 preference shares of ₹1,000 each
December 22, 2004	Clause V of the MoA was amended to reflect the increase in authorized capital from ₹367,000,000 comprising of 200,000 Equity Shares of ₹10 each and 365,000 preference shares of ₹1,000 each to ₹1,065,500,000 comprising of 300,000 Equity Shares of ₹10 each and 1,062,500 preference shares of ₹1,000 each
October 11, 2006	Clause V of the MoA was amended to reflect the increase in authorized capital from ₹1,065,500,000 comprising of 300,000 Equity Shares of ₹10 each and 1,062,500 preference shares of ₹1,000 each to 1,069,000,000 comprising of 350,000 Equity Shares of face value ₹10 each and 1,065,500 preference shares of face value ₹1,000 each
February 8, 2007	Clause V of the MoA was amended to reflect the reclassification of authorised capital from ₹1,069,000,000 comprising of 350,000 Equity Shares of face value ₹10 each and 1,065,500 preference shares of face value ₹1,000 each to ₹1,069,000,000 comprising of 106,062,500 Equity Shares of face value ₹10 each and 8,375 preference shares of face value ₹1,000 each
September 15, 2007	Clause V of the MoA was amended to reflect the reclassification of authorised capital from ₹1,069,000,000 comprising of 106,062,500 Equity Shares of face value ₹10 each and 8,375 preference shares of face value ₹1,000 each to ₹1,069,000,000 comprising of 99,900,000 Equity Shares of face value ₹10 each and 70,000 preference shares of face value ₹1,000 each
May 18, 2012	Clause V of the MoA was amended to reflect the increase in authorised capital from ₹1,069,000,000 comprising of 99,900,000 Equity Shares of face value ₹10 each and 70,000 preference shares of face value ₹1,000 each to ₹1,519,000,000 comprising of 109,900,000 Equity Shares of face value ₹10 each and 420,000 preference shares of face value ₹1,000 each
December 30, 2014	Clause V of the MoA was amended to reflect the increase in authorised capital from ₹1,519,000,000 comprising of 109,900,000 Equity Shares of face value ₹10 each and 420,000 preference shares of face value ₹1,000 each to ₹1,764,520,000 comprising of 109,900,000 Equity Shares of face value ₹10 each and 665,520 preference shares of face value ₹1,000 each
August 29, 2016	The MoA was restated in order to be compliant with the Companies Act, 2013
November 19, 2016	Clause V of the MoA was amended to reflect the reclassification of the authorised capital from ₹1,764,520,000 comprising of 109,900,000 Equity Shares of face value ₹10 each and 665,520 preference shares of face value ₹1,000 each to ₹1,764,520,000 comprising of 176,452,000 Equity Shares of face value ₹10 each

Major events and milestones of our Company

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

Financial Year	Particulars
2001	• Procured order from TATA Power Company Limited
2004	• Procured order from Railtel Corporation of India Limited through Electronics Corporation of India Limited
2007	• Received Carrier Ethernet certification from Iometrix, certifying TJ100MC, operating at the user network interface, delivering Ethernet private line services compliant with the Metro Ethernet Forum MEF 9 technical qualification • Procured order from Power Grid Corporation of India Limited
2008	• Received ISO 9001:2008 and TL9000-H certification
2009	• Procured order from BSNL for supply of transmission equipment
2010	• Executed OEM contract with Ciena Corporation
2011	• Procured order from Bharti Airtel Limited for 3G rollout in multiple circles
2012	• Executed OEM contract with NEC
2013	• Recognized amongst the top five Indian applicants for patents in the field of information technology by the Office of the Controller General of Patents, Designs, Trademarks and Geographical Indication • Procured order from Summit Communications Limited, Bangladesh
2014	• Procured order from West Indian Ocean Cable Company, Africa • Procured order from SACOFA SDN BHD, Malaysia
2015	• Procured order from Bangladesh Telecommunications Company Limited under Optical Fiber Cable Network Development in 1,000 Union Parishad Project
2016	• Procured order from Idea Cellular Limited • Recognized as a Two Star Export House by the Ministry of Commerce and Industry • Received Carrier Ethernet 2.0 certification from Iometrix certifying TJ1400 • Received Carrier Ethernet 2.0 certification from Iometrix certifying TJ1400P • Received Carrier Ethernet 2.0 certification from Iometrix certifying TJ1600

Financial Year	Particulars
	• Procured order for TJ1600 equipment for 100G upgrade from SACOFA SDN BHD
2017	• Procured order for installation, commissioning and maintenance of GPON equipment for NOFN project

Awards and Accreditations

We have received the following awards and accreditations:

Calendar Year	Awards and Accreditations
2005	• Named as one of the 'Red Herring 100 Asia' by Red Herring
2006	• Received the CSIR Diamond Jubilee Technology Award from the Council for Industrial and Scientific Research
2007	• Named as one of the 'Red Herring 100 Global' by Red Herring
2009	• Received the NASSCOM Innovation Award from NASSCOM
2011	• Received the CSIR Diamond Jubilee Technology Award for "Development of TJ1600 A High Density Core Optical Transport Platform" from the Council for Industrial and Scientific Research • Received the Aegis Graham Bell Award from the Aegis School of Business • Received the 'TCOE Award of Excellence' for being amongst the Indian companies with excellent telecom product profile for the year 2011 • Received the Economic Times 'Innovative Product - OEM' at the ET Telecom Awards 2013
2012	• Received the Aegis Graham Bell Award from the Aegis School of Business • Received the IESA Technovation Award Most Innovative Product Award from the India Electronics and Semiconductor Association
2014	• Received the State Export Excellence Award (Electronics and Communications category) from the Government of Karnataka
2016	• Received the National Award from the Technology Development Board, Department of Science and Technology, GoI
2017	• Received the Most Innovative Product Award from the India Electronics and Semiconductor Association • Received the Top Indian Private Company (MSME) for Patent & Commercialization from Department of Industrial Policy and Intellectual Property Office, Government of India in association with the Confederation of Indian Industry • Received the India Innovation Awards, 2016 – Top 50 from Clarivate Analytics

Other Details Regarding our Company

For details regarding the description of our activities, services, products, market of each segment, the growth of our Company, technology, the standing of our Company with reference to prominent competitors, management, managerial competence, major suppliers and customers, exports, profits, geographical segment, capacity/facility creation, location, environmental issues, market, marketing and competition, see "Our Business", "Our Management" and "Industry Overview" on pages 143, 334 and 118, respectively.

Lock-outs and Strikes

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, if any

Our Company entered into a stock purchase agreement dated February 1, 2010 with Ethos Networks Ltd., Evergreen IV L.P., Vertex III Funds and Tejas Israel for acquiring the entire issued capital of Tejas Israel from Ethos Networks Ltd., Evergreen IV L.P. and Vertex III Funds. Our Company acquired Tejas Israel by way of share swap of 1,180,142 Equity Shares for 900,000 shares of Tejas Israel, representing 100% of the share capital of Tejas Israel. For further details, see "Capital Structure" on page 71. Except for the acquisition of Tejas Israel, our Company has neither acquired any entity, business or undertaking nor undertaken any merger, amalgamation or revaluation of assets.

Capital raising activities through equity and debt

Except as mentioned in "Capital Structure" on page 71, our Company has not raised any capital through equity. For details on the debt facilities of our Company, see "Financial Indebtedness" on page 356.

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

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into Equity Shares.

Time and cost overruns

There have been no instances of time and cost overruns in the operations of our Company in the past.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Interest in our Company

Our Subsidiaries do not have any interest in our Company's business other than as stated in "Our Business" and "Related Party Transactions" on pages 143 and 187 respectively.

Our Shareholders

Our Company has 639 Shareholders as of the date of this Red Herring Prospectus. For further details, regarding our Shareholders, see "Capital Structure" on page 71.

Strategic or Financial Partners

Our Company does not have any financial partners or strategic partners.

Partnership Firms

Our Company is not a partner in any partnership firm.

Our Holding Company

Our Company does not have a holding company.

Our Subsidiaries

As on the date of this Red Herring Prospectus, our Company has the following Subsidiaries:

(i) Tejas Communication Pte. Limited;

(ii) Tejas Communications (Nigeria) Limited;

(iii) Tejas Israel Limited; and

(iv) vSave Energy Private Limited.

None of our Subsidiaries (i) are listed on any stock exchange in India or abroad; (ii) have become a sick company under the meaning of SICA; or (iii) are under the process of winding up under the Companies Act, 2013.

Unless otherwise stated, the information below is as of the date of this Red Herring Prospectus:

(i) Tejas Communication Pte. Limited ("Tejas Singapore")

Corporate Information

Tejas Singapore was incorporated on June 14, 2001 as a company limited by shares under the Companies Act, Cap 50 of Singapore. It has its registered office at 77 Robinson Road, #13-00 Robinson 77, Singapore 068896.

Tejas Singapore is authorised to undertake manufacturing of networking products (e.g. routers, switches) and disk drivers.

Capital Structure

The authorised, issued and paid-up share capital of Tejas Singapore is SGD 1,468,400 divided into 100,000 ordinary shares and 1,368,400 preference shares of SGD 1 each.

Shareholding

Our Company holds 100,000 ordinary shares and 1,368,400 preference shares aggregating to 100% of the issued and paid up share capital of Tejas Singapore.

(ii) Tejas Communications (Nigeria) Limited ("Tejas Nigeria")

Corporate Information

Tejas Nigeria was incorporated on September 7, 2015 as a company limited by shares under the Companies and Allied Matters Act, 1990 of Nigeria. It has its registered office at 5th Floor, Mulliner Towers (Former NNPC Building), 39, Alfred Rewane Road, Ikoyi, Lagos, Nigeria.

Tejas Nigeria is authorised to engage in importing, marketing, distributing, supplying and dealing in different kinds of networking equipment.

Capital Structure

The share capital of Tejas Nigeria is NGN 10,000,000 divided into 10,000,000 equity shares of NGN 1 each.

Shareholding

Tejas Singapore holds 9,999,999 equity shares aggregating to 99.99% of the share capital of Tejas Nigeria and Sanjay Nayak holds one equity share aggregating to 0.01% of the share capital of Tejas Nigeria.

(iii) Tejas Israel Limited ("Tejas Israel")

Corporate Information

Tejas Israel was incorporated on December 28, 2009 as a limited company under the Companies Law 5759-1999 of Israel. It has its registered office at 9 Kehilat Saloniki, Tel-Aviv – Jaffa 69513, Israel.

Tejas Israel is authorised to engage in any lawful activity.

Capital Structure

The authorised and issued share capital of Tejas Israel is 900,000 ordinary shares with no nominal value.

Shareholding

Our Company holds 900,000 equity shares aggregating to 100% of the issued and paid up share capital of Tejas Israel.

(iv) vSave Energy Private Limited ("vSave Energy")

Corporate Information

vSave Energy was incorporated on November 6, 2013 as a private limited company under the Companies Act, 1956. It has its registered office at 2nd Floor, Plot No. 25, J.P. Software Park, Electronic City, Phase 1, Hosur Road, Bengaluru – 560 100, Karnataka, India.

vSave Energy is authorised to engage in providing, designing, developing, manufacturing, selling and servicing of energy management products and solutions for commercial, industrial, civil and defence sectors.

Capital Structure

The authorised share capital of vSave energy is ₹130,000,000 divided into 13,000,000 equity shares of ₹10 each. The issued and paid up capital is ₹1,350,000 divided into 135,000 equity shares of ₹10 each.

Shareholding

Our Company directly holds 134,999 equity shares aggregating to 99.99% of the issued and paid up share capital of vSave Energy and Sanjay Nayak holds one equity share aggregating to 0.01% of the issued and paid up share capital of vSave Energy beneficially in favour of our Company.

Accumulated Profits or Losses

There are no accumulated profits or losses of our Subsidiaries that are not accounted for by our Company in the Consolidated Restated Financial Information.

Summary of Key Agreements and Shareholders' Agreements

*Shareholders' agreement dated August 2, 2016 entered into by and amongst Samena Spectrum Co., Cascade Capital Management Mauritius, Mayfield XII, Mauritius, Osher LP, USA, V. Balakishnan, Sanjay Nayak, Kumar N. Sivarajan, Arnob Roy and our Company as amended by amendment I to shareholders' agreement dated August 2, 2016 executed on September 16, 2016 and second amendment agreement to the shareholders agreement dated August 2, 2016 executed on October 25, 2016 ("**Series G SHA**")*

The Series G SHA records the rights and obligations of the parties to the agreement in respect of their investment in our Company. Our Company is obligated to provide an exit to Samena Spectrum Co., Cascade Capital Management Mauritius, Mayfield XII, Mauritius, Intel Capital Corporation, Intel Capital (Cayman) Corporation, India Industrial Growth Fund Limited and Osher LP (the "**Identified Investors**") prior to June 30, 2019 either by way of a strategic sale or an initial public offering by our Company. In the event our Company seeks financing from third parties on terms which are more favourable than those granted to Samena Spectrum Co., then such favourable terms and conditions shall automatically apply or be conferred on Samena Spectrum Co. for their further investment, provided Samena Spectrum Co. participates in such further financing. The parties have also placed certain transfer restrictions on the Equity Shares held by Sanjay Nayak, Kumar N. Sivarajan and Arnob Roy for a period of two years from the closing date under the Series G SHA. Further, decisions on certain reserved matters which *inter-alia* include declaration of dividend, modifications to authorised and issued share capital, except in relation to an IPO or a pre-IPO placement by our Company etc. may be taken only with the consent of 50.1% of the Identified Investors. The Identified Investors are also entitled to pre-emptive rights. Our Company has agreed to indemnify the Identified Investors for any losses suffered by them or their affiliates, directors or officers which arise out of, or result from or are connected with or attributable to any misrepresentation in, inaccuracy of or breach by our Company of any of its obligations, representations, warranties, terms, covenants or undertakings under the Series G SHA. The Series G SHA shall terminate upon completion of the initial public offering.

Significant Sale/Purchase between our Subsidiaries/associates and our Company

Except for Tejas Singapore, none of our Subsidiaries is involved in any sales or purchases with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Common Pursuits

All our Subsidiaries, except vSave Energy are engaged in lines of business that are similar and/or synergistic to our Company. Our Company shall adopt the necessary procedures and practices as may be permitted by law to address any conflict situation as and when they may arise.

OUR MANAGEMENT

Board of Directors

In terms of Part B of our Articles of Association, our Company is currently required to have not more than seven Directors and not less than three Directors.

In terms of Part A of our Articles of Association, our Company is required to have not more than 15 Directors and not less than three Directors. From the date of final listing and trading approvals for the Equity Shares on the Stock Exchanges, Part B of our Articles of Association shall automatically terminate and cease to have any force and effect and Part A shall prevail.

As on the date of this Red Herring Prospectus, our Board comprises of five Directors.

The following table sets forth details regarding our Board of Directors:

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
1.	**Balakrishnan V.** ***Designation:*** Non-Executive, Independent Director and Chairman ***Address:*** 567, 6th Main Road, 3rd Stage 3rd Block, Basaveshwara Nagar Bengaluru 560 079 Karnataka, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** For a period of five years with effect from February 2, 2015 ***DIN:*** 02825465	52	**Other Directorships:** *Indian Companies* • Avekshaa Technologies Private Limited • Clonect Solutions Private Limited • KAAR Technologies Private Limited • Micrograam Marketplace Private Limited • Realtime Taxsutra Services Private Limited *Foreign Companies* • Ameri Holdings Inc. • MARA Labs Inc.
2.	**Sanjay Nayak** ***Designation:*** Managing Director and Chief Executive Officer ***Address:*** No. 529, 6F Cross, 17th D Main 6th Block, Koramangala Bengaluru 560 095 Karnataka, India ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** For a period up to December 31, 2019, subject to his reappointment each time that he is liable to retire by rotation ***DIN:*** 01049871	52	**Other Directorships:** *Indian Companies* • vSave Energy Private Limited *Foreign Companies* • Tejas Communications (Nigeria) Limited • Tejas Communication Pte. Ltd
3.	**Dr. Gururaj Deshpande** ***Designation:*** Non-Executive Director ***Address:*** 11, Fairway Drive Andover, MA 01810	66	**Other Directorships:** *Foreign Companies* • Curata, Inc • Sparta Group MA LLC

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	United States of America ***Occupation:*** Professional ***Nationality:*** United States of America ***Term:*** Liable to retire by rotation ***DIN:*** 01979383		
4.	**Shirish Saraf** ***Designation:*** Non-Executive, Additional Director ***Address:*** Flat 603, Block - 17 Heritage City Gurgaon 120 002 Haryana, India ***Occupation:*** Entrepreneurship ***Nationality:*** Indian ***Term:*** Until the next AGM ***DIN:*** 01918219	49	**Other Directorships:** *Indian Companies* • Dynamatic Technologies Limited • Mahindra Two Wheelers Limited • Pearl Cruises and Tours (Goa) Private Limited • RAK Ceramics India Private Limited *Foreign Companies* • 2S Holdings • RAK Ceramics (PSC) • RAK Logistics Holdings Pte Ltd • Samena Beats Holdings • Samena Capital • Samena Capital Investments Limited • Samena Capital Investors Co • Samena Capital Japan Co • Samena Capital Limited • Samena Capital Management Co • Samena Capital Mauritius Management • Samena Connect Holding Co • Samena Foundation • Samena General Partner I Limited • Samena General Partner II Limited • Samena General Partner III Limited • Samena Limestone Co • Samena Limestone Holdings • Samena Phoenix Holdings Co • Samena Poseidon Holding Co • Samena Spark Holdings • Samena Special Situations Mauritius • Samena Special Situations Mauritius III • Samena SPV4
5.	**Leela Krishnamurthy Ponappa** ***Designation:*** Non-Executive, Independent Director ***Address:*** 71 IFS Villas P6 Greater Noida 201 310 Uttar Pradesh, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** For a period of two years with effect from February 16, 2016	70	**Other Directorships:** Nil

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	DIN: 07433990		

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors

Balakrishnan V. is a Non-Executive, Independent Director and Chairman of our Company. He has been a Director of our Company since November 9, 2009. He is an associate member of the Institute of Chartered Accountants of India, the Institute of Cost and Works Accountants of India and the Institute of Company Secretaries of India. He has several years of experience in the field of corporate finance. He has received the Best CFO award from FinanceAsia in 2011 and Best Performing CFO Award for IT and ITES sector from CNBC in 2009. He is the founder and chairman of Exfinity Venture Partners LLP and has also served as the group chief financial officer and member of the board of directors of Infosys Limited.

Sanjay Nayak is the Managing Director and Chief Executive Officer of our Company. He has been our Managing Director and Chief Executive Officer since May 6, 2000. He has obtained a Bachelor of Science degree in engineering from the Birla Institute of Technology, where he was awarded the institute gold medal for standing first in the electronics and communication engineering branch. He obtained a Master of Science degree from the North Carolina State University. He has been a member of the Confederation of Indian Industry's National Committee on Information Communication Technology and Electronics Manufacturing for the years 2016-2017 and 2017-2018. He is a member of the FICCI Start up Committee. He is the co-chairman of the Telecom Equipment and Services Export Promotion Council. He received the Technovation Sarabhai award from the India Electronics and Semiconductor Association and the Electronics Man of the Year award from ELCINA. He has several years of experience in the field of telecommunication and networking. Prior to joining our Company he was the managing director of Synopsys (India) Private Limited.

Dr. Gururaj Deshpande is a Non-Executive Director of our Company. He has been a Director of our Company since April 24, 2000. He has obtained a Bachelor of Technology degree from the Indian Institute of Technology, Madras, a Master of Engineering degree from the University of New Brunswick and a doctor of philosophy degree from the Queen's University. He has several years of experience in heading a private family investment group. He is the President and Chairman of Sparta Group MA LLC. He also serves as a life-member of the MIT Corporation, USA.

Shirish Saraf is a Non-Executive, Additional Director of our Company. He has been a Director of our Company since August 2, 2016. He has obtained a Bachelor of Science degree in economics from the London School of Economics and Political Science. He has several years of experience in heading private equity investment groups. He is a director on various companies in different jurisdictions, including RAK Ceramics (PSC), RAK Logistics Holdings Pte Ltd, Dynamatic Technologies Limited and Mahindra Two Wheelers Limited. He is the founder and vice chairman of Samena Capital. He has also been the co-founder and managing director of Abraaj Capital.

Leela Krishnamurthy Ponappa is a Non-Executive, Independent Director of our Company. She has been a Director of our Company since February 16, 2016. She has obtained her Bachelor of Arts degree and Master of Arts degree from the University of Madras. She has been an officer of the Indian Foreign Service for several years. She has served as the Ambassador of India to Thailand and Netherlands. She has also held the post of Deputy National Security Adviser and Secretary, National Security Council and Additional Secretary in the Ministry of External Affairs. She was also appointed as a permanent representative to the Organization for the Prohibition of Chemical Weapons.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of the Draft Red Herring Prospectus and as until the date of this Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our Company.

Terms of appointment of Executive Directors

Sanjay Nayak

Sanjay Nayak was appointed as our Managing Director and Chief Executive Officer on May 6, 2000. He has entered into an employment agreement dated May 6, 2000 with the Company whereby the terms of his employment in our Company, including remuneration, were agreed upon. The employment agreement was amended through amendment to the employment agreement dated July 28, 2016 to include non-compete and non-solicit obligations as part of his terms of employment. He was last re-appointed as a Managing Director through a Shareholders resolution dated July 25, 2016 and his term as a Managing Director was extended till December 31, 2019, provided that he is re-appointed as a Director each time that he is liable to retire by rotation during the said time period. The Shareholders through their resolution dated July 25, 2016 approved payment of the following as remuneration to him:

Particulars	Remuneration
Remuneration	Upto ₹20 million or 5% of net profits, whichever is higher. For the Financial Year 2017, ₹15.14 million was payable as gross compensation to Sanjay Nayak.
Perquisites	• Contribution to provident fund, superannuation fund or annuity fund • Gratuity payable at a rate not exceeding half a month's salary for each completed year of service • Encashment of leave at the end of the tenure • Children's education allowance • Leave travel concession

The actual remuneration or compensation payable to the Directors is determined by the nomination and remuneration committee within the limits approved by the Shareholders.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Financial Year 2017 are as follows:

1. **Remuneration to Executive Directors:**

   In Financial Year 2017, a sum of ₹15.14 million was payable as gross compensation to Sanjay Nayak.

2. **Remuneration to Non-Executive Directors:**

   Our Company has, pursuant to a Board resolution dated August 7, 2015, fixed the sitting fees payable to our Independent Directors at ₹50,000 per meeting for attending the meetings of our Board and committees thereof with effect from September 5, 2015.

   In addition to the sitting fees, a commission of up to 1% of the net profits of our Company is payable to the Non-Executive Directors (including Independent Directors), subject to availability of profit.

   The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by our Company, from time to time.

   The details of the sitting fees and other remuneration payable to our Non-Executive Directors during Financial Year 2017 are as follows:

Sr. No.	Name of the Director	Sitting fees and other remuneration payable (₹ in million)
1.	Ashok Jhunjhunwala^	1.75*
2.	Balakrishnan V.	0.70
3.	Leela Krishnamurthy Ponappa	0.35

^Resigned from the Board on January 20, 2017
**includes commission of ₹1.50 million*

Arrangement or understanding with major Shareholders, customers, suppliers or others

Shirish Saraf was appointed to our Board as a Non-executive, Additional Director by our Shareholder, Samena Spectrum Co., pursuant to the terms of the shareholders agreement dated August 2, 2016. Subsequently, pursuant to the amendment I to the shareholders agreement dated August 2, 2016 executed on September 16, 2016, none of our shareholders have the right to nominate a Director on our Board. For further details, see "History and Certain Corporate Matters" on page 165.

Except as disclosed above, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board or as a member of the senior management of our Company.

Shareholding of Directors in our Company

Our Directors are not required to hold any qualification shares, pursuant to the Articles of Association of our Company.

The shareholding of our Directors in our Company as of the date of filing this Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Pre-Offer Percentage Shareholding (%)^	Number of outstanding employee stock options
Sanjay Nayak	3,261,991	4.53	928,140
Balakrishnan V.	76,133	0.11	-

^Calculated as a percentage of the pre-Offer fully paid up capital which excludes the sum of ₹32,727,930 paid by the TEWT against the issuance of 32,727,930 partly paid-up Equity Shares on June 11, 2010, which were subsequently forfeited on July 25, 2016

Shareholding of Directors in our Subsidiaries

Except as disclosed below, none of our Directors hold any equity shares in our Subsidiaries.

Name of Director	Number of Equity Shares	Percentage Shareholding (%)
vSave Energy Private Limited		
Sanjay Nayak	1*	0.01
Tejas Communications (Nigeria) Limited		
Sanjay Nayak	1	0.00

**beneficial interest held by our Company*

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently holds any office or place of profit in our Company.

Interest of Directors

Our Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board or committees thereof as well as to the extent of commission and reimbursement of expenses payable under our Articles of Association. Sanjay Nayak acts as a director on the boards of our Subsidiaries. In consideration for his services, he is paid managerial remuneration in accordance with the provisions of the Companies Act.

Except as stated in "Related Party Transactions" on page 187, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Red Herring Prospectus, or proposed to be acquired by our Company.

Further, our Directors have no interest in any transaction by our Company for acquisition of land, construction of buildings or supply of machinery.

The Directors may be regarded as interested in the Equity Shares, if any, held by them or that may be held by the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters. The Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of remuneration (if applicable), reimbursement of expenses (if applicable), and to the extent of the transactions entered into in the ordinary course of business with the companies in which our Directors hold directorship.

None of our Directors have any interest in the promotion of our Company.

Except the remuneration and the performance linked incentive received for services rendered as an officer of our Company, 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.

No loans have been availed by our Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Except to the extent of commission that is payable to our Non-Executive Directors, none of our Directors is party to any bonus or profit sharing plan of our Company.

In terms of the employement agreements, as amended, entered into by Sanjay Nayak, our Managing Director, Kumar N. Sivarajan and Arnob Roy, our Key Management Personnel with the Company, in the event of their termination without cause or voluntary resignation they shall be entitled to such benefits for their compliance with non-compete and non-solicit obligations as may be mutually agreed upon. Except as stated above, no officer of our Company, including our Directors and the Key Management Personnel, has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment (excluding statutory benefits upon termination of their employment).

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Changes in the Board in the last three years

Name	Date of Appointment/Change/ Cessation	Reason
Ashok Jhunjhunwala	January 20, 2017	Resigned from the post of Non-Executive, Independent Director
Shirish Saraf	October 26, 2016	Change in designation from Additional Director to Non-Executive, Additional Director
Shirish Saraf	August 2, 2016	Appointed as an Additional Director
Leela Krishnamurthy Ponappa	July 25, 2016	Change in designation from Additional Director to Non-Executive, Independent Director
Leela Krishnamurthy Ponappa	February 16, 2016	Appointed as an Additional Director
Sanjay Nayak	September 30, 2015	Re-appointed as a Director when he became liable to retire by rotation
Balakrishnan V.	February 2, 2015	Formal appointment under the Companies Act, 2013 as a Non-Executive, Independent Director
Ashok Jhunjhunwala	February 2, 2015	Formal appointment under the Companies Act, 2013 as a Non-Executive, Independent Director
Dr. Gururaj Deshpande	September 24, 2014	Re-appointed as a Non-Executive Director, where he be came liable to retire by rotation

Borrowing Powers of Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on July 25, 2016, the Board is authorised to borrow any sum or sums of money from time to time at their discretion, for the purposes of our Company provided such borrowings (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) together with the monies already borrowed by our Company do not exceed the aggregation of the paid up share capital and the free reserves of our Company by a sum of ₹4,000 million and that the Board is empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team, constitution of the Board committees and formulation of policies, each as required under law, including the SEBI Listing Regulations. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance particularly in relation to constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Currently, our Board has five Directors, headed by the Chairman who is a Non-Executive, Independent Director. In compliance with the requirements of the SEBI Listing Regulations, we have one Executive Director, four Non-Executive Directors including two independent Directors on our Board. Our Board also has one woman Director.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Committees of the 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. Balakrishnan V., *Chairman*;
2. Leela Krishnamurthy Ponappa; and
3. Dr. Gururaj Deshpande.

The Audit Committee was constituted by a meeting of the Board of Directors held on June 27, 2002 and was last re-constituted by a meeting of the Board of Directors held on November 25, 2016. The terms of reference of the Audit Committee were last revised by a meeting of the Board of Directors on September 23, 2016. The scope and functions of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending for the appointment, remuneration and terms of appointment of auditors of our Company;

c) Approving payments to the statutory auditors for any other services rendered by the statutory auditors;

d) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    i) 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;

    ii) Changes, if any, in accounting policies and practices and reasons for the same;

    iii) Major accounting entries involving estimates based on the exercise of judgment by management;

    iv) Significant adjustments made in the financial statements arising out of audit findings;

v) Compliance with listing and other legal requirements relating to financial statements;

vi) Disclosure of any related party transactions; and

vii) Qualifications in the draft audit report.

e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

f) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

h) Approving or subsequently modifying transactions of our Company with related parties;

i) Scrutinizing of inter-corporate loans and investments;

j) Valuating the undertakings or assets of our Company, wherever it is necessary;

k) Evaluating internal financial controls and risk management systems;

l) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

m) 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;

n) Discussing with internal auditors on any significant findings and follow up thereon;

o) 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;

p) Discussing 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;

q) Looking 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;

r) Reviewing the functioning of the whistle blower mechanism, in case the same is existing; and

s) Approving the appointment of chief financial officer after assessing the qualifications, experience and background, etc of the candidate.

The powers of the Audit Committee include the following:

a) To investigate activity within its terms of reference;

b) To seek information from any employees;

c) To obtain outside legal or other professional advice; and

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and result of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor; and

f) Statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

(ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations

The Audit Committee is required to meet at least four times in a year under the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Leela Krishnamurthy Ponappa, *Chairman*;

2. Dr. Gururaj Deshpande; and

3. Balakrishnan V.

The Nomination and Remuneration Committee was constituted as the Compensation Committee by a meeting of the Board of Directors held on June 30, 2000. The Compensation Committee was re-designated as Nomination and Remuneration Committee and new terms of reference was adopted by a meeting of the Board of Directors on February 2, 2015. The Nomination and Remuneration Committee was last reconstituted on November 25, 2016. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee was last revised by a meeting of Board of Directors on November 25, 2016 and include the following:

a) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Management Personnel and other employees;

b) Formulating criteria for evaluation of independent Directors and the Board;

c) Devising a policy on Board diversity;

d) Identifying persons who are qualified to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every Director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e) Analysing, monitoring and reviewing various human resource and compensation matters including monitoring of ESOP schemes on behalf of the Board;

f) Determining our Company's policy on specific remuneration packages for executive Directors including pension rights and any compensation payment, and determining remuneration packages of such Directors;

g) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

h) Reviewing and approving compensation strategy from time to time in the context of the then current India market in accordance with applicable laws;

i) Performing such functions as are required to be performed by the compensation committee under the SEBI ESOP Regulations;

j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

   (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

   (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Determining 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

l) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

1. Balakrishnan V., *Chairman;*

2. Sanjay Nayak; and

3. Leela Krishnamurthy Ponappa

The Stakeholders Relationship Committee was constituted by our Board of Directors at their meeting held on September 23, 2016 and was last reconstituted by our Board of Directors on November 25, 2016. The scope and functions of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee include the following:

a) Redressal of grievances of shareholders'/investors' grievances;

b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;

d) Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders; and

e) Carrying out any other function as prescribed under the SEBI Listing Regulations.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Leela Krishnamurthy Ponappa, *Chairman;*

2. Balakrishnan V.; and

3. Shirish Saraf

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on January 13, 2015 and last reconstituted on September 23, 2016. The scope and functions of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder. The terms of reference of the Corporate Social Responsibility Committee include the following:

a) Formulate and recommend to the Board, the corporate social responsibility policy;

b) Recommend the amount of expenditure to be incurred in corporate social responsibility activities;

c) Monitor the corporate social responsibility policy of our Company from time to time; and

d) Any other matter as the Corporate Social Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

Risk Management Committee

The members of the Risk Management Committee are:

1. Shirish Saraf, *Chairman;*

2. Sanjay Nayak; and

3. Leela Krishnamurthy Ponappa

The Risk Management Committee was constituted by our Board of Directors on September 23, 2016 and was last reconstituted by our Board on November 25, 2016. The Risk Management Committee has the function of monitoring and reviewing the risk management plan.

IPO Committee

The members of the IPO Committee are:

1. Balakrishnan V., *Chairman*;

2. Sanjay Nayak; and

3. Dr. Gururaj Deshpande

The IPO Committee was constituted by our Board of Directors on March 28, 2016 and was last reconstituted by our Board on November 25, 2016. The IPO Committee has been authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

Management Organisation Chart

Key Management Personnel

The details of the Key Management Personnel of our Company are as follows:

Sanjay Nayak is the Managing Director and Chief Executive Officer of our Company. During Financial Year 2017, a sum of ₹15.14 million was payable as gross compensation to him. For further details in relation to Sanjay Nayak, see "Our Management – Brief Biographies of Directors" on page 174.

Venkatesh Gadiyar is the Chief Financial Officer of our Company. He has been associated with our Company since July 3, 2013. He obtained a Bachelor's degree in commerce from the Mangalore University. He is a fellow member of the Institute of Chartered Accountants of India. He has several years of experience in the field of finance. Prior to joining our Company he was the assistant financial controller at Infosys Limited. He is responsible for financial management of our Company. During Financial Year 2017, a sum of ₹5.50 million was payable as gross compensation to him.

Kumar N. Sivarajan is the Chief Technology Officer of our Company. He has been associated with our Company since May 1, 2000. He has obtained a Bachelor of Technology degree in electrical engineering (electronics) from the Indian Institute of Technology, Madras and a Master of Science degree and a doctor of philosophy degree from the California Institute of Technology. He has several years of experience in the field of electrical communication engineering. He is a former associate of the Indian Academy of Sciences and a fellow of the Indian National Academy of Engineering. He is also a recipient of the Swarnajayanti Fellowship from the Department of Electrical Communication Engineering, and the Global Indus Technovators Award from the India Business Club at the Massachusetts Institute of Technology in 2004. He has co-authored the book titled "Optical Networks: A Practical Perspective". He is also a recipient of the IEEE W.R.G. Baker Prize Paper Award and the IEEE Charles Legeyt Fortescue Scholarship. He is the former chairperson of the governing council of the Telecommunications Standards Development Society, India. Prior to joining our Company, he was an associate professor at the Indian Institute of Science, Bengaluru. He is responsible for our Company's strategic technical decisions. During Financial Year 2017, a sum of ₹11.23 million was payable as gross compensation to him.

Arnob Roy is the President – Optical Products of our Company. He has been associated with our Company since May 10, 2000. He has obtained a Bachelor of Technology (honours) degree in electronics and electrical communication engineering from Indian Institute of Technology, Kharagpur and a Master of Science degree from the University of Nebraska. He has several years of experience in research and development. Prior to joining our Company he worked as the manager, research and development in Synopsys (India) Private Limited. He is responsible for all aspects of our Company's engineering product development activities and executes product strategy to meet our Company's objectives. During Financial Year 2017, a sum of ₹11.23 million was payable as gross compensation to him.

Sukhvinder Kumar is the President – Global Manufacturing Operations of our Company. He has been associated with our Company since August 25, 2016. He holds a Bachelor of Engineering degree in electronics from Dr. Ambedkar Marathawala University, Aurangabad and an advanced management program certificate from the Indian Institute of Management, Bengaluru. He has several years of experience in the field of electronics. Prior to joining our Company, he was the chief executive officer and managing director of Eolane Electronics India Private Limited. He is responsible for productivity, quality and efficiency of manufacturing operations and overall supply chain management. During Financial Year 2017, a sum of ₹5.44 million was payable as gross compensation to him.

Krishnakanth G. V. is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since March 7, 2011. He has obtained a Bachelor's degree in commerce and law from Nagarjuna University and a Master's degree in financial management from the Pondicherry University. He is also an associate member of the Institute of Company Secretaries of India. He has several years of experience in the field of corporate secretarial compliance. Prior to joining our Company he worked at GMR Infrastructure Limited. He is responsible for the ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of our Board are implemented. During Financial Year 2017, a sum of ₹2.68 million was payable as gross compensation to him.

None of our Key Management Personnel are related to each other.

All our Key Management Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

The details of Equity Shares held by our Key Management Personnel as of the date of this Red Herring Prospectus are as follows:

Name of the Key Management Personnel	Number of Equity Shares	Pre-Offer Percentage Shareholding (%)*	Number of Outstanding employee stock options

Name of the Key Management Personnel	Number of Equity Shares	Pre-Offer Percentage Shareholding (%)*	Number of Outstanding employee stock options
Sanjay Nayak	3,261,991	4.53	928,140
Kumar N. Sivarajan[(1)]	1,971,543	2.74	825,265
Arnob Roy[(2)]	1,164,200	1.62	1,424,108
Venkatesh Gadiyar	44,000	0.06	160,000
Sukhvinder Kumar	-	-	149,000
Krishnakanth G.V.	18,534	0.03	23,716

** Calculated as a percentage of the pre-Offer fully paid up capital which excludes the sum of ₹32,727,930 paid by the TEWT against the issuance of 32,727,930 partly paid-up Equity Shares on June 11, 2010, which were subsequently forfeited on July 25, 2016*

(1) 232,215 options held by him have vested

(2) 706,058 options held by him have vested

Bonus or profit sharing plan of the Key Management Personnel

None of the Key Management Personnel is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

Interests of Key Management Personnel

Our Key Management Personnel are interested in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Also, the Key Management Personnel may also be deemed to be interested to the extent of their shareholding in the Company and any dividend payable to them or other distributions in respect of such Equity Shares, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company other than their remuneration. Further, there is no contingent or deferred compensation payable to our Key Management Personnel which does not form part of their remuneration.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as a Director or member of senior management.

No loans have been availed by the Key Management Personnel from our Company.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Venkatesh Gadiyar	Chief Financial Officer	October 26, 2016	Appointed as the Chief Financial Officer
Murali R.	Chief Financial Officer	October 26, 2016	Resigned from the post of Chief Financial Officer
Sukhvinder Kumar	President - Global Manufacturing Operations	August 25, 2016	Appointed as President - Global Manufacturing Operations
Sanjay Nayak	Managing Director and Chief Executive Officer	July 25, 2016	Re-appointed as the Managing Director and Chief Executive Officer
Murali R.	Chief Financial Officer	March 26, 2015	Formal appointment as Chief Financial Officer under Companies Act, 2013

Payment or Benefit to officers of our Company

Except the remuneration and the performance linked incentive received for services rendered as an officer of our Company, 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 the officers of our Company.

Employee Stock Option Plans

For details, see "Capital Structure" on page 71.

OUR PROMOTERS AND PROMOTER GROUP

Our Company is a professionally managed company and does not have an identifiable promoter either in terms of the SEBI ICDR Regulations or the Companies Act, 2013. Consequently, it has no 'promoter group' in terms of the SEBI ICDR Regulations.

For details in respect of Shareholders who control individually or as a group 15% or more of the voting rights of our Company, see "Capital Structure – The list of top 10 Shareholders of our Company and the number of Equity Shares held by them" on page 87.

As on the date of this Red Herring Prospectus, there are no Shareholders having the right to nominate Directors on the Board of our Company.

OUR GROUP ENTITIES

As on the date of this Red Herring Prospectus, we do not have any 'Group Companies', since there are no companies, excluding Subsidiaries, disclosed as related parties in the Restated Financial Information of our Company prepared in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India, and there are no companies that are covered by Accounting Standard 18 that are considered material by our Board for identification as 'Group Companies', in accordance with the provisions of the SEBI ICDR Regulations.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants in India and as reported in the Restated Financial Information, see "Financial Statements" on page 189.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act.

The dividends, if any, will depend on other factors, including the outlook for the economy, outlook for the industry, the business environment for our Company's business, the profitability of our Company, capital requirements for future expansion plans, rate of dividend distribution tax, contractual obligations, applicable legal restrictions, and restrictive covenants under loan or financing arrangements which our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details of the restrictive covenants under our loan or financing arrangements, see "Financial Indebtedness" on page 356.

No dividend has been declared by our Company during the last five financial years, preceding the date of this Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT ON STANDALONE RESTATED FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 26 OF COMPANIES ACT, 2013, READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

TO THE BOARD OF DIRECTORS OF
TEJAS NETWORKS LIMITED
#25, J.P. Software Park, Electronics City, Phase-I
Hosur Road, Bangalore - 560100

Dear Sirs,

1. We have examined the attached Standalone Restated Financial Information of Tejas Networks Limited ("the Company"), which comprises of the Standalone Restated Balance Sheet as at March 31, 2017, 2016, 2015, 2014 and 2013, the Standalone Restated Statement of Profit and Loss and the Standalone Restated Cash Flow Statement for the years ended March 31, 2017, 2016, 2015, 2014 and 2013, (collectively, the "Restated Standalone Financial Information") as approved by the Board of Directors of the Company at their meeting held on May 17, 2017 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) and prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules);

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

   The preparation of the Standalone Restated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Standalone Restated Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Rules, SEBI ICDR Regulations and the Guidance Note.

   Our responsibility is to examine the Standalone Restated Financial Information and confirm whether such Standalone Restated Financial Information comply with the requirements of the Act, the Rules, SEBI ICDR Regulations and the Guidance Note.

2. We have examined such Standalone Restated Financial Information taking into consideration

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 30, 2016 in connection with the proposed IPO of the Company;

   b) The Guidance Note; and

c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Standalone Restated Financial Information.

3. These Standalone Restated Financial Information have been compiled by the Management based on the audited Standalone Financial Statements as at and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 which have been approved by the Board of Directors at their meetings held on April 17, 2017, May 20, 2016, September 05, 2015 August 29, 2014 and September 2, 2013 respectively.

4. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of the Rules, SEBI ICDR Regulations and the Guidance Note, we report that:

   a) The Standalone Restated Summary Statement of Assets and Liabilities of the Company as at March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure - I to this report is after making adjustments and regrouping as in our opinion were appropriate and more fully described in "Notes on material adjustments and regroupings to Standalone Restated Summary Statements", as set out in Annexure IV.

   b) The Standalone Restated Summary Statement of Profits and Losses of the Company for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure - II to this report is after making adjustments and regrouping as in our opinion were appropriate and more fully described in "Notes on material adjustments and regroupings to Standalone Restated Summary Statements", as set out in Annexure IV.

   c) The Standalone Restated Summary Statement of Cash Flows of the Company for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure - III to this report is after making adjustments and regrouping as in our opinion were appropriate and more fully described in "Notes on material adjustments and regroupings to Standalone Restated Summary Statements", as set out in Annexure IV.

   d) Based on the above, according to the information and explanations given to us, we are of opinion that the Standalone Restated Financial Information:

      (i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

      (ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

      (iii) do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.

5. We have also examined the following Standalone Restated Financial Information of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on May 17, 2017 for the years ended March 31, 2017, 2016, 2015, 2014 and 2013.

   (i) Annexure IV: Notes on material adjustments and regroupings to Standalone Restated Summary Statements
   (ii) Annexure V(A): Significant Accounting Policies to Standalone Restated Summary Statements

(iii) Annexure V(B): Additional Information to Standalone Restated Summary Statements
(iv) Annexure V(C) : Summary of events pertaining to Employee Stock Options post March 31,2017
(v) Annexure VI: Standalone Restated Statement of Share Capital
(vi) Annexure VII: Standalone Restated Statement of Reserves and Surplus
(vii) Annexure VIII: Standalone Restated Statement of Long Term Borrowings
(viii) Annexure IX: Standalone Restated Statement of Other Long Term Liabilities
(ix) Annexure X: Standalone Restated Statement of Long Term Provisions
(x) Annexure XI: Standalone Restated Statement of Short Term Borrowings
(xi) Annexure XII: Standalone Restated Statement of Trade Payables
(xii) Annexure XIII: Standalone Restated Statement of Other Current Liabilities
(xiii) Annexure XIV: Standalone Restated Statement of Short term Provisions
(xiv) Annexure XV: Standalone Restated Statement of Fixed Assets - Tangibles
(xv) Annexure XVI: Standalone Restated Statement of Fixed Assets - Intangibles
(xvi) Annexure XVII: Standalone Restated Statement of Non-current investments
(xvii) Annexure XVIII: Standalone Restated Statement of Long term Loans and advances
(xviii) Annexure XIX: Standalone Restated Statement of Other non-current assets
(xix) Annexure XX: Standalone Restated Statement of Current Investments
(xx) Annexure XXI: Standalone Restated Statement of Inventories
(xxi) Annexure XXII: Standalone Restated Statement of Trade Receivables
(xxii) Annexure XXIII: Standalone Restated Statement of Cash and bank balances
(xxiii) Annexure XXIV: Standalone Restated Statement of Short-term loans and advances
(xxiv) Annexure XXV: Standalone Restated Statement of Other Current Assets
(xxv) Annexure XXVI: Standalone Restated Statement of Revenue from operations
(xxvi) Annexure XXVII: Standalone Restated Statement of Cost of materials consumed
(xxvii) Annexure XXVIII: Standalone Restated Statement of Employee benefit expenses
(xxviii) Annexure XXIX: Standalone Restated Statement of Other expenses
(xxix) Annexure XXX: Standalone Restated Statement of Finance costs
(xxx) Annexure XXXI: Standalone Restated Statement of Other Income
(xxxi) Annexure XXXII: Restated Standalone Summary Statement of Functionwise Profits and Losses
(xxxii) Annexure XXXIII: Restated Standalone Statement of Related Party Transactions
(xxxiii) Annexure XXXIV: Restated Standalone Statement of Accounting Ratios
(xxxiv) Annexure XXXV: Restated Standalone Summary of Capitalisation Statement
(xxxv) Annexure XXXVI: Restated Standalone Tax Shelter Statement

In our opinion, the above financial information contained in Annexures I to XXXVI accompanying this report read along with the Significant Accounting Policies as set out in Annexure V (A) are prepared after making adjustments and regroupings as considered appropriate [Refer Annexure IV] and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI ICDR Regulations and the Guidance Note.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)-1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report 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 this report.

9. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, National Stock Exchange, Bombay Stock Exchange and the Registrar of Companies, Karnataka in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountant
ICAI Firm Registration No. 008072S

Monisha Parikh
Partner
Membership No. 47840

BENGALURU,
May 17, 2017

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure I: Standalone Restated Summary Statement of Assets and Liabilities
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	Annexures	As at March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	Annexure VI	740.06	665.23	1,255.31	1,009.79	1,009.79
Reserves and surplus	Annexure VII	4,259.96	3,030.84	2,165.85	2,331.43	2,278.71
		5,000.02	**3,696.07**	**3,421.16**	**3,341.22**	**3,288.50**
Non-current liabilities						
Long-term borrowings	Annexure VIII	20.00	290.00	50.00	300.00	30.00
Other long-term liabilities	Annexure IX	-	-	-	4.35	1.75
Long-term provisions	Annexure X	35.65	19.64	14.24	15.92	25.64
		55.65	**309.64**	**64.24**	**320.27**	**57.39**
Current liabilities						
Short-term borrowings	Annexure XI	2,259.08	2,174.36	2,090.52	2,179.13	1,768.96
Trade payables						
Total outstanding dues to micro enterprises and small enterprises		-	-	-	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	Annexure XII	1,357.93	1,998.03	1,226.74	1,418.64	1,136.97
Other current liabilities	Annexure XIII	370.74	152.19	303.87	119.42	54.90
Short-term provisions	Annexure XIV	38.29	28.68	19.57	19.73	10.08
		4,026.04	**4,353.26**	**3,640.70**	**3,736.92**	**2,970.91**
TOTAL		**9,081.71**	**8,358.97**	**7,126.10**	**7,398.41**	**6,316.80**
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	Annexure XV	279.86	290.99	260.91	289.70	132.44
Intangible assets	Annexure XVI	640.93	651.91	247.81	356.01	634.54
Tangible Capital work-in-progress		-	-	1.32	-	2.13
Intangible assets under development		192.86	524.67	883.36	843.23	717.66
Non-current investments	Annexure XVII	45.89	45.89	45.89	45.88	45.67
Long-term loans and advances	Annexure XVIII	290.14	558.10	543.84	535.82	486.33
Other non-current assets	Annexure XIX	1,170.20	316.22	30.23	340.07	8.56
		2,619.88	**2,387.78**	**2,013.36**	**2,410.71**	**2,027.33**
Current assets						
Current investments	Annexure XX	-	-	-	-	-
Inventories	Annexure XXI	1,823.34	2,315.81	2,221.95	2,083.11	2,007.22
Trade receivables	Annexure XXII	3,420.72	2,491.37	1,947.18	2,174.01	1,263.74
Cash and Bank balances	Annexure XXIII	697.37	690.46	478.84	220.19	554.19
Short-term loans and advances	Annexure XXIV	449.83	323.08	249.45	347.70	416.96
Other current assets	Annexure XXV	70.57	150.47	215.32	162.69	47.36
		6,461.83	**5,971.19**	**5,112.74**	**4,987.70**	**4,289.47**
TOTAL		**9,081.71**	**8,358.97**	**7,126.10**	**7,398.41**	**6,316.80**

Note:
The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and VA.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Monisha Parikh
Partner

Place : Bangalore
Date : May 17, 2017

For and on behalf of the Board of Directors

Sanjay Nayak
Managing Director
(DIN: 01049871)

V. Balakrishnan
Director
(DIN: 02825465)

Venkatesh Gadiyar
Chief Financial Officer
Place : Bangalore
Date : May 17, 2017

Krishnakanth G. V.
Company Secretary

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure II: Standalone Restated Summary Statement of Profits and Losses
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	Annexures	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
INCOME						
Revenue from operations (gross)		9,232.90	6,725.71	4,060.99	4,119.87	2,921.33
Less: Excise duty		579.48	470.37	202.66	172.57	171.52
Revenue from operations (net) (A)	Annexure XXVI	**8,653.42**	**6,255.34**	**3,858.33**	**3,947.30**	**2,749.81**
EXPENSES						
Cost of materials consumed	Annexure XXVII	5,153.94	3,548.50	2,040.10	1,859.24	1,364.12
Employee benefits expense	Annexure XXVIII	732.99	634.18	477.18	430.89	429.82
Other expenses	Annexure XXIX	1,116.20	964.31	656.25	713.63	493.54
Total expenses (B)		**7,003.13**	**5,146.99**	**3,173.53**	**3,003.76**	**2,287.48**
Restated Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (A - B)		**1,650.29**	**1,108.35**	**684.80**	**943.54**	**462.33**
Finance Cost	Annexure XXX	(307.99)	(485.69)	(459.21)	(441.60)	(334.47)
Depreciation and amortisation expense		(564.22)	(382.43)	(485.51)	(558.46)	(480.29)
Other Income	Annexure XXXI	71.45	34.73	94.34	109.24	128.61
Restated Profit / (Loss) before exceptional items and tax		**849.53**	**274.96**	**(165.58)**	**52.72**	**(223.82)**
Exceptional items						
Provision for diminution in the value of long term investments	Annexure V(B) 17	-	-	-	-	(541.87)
Intangible assets in progress written off	Annexure V(B) 18	(304.68)	-	-	-	-
Restated Profit / (Loss) before tax		**544.85**	**274.96**	**(165.58)**	**52.72**	**(765.69)**
Tax expense						
Current tax expense for current year		12.77	-	-	-	-
Deferred tax		-	-	-	-	-
Restated Profit / (Loss) for the year		**532.08**	**274.96**	**(165.58)**	**52.72**	**(765.69)**
Earning per share (Par Value Rs. 10 each)						
(a) Basic		**7.92**	**4.46**	**(2.69)**	**0.86**	**(12.44)**
(b) Diluted		**7.92**	**4.13**	**(2.69)**	**0.86**	**(12.44)**

Note:
The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and VA.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Monisha Parikh
Partner

Place : Bangalore
Date : May 17, 2017

For and on behalf of the Board of Directors

Sanjay Nayak
Managing Director
(DIN: 01049871)

V. Balakrishnan
Director
(DIN: 02825465)

Venkatesh Gadiyar
Chief Financial Officer
Place : Bangalore
Date : May 17, 2017

Krishnakanth G. V.
Company Secretary

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure III: Standalone Restated Summary Statement of Cash Flows
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
CASH FLOW FROM OPERATING ACTIVITIES					
Profit / (Loss) before Tax	544.85	274.96	(165.58)	52.72	(765.69)
Adjustments For					
Depreciation and Amortization	564.22	382.43	485.51	558.46	480.29
Provision for receivables	14.36	33.53	182.87	134.65	62.40
Bad trade and other receivables, loans and advances written off	52.58	503.00	-	-	-
Provision for doubtful trade and other receivables, loans and advances released	(33.53)	(402.00)	-	-	-
Provision for Obsolete inventory	-	-	-	-	39.79
KESDM Receivable Written off	70.72	-	-	-	-
Provision for diminution in value of long term investment	-	-	-	-	541.87
Interest income	(41.10)	(34.45)	(34.02)	(33.77)	(36.04)
Finance costs	307.99	485.69	459.21	441.60	334.47
Dividend Income	-	-	-	-	(3.36)
Unrealised Exchange Difference on translation of foreign currency - cash & cash equivalents	0.67	(1.14)	(5.99)	1.86	(1.10)
Unrealised Exchange Difference (Net)	(39.29)	(23.21)	4.09	(10.57)	(12.87)
Loss / (Profit) on sale of fixed assets	-	-	(4.40)	-	28.90
Intangible assets in progress written off	304.68	-	-	-	-
Liabilities no longer required written back	(15.13)	-	-	-	-
Operating profit before Working Capital Changes	**1,731.02**	**1,218.81**	**921.69**	**1,144.95**	**668.66**
Changes in working capital:					
Adjustments for (increase) / decrease in operating assets:					
Inventories	492.53	(94.00)	(138.64)	(76.91)	(17.18)
Trade receivables	(994.04)	(381.33)	(194.13)	(733.00)	(562.12)
Short-term loans and advances	(126.77)	(73.60)	98.90	63.86	82.34
Long-term loans and advances	319.98	7.90	14.90	(49.49)	(26.19)
Other current assets	10.60	62.30	(49.60)	(113.36)	(29.02)
Other non current assets	-	(285.97)	309.83	(331.52)	(6.95)
Adjustments for increase / (decrease) in operating liabilities:					
Trade payables	(657.43)	746.53	(219.16)	249.67	394.94
Other current liabilities	(40.64)	85.60	(62.70)	64.52	8.18
Short-term provisions	9.61	9.20	-	9.64	(1.29)
Long-term provisions	16.02	5.40	(1.70)	(9.72)	(5.23)
Cash generated from operations	**760.88**	**1,300.84**	**679.39**	**218.64**	**506.14**
Less: Income tax paid	(64.79)	(22.10)	(23.56)	(26.14)	(10.00)
NET CASH GENERATED BY OPERATING ACTIVITIES (A)	**696.09**	**1,278.74**	**655.83**	**192.51**	**496.14**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of fixed assets and change in CWIP	(514.99)	(456.70)	(389.69)	(561.16)	(618.69)
Sale proceeds from sale of fixed assets	-	-	4.45	-	2.13
Placed in bank deposits not considered as cash and cash equivalents	(939.20)	(84.30)	65.39	(219.94)	17.89
Dividend Income	-	-	-	-	3.36
Interest income	39.54	37.20	34.04	36.61	46.10
Purchase of investments	-	-	-	(1.35)	-
Sale of investments	-	-	-	-	158.57
Advance against equity of TCPL returned	-	-	-	1.14	-
NET CASH GENERATED / (USED) IN INVESTING ACTIVITIES (B)	**(1,414.65)**	**(503.80)**	**(285.81)**	**(744.70)**	**(390.64)**
CASH FLOW FROM FINANCING ACTIVITIES					
Finance costs	(308.78)	(483.00)	(466.40)	(437.93)	(332.65)
Working capital borrowings - net	75.93	(155.74)	(82.20)	418.96	116.93
Repayment of long term borrowings	(10.00)	240.00	-	270.00	30.00
Proceeds from issue of shares	771.87	-	245.52	-	394.33
NET CASH GENERATED / (USED) IN FINANCING ACTIVITIES (C)	**529.02**	**(398.74)**	**(303.08)**	**251.03**	**208.61**

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure III: Standalone Restated Summary Statement of Cash Flows
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(189.54)	376.20	66.94	(301.17)	314.11
Cash & cash equivalents at the beginning of the year	486.84	104.65	39.57	339.64	25.63
Add/(Less): Unrealised exchange gain/(loss)	1.14	5.99	(1.86)	1.10	(0.10)
	487.98	**110.64**	**37.71**	**340.74**	**25.53**
Cash & cash equivalents at the end of the year	298.44	486.84	104.65	39.57	339.64
Add/(Less): Unrealised exchange gain/(loss)	(0.67)	1.14	5.99	(1.86)	1.10
	297.77	**487.98**	**110.64**	**37.71**	**340.74**
Notes:					
Components of Cash & Cash Equivalents:					
Cash on hand	-	0.05	0.08	0.06	0.03
Balances with banks					
In current accounts	162.13	466.55	42.78	12.38	34.99
In EEFC accounts	28.02	6.33	9.14	25.27	24.59
In deposit accounts	107.62	15.05	58.64	-	281.13
Total Cash and Cash Equivalents	**297.77**	**487.98**	**110.64**	**37.71**	**340.74**

Note:
The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and VA.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Monisha Parikh
Partner

Place : Bangalore
Date : May 17, 2017

For and on behalf of the Board of Directors

Sanjay Nayak
Managing Director
(DIN: 01049871)

V. Balakrishnan
Director
(DIN: 02825465)

Venkatesh Gadiyar
Chief Financial Officer
Place : Bangalore
Date : May 17, 2017

Krishnakanth G. V.
Company Secretary

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure IV: Notes on material adjustments and regroupings to Standalone Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)

1) Notes on material adjustments

a) The summary of results of restatements made in the audited financial statements for the respective years and its impact on the profits of the Company is as follows:

Particulars		**For the year ended**				
		March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Net Profit for the year as per audited financial statements	**(A)**	532.08	270.19	(160.86)	52.77	(765.69)
Restated Adjustments:						
Add/(less): Rates and taxes		-	4.77	(4.72)	(0.05)	-
	(B)	-	4.77	(4.72)	(0.05)	-
Restated profit	**(A + B)**	**532.08**	**274.96**	**(165.58)**	**52.72**	**(765.69)**

Note:
The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and VA.

b) Restated adjustments:
Rates and taxes :
The statement of profit and loss for certain financial years include amounts provided for interest and penalty on delayed remittances of statutory dues, etc. which have now been adjusted to the respective years to which they relate.

2) Change in the estimated useful lives of the fixed assets

During the year ended March 31, 2015, the management has re-estimated useful lives and residual values of all its fixed assets which has resulted in lower charge of depreciation amounting to Rs. 62.60 million in that year. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made to the restated standalone summary statements of the Company.

3) Material regrouping

Appropriate adjustments have been made in the Restated Standalone Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at and for the year ended March 31, 2016, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

a) Reclassification of Insurance from other expenses to Staff Welfare

	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Staff Walfare as per audited financials	45.22	37.38	12.08	20.40	13.72
Add: Insurance - Staff	-	-	15.77	15.16	13.46
Staff Walfare as per restated financials	45.22	37.38	27.85	35.56	27.18

b) Reclassification of Insurance from other expenses to Staff Welfare

	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Insurance as per audited financials	7.52	9.85	26.97	25.97	23.35
Less: Insurance - Staff	-	-	15.77	15.16	13.46
Insurance as per restated financials	7.52	9.85	11.20	10.81	9.89

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure V(A): Significant Accounting Policies to Standalone Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)

1 Corporate Information

Tejas Networks Limited ('Tejas') is an optical and data networking products company that designs, develops, manufactures high-performance and future-ready products for building high-speed communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks. Tejas products are differentiated by a programmable, software-defined hardware architecture that provides flexibility, multi-generation support and a seamless software-enabled network transformation to its customers. Tejas customers include telecommunications service providers, internet service providers, web-scale internet companies, utility companies, defense companies and government entities.

2 Significant Accounting Policies

2.1 Basis for preparation of standalone financial statements

The standalone financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

2.3 Inventory

Inventory (raw material - components including assemblies and sub assemblies) is valued at lower of cost (weighted average basis) and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroy and other levies, transit insurance and receiving charges.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Individual assets costing less than Rs. 25,000 : depreciated in full in the year of purchase.

Classwise details of useful life of tangible assets followed by the Company is shown in the below table:-

	Useful life of tangible assets	
	from April 1, 2014 onwards*	**from April 01, 2011 to March 31, 2014**
Lease hold improvements & Electrical Installation	Over the primary period of lease of underlying premises	Over the primary period of lease of underlying premises
Furniture & fixtures	10 years	6 years
Networking equipment	6 years	6 years
Computing equipment	3 years	3 years
Servers	6 years	3 years
Lab equipment	10 years	2 years
Office equipment	5 years	2 years
Vehicles	8 years	3 years
R&D Cards	4 years	4 years

* Useful life estimates revised in view of the requirements of Schedule II of the Companies Act, 2013

Intangible assets are amortised over their estimated useful life, as follows:

Computer Software	Over the license period
Product development costs	24 months

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.7 Revenue Recognition:

Sale of Goods
Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Revenue from software sale along with the products is recognized on delivery as per the terms of agreement with the customers.

Income from Services
Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Income from royalty and commission are accrued based on the terms of agreement entered into with the respective parties.

2.8 Other Income

Income from dividend is recognized when the right to receive the dividend is established. Interest income and yield on investments are recognized on an accrual basis. Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the then carrying value of the investment.

2.9 Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work in progress
Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible Assets under development
Expenditure on Research and development eligible for capitalisation, refer Note 2.20 below, are carried as Intangible assets under development where such assets are not yet ready for their intended use.

Intangible Assets
Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Product development costs are capitalised in cases where the technical feasibility of the products are established and are amortised over a period of 24 months on pro-rata basis from the date the products are commercially available for sale. Other product development costs are expensed in the year in which they are incurred.

2.10 Foreign Currency Transactions

Initial recognition
Transactions in foreign currency entered into by the Company are recorded on the basis of the exchange rate prevailing as on the date of transaction or at rates that closely approximate the rate at the date of transaction.

Measurement at the balance sheet date
Monetary assets and liabilities (other than derivative contracts) of the Company, denominated in foreign currency, outstanding at the balance sheet date are restated at rates prevailing at the year-end.

Treatment of exchange differences
Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Accounting for forward contracts
Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

2.11 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidies will be received. Government grants whose primary conditions is that the Company should purchase or construct otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.12 Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.13 Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

a) Short term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive/ bonus and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:
(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(ii) in case of non-accumulating compensated absences, when the absences occur.

b) Long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

c) Defined Contribution Plan:
The Company's contribution to provident fund (including pension) and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

d) Defined Benefit Plan:
For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

2.14 Accounting for Employee Stock Option Plans

The Company has constituted employee stock option plans - ‘Tejas Employee Stock Option Plan’ 2014 , ‘Tejas Employee Stock Option Plan 2014 - A’ and ‘Tejas Employees Stock Option Plan 2016’ (“the Plans”), for the benefit of its employees. Employee Stock Options granted in terms of these Plans are accounted under the “Intrinsic Value Method” stated in the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India.

In case the grant price is lower than the intrinsic value of the underlying equity share stock option then the difference is expensed as "employee compensation" over the period of vesting.

2.15 Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.16 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.17 Lease

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the 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 year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.18 Earning per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.19 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.20 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical and marketing feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

2.21 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.22 Provisions, Contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

All known liabilities are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent liabilities and are disclosed in Notes to the financial statement. Contingent assets are not recognised in the financial statements.

2.23 Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

2.24 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.25 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Annexure V(B): Additional Information to Standalone Restated Summary Statements

(All amounts in Rupees Million except for share data or as otherwise stated)

1. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Contingent liabilities					
Bills Discounted	263.81	1,149.04	731.23	602.26	783.27
Guarantees issued	-	115.96	115.60	389.45	909.00
Disputed Central Excise Demands*	137.90	137.90	157.93	170.89	240.66
Disputed Income Tax Demands*	467.76	380.40	632.96	383.87	105.20
Disputed CST Demand*	3.88	-	-	-	-
* These cases are pending at various forums with the respective authorities. Outflows if any, arising out of these claims would depend on the outcome of the decision of the appellate authority and the Company`s right for future appeals before judiciary. No reimbursements are expected.					
Commitments					
Estimated amount of contracts remaining to be executed on capital account and not provided for					
Tangible assets	13.92	15.10	3.74	1.21	6.73
Intangible assets	-	-	-	-	-

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure V(B): Additional Information to Standalone Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)
2. Details on foreign currency exposures

I. Assets	Foreign Currency	31-Mar-17			31-Mar-16			31-Mar-15			31-Mar-14			31-Mar-13		
		Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)
Receivables (trade & other)	USD	64.85	77,11,438	500.09	66.26	68,07,371	451.02	61.34	1,27,41,539	781.60	58.71	1,03,54,543	607.93	53.64	1,06,06,623	568.89
	MYR	14.65	4,16,32,691	610.02	16.97	1,87,49,583	318.18	17.15	1,35,56,137	232.51	18.35	3,17,20,616	582.15	-	-	-
	EUR	69.29	21,700	1.50	75.40	21,700	1.64	67.19	21,700	1.46	-	-	-	-	-	-
Other Monetary assets																
a. Advance to Suppliers	USD	64.85	64,205	4.16	66.26	3,44,020	22.79	62.50	3,33,584	20.85	60.54	80,232	4.86	-	-	-
	AED	-	-	-	-	-	-	17.02	3,000	0.05	11.96	3,000	0.04	14.78	3,000	0.04
	EUR	-	-	-	-	-	-	67.19	385	0.03	-	-	-	-	-	-
b. Balance in EEFC Account	USD	64.85	4,32,111	28.02	66.26	72,481	4.80	62.50	55,499	3.47	59.92	4,25,401	25.49	54.29	4,53,040	24.59
c. Balance with non-scheduled banks	USD	64.85	76,299	4.95	66.26	39,073	2.59	62.50	90,719	5.67	59.92	75,843	4.54	54.29	27,394	1.49
	AED	17.66	90,190	1.59	18.04	82,590	1.49	17.02	32,347	0.55	16.31	12,880	0.21	14.78	9,565	0.14
	BDT	0.79	37,79,764	3.00	0.82	37,79,764	3.10	0.79	40,70,767	3.20	0.71	45,36,121	3.20	0.72	45,36,121	3.24
	KES	0.63	65,12,279	4.10	0.65	22,07,947	1.44									
Total Receivables (A)				**1,157.43**			**807.05**			**1,049.39**			**1,228.42**			**598.39**
Hedged by derivative contracts (B)				-			-			-			-			-
Unhedged receivables (C=A-B)				**1,157.43**			**807.05**			**1,049.39**			**1,228.42**			**598.39**

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure V(B): Additional Information to Standalone Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)
2. Details on foreign currency exposures

I. Assets	Foreign Currency	31-Mar-17			31-Mar-16			31-Mar-15			31-Mar-14			31-Mar-13		
		Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)
II. Liabilities																
Payables (trade & other)	USD	64.85	38,37,005	248.83	66.26	1,16,18,635	769.85	62.50	85,46,742	534.17	59.75	98,32,797	587.49	54.29	88,44,480	480.12
	Euro	69.29	4,057	0.28	77.07	967	0.07	67.19	7,796	0.52	82.50	20,908	1.72	69.50	13,328	0.93
	SGD	46.41	390	0.02	49.27	390	0.02	45.48	390	0.02	47.58	491	0.02	43.72	390	0.02
	AED	17.66	4,828	0.09	-	-	-	-	-	-	17.00	9,723	0.17	-	-	-
	MYR	14.65	1,96,173	2.87	-	-	-	16.88	1,17,330	1.98	-	-	-	-	-	-
	KES	0.63	19,80,640	1.25	-	-	-	-	-	-	-	-	-	-	-	-
	GBP	-	-	-	95.35	3,125	0.30	92.47	3,627	0.34	-	-	-	-	-	-
	CHF	-	-	-	-	-	-	-	-	-	59.11	10,600	0.63	57.00	2,693	0.15
	BDT	-	-	-	-	-	-	-	-	-	-	-	-	0.68	2,455	-
Advance from customers		-	-	-	-	-	-	62.50	1,82,229	11.39	-	-	-	-	-	-
Royalty Payable		-	-	-	60.64	29,685	1.80	62.50	29,077	1.82	59.91	6,808	0.41	54.29	15,802	0.86
			2,525.00													
Sales commission payable		-	2,850.00	-	-	-	-	-	-	-	51.30	2,27,412	11.67	54.29	1,09,942	5.97
Borrowings																
a. Loan from Banks (Working capital loan)	USD	64.85	36,07,595	233.95	66.26	67,82,612	449.42	62.50	91,99,082	574.94	59.91	38,22,481	229.02	54.29	78,92,746	428.46
b. Loan from banks	USD	-	-	-	66.26	43,86,927	290.66	62.50	48,99,561	306.23	-	-	-	-	-	-
Total payables (A)				**487.29**			**1,512.12**			**1,431.41**			**831.13**			**916.51**
Hedged by derivative contracts (B)				-			290.66			306.23			-			-
Unhedged payables (C=A-B)				**487.29**			**1,221.46**			**1,125.18**			**831.13**			**916.51**

(All amounts in Rupees Million except for share data or as otherwise stated)

3. Dues to Micro Enterprises and Small Enterprises

Information regarding which of the Trade Payables constitute Micro, Small and Medium Enterprises (MSMEs) under the Micro, Small and Medium Enterprises Development Act, 2006 has been compiled by the Management to the extent possible by obtaining the information from the Suppliers. Based on declarations received from the suppliers, no supplier is registered under the said Act and hence the disclosure requirements of the said Act are not applicable.

4. Value of imports calculated on CIF basis

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Raw materials	2,758.47	2,411.48	1,481.10	1,469.44	938.39
Capital goods	16.56	58.05	21.30	32.08	70.69

5. Expenditure in foreign currency

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Employee Benefit expenses	102.53	55.70	37.30	30.75	44.63
Royalty	-	-	-	1.55	-
Professional and consultation fees	12.69	14.10	4.30	8.90	5.30
Travel and Others	288.80	157.20	202.20	132.99	44.69

6. Details of consumption of imported and indigenous items

Particulars		For the year ended				
		March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Raw materials						
Imported	**INR**	2,614.99	1,592.10	1,195.40	649.38	914.62
	%	51%	45%	59%	35%	67%
Indigenous	**INR**	2,538.95	1,956.30	844.70	1,209.86	449.50
	%	49%	55%	41%	65%	33%

7. Earnings in foreign exchange

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Export of goods calculated on FOB basis	3,021.09	1,883.32	1,486.90	1,673.69	939.55
Export of services	132.56	4.50	-	-	-
Royalty	-	-	15.80	0.03	20.93
Sales Commission Income	-	-	-	0.04	26.16
Corporate Charges	-	-	3.10	19.10	33.92

(All amounts in Rupees Million except for share data or as otherwise stated)

8. Employee benefit plans

Defined contribution plans

The Company makes contributions to Provident Fund and Employee's Pension Scheme, 1995. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Company has recognised the following amounts in the Statement of Profit and Loss in the following years:

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Provident Fund Contributions	31.47	24.50	24.79	28.44	29.39
Employee Pension Scheme	7.36	6.70	5.93	3.37	3.70

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

Compensated absence

Compensated absence expense (net) recorded in Statement of Profit & Loss are as follows:

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Compensated absence expense (net)	5.09	3.20	2.28	8.54	(0.45)
Actuarial assumptions for long-term compensated absences					
Discount rate	7.31%	8.00%	8.00%	9.12%	8.00%
Salary escalation	5.00%	5.00%	5.00%	5.00%	5.00%
Attrition	1.00%	1.00%	1.00%	1.00%	1.00%

Gratuity

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Actuarial assumptions for long-term compensated absences					
Discount rate	7.31%	7.80%	8.08%	9.31%	8.00%
Expected return on plan assets	8.00%	7.80%	8.08%	9.31%	8.00%
Salary escalation	5.00%	4.50%	5.00%	5.00%	5.00%
Attrition (upto the age of 35 years)	5.00%	5.00%	1.00%	1.00%	1.00%
Attrition (beyond the age of 35 years)	1.00%	1.00%	1.00%	1.00%	1.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure V(B): Additional Information to Standalone Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Components of employer expense					
Current service cost	11.94	8.00	6.04	7.55	9.66
Interest cost	4.88	4.40	3.71	3.48	4.09
Expected return on plan assets	(4.83)	(4.00)	(4.43)	(4.20)	(4.97)
Actuarial losses/(gains)	(4.12)	5.20	8.42	(5.52)	(7.48)
Total expense recognised in the Statement of Profit and Loss	**7.87**	**13.60**	**13.74**	**1.31**	**1.30**
Actual contribution and benefit payments for year					
Actual benefit payments	(1.86)	8.90	7.26	6.77	11.75
Actual contributions	8.71	11.80	7.00	-	-
Net asset / (liability) recognised in the Balance Sheet					
Present value of defined benefit obligation	(76.64)	(63.38)	(54.98)	(39.83)	(43.50)
Fair value of plan assets	76.64	62.60	56.03	47.61	52.56
Funded status [Surplus / (Deficit)]	-	(0.78)	1.05	7.77	9.06
Net asset / (liability) recognised in the Balance Sheet	**-**	**(0.78)**	**1.05**	**7.77**	**9.06**
Change in defined benefit obligations (DBO) during the year					
Present value of DBO at beginning of the year	63.45	54.98	39.82	43.51	48.13
Current service cost	11.94	8.00	6.04	7.55	9.66
Interest cost	4.88	4.40	3.71	3.48	4.09
Settlement cost / (credit)	-	(8.90)	(7.26)	(6.77)	(11.75)
Actuarial (gains) / losses	(1.77)	4.90	12.67	(7.94)	(6.63)
Benefits paid	(1.86)	-	-	-	-
Present value of DBO at the end of the year	**76.64**	**63.38**	**54.98**	**39.83**	**43.50**
Change in fair value of assets during the year					
Plan assets at beginning of the year	62.61	55.90	47.62	52.56	58.49
Expected return on plan assets	4.83	4.00	4.43	4.20	4.97
Actual company contributions	8.71	11.80	6.99	0.05	-
Actuarial gain / (loss)	2.35	(0.20)	4.25	(2.43)	0.85
Benefits paid	(1.86)	(8.90)	(7.26)	(6.77)	(11.75)
Plan assets at the end of the year	**76.64**	**62.60**	**56.03**	**47.61**	**52.56**
Actual return on plan assets	7.18	(3.70)	(8.68)	1.78	(5.82)
Composition of the plan assets is as follows:					
Equity mutual funds	76.64	62.60	56.03	47.61	52.56
Experience adjustments					
Gratuity					
Present value of DBO	(76.64)	(63.38)	(54.98)	(39.83)	(43.50)
Fair value of plan assets	76.64	62.60	56.03	47.61	52.56
Funded status [Surplus / (Deficit)]	-	(0.78)	1.05	7.77	9.06
Experience gain / (loss) adjustments on plan liabilities	(3.77)	5.70	5.29	(1.42)	3.15
Experience gain / (loss) adjustments on plan assets	2.35	(0.20)	4.25	(2.43)	0.85

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure V(B): Additional Information to Standalone Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)

9. The Company has entered into operating lease arrangements for certain facilities and office premises. Certain of the leases are cancellable at the option of the lessee an certain leases have a lock-in period of three (3) to five (5) years.

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Lease payments recognised in the Statement of Profit and Loss	72.01	68.60	68.40	62.00	58.27
Future minimum lease payments					
not later than one year	13.99	23.80	22.70	43.40	26.28
later than one year and not later than five years	-	18.70	3.30	25.60	31.75
later than five years	-	-	-	-	-

10. Earnings per share

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Basic					
Net profit / (loss) for the year from continuing operations	532.08	274.96	(165.58)	52.72	(765.69)
Less: Preference dividend and tax thereon	-	-	-	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	532.08	274.96	(165.58)	52.72	(765.69)
Weighted average number of equity shares	6,72,23,628	6,15,87,033	6,15,46,240	6,15,46,240	6,15,46,240
Par value per share	10.00	10.00	10.00	10.00	10.00
Earnings per share from continuing operations - Basic	**7.92**	**4.46**	**(2.69)**	**0.86**	**(12.44)**
Diluted					
Net profit / (loss) for the year from continuing operations	532.08	274.96	(165.58)	52.72	(765.69)
Less: Preference dividend and tax thereon	-	-	-	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	532.08	274.96	(165.58)	52.72	(765.69)
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	532.08	274.96	(165.58)	52.72	(765.69)
Weighted average number of equity shares for Basic EPS	6,72,23,628	6,15,87,033	6,15,46,240	6,15,46,240	6,15,46,240
Add: Effect of Convertible Preference Shares*	-	49,35,981	-	-	-
Weighted average number of equity shares - for diluted EPS	6,72,23,628	6,65,23,014	6,15,46,240	6,15,46,240	6,15,46,240
Par value per share	10.00	10.00	10.00	10.00	10.00
Earnings per share, from continuing operations - diluted	**7.92**	**4.13**	**(2.69)**	**0.86**	**(12.44)**

*The Preference shares are convertible as per the method specified in the investment agreement got converted on March 28, 2016 and is not ascertainable before conversion. Accordingly it is not considered in computation of dilutive weighted average number of shares for other periods disclosed.

Note: There are potential equity shares in the form of stock options of 9,495,846, 6,926,635 and 6,833,264 to employees for the year ended March 31, 2017, March 31, 2016, and March 31, 2015 respectively. As these options are neither dilutive nor anti-dilutive, they are ignored in the calculation of diluted earnings per share.

11. Details of Provisions

Provision for warranty has been estimated based on historical quantum of replacements absorbed in cost of sales

Particulars	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Opening balance	37.41	25.41	23.48	13.41	15.31
Additions	42.92	27.30	15.22	23.75	4.89
Utilisation	21.91	15.30	13.29	13.68	6.79
Reversal (withdrawn as no longer required)	-	-	-	-	-
Closing balance	58.42	37.41	25.41	23.48	13.41
Of the above, the following amounts are expected to be incurred within a year:					
Provision for warranty	33.95	25.00	16.77	16.24	6.53

(All amounts in Rupees Million except for share data or as otherwise stated)

12. Employee Stock Option Plan (disclosures made under the ICAI Guidance Note on Share Based Payments)

a) In the annual general meeting held on September 24, 2014 the shareholders approved the issue of 7,101,767 options under the Scheme titled "ESOP Plan -2014" (ESOP A). The ESOP A allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The difference between the fair price of the share (being the intrinsic value of the option) underlying the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

Employee stock options details as on the Balance Sheet date are as follows:

Particulars	2016-17	2015-2016	2014-2015	2013-2014	2012-2013
Option outstanding at the beginning of the year:	69,26,635	68,33,264	-	-	-
Option granted during the year:	-	93,371	68,33,264	-	-
Weighted average exercise price per option	65.00	65.00	65.00	-	-
Options exercised during the year:	18,68,122	-	-	-	-
Options lapsed during the year:	11,297	-	-	-	-
Options outstanding at the end of the year:	50,47,216	69,26,635	68,33,264	-	-
- Vested	32,02,509	32,84,856	-	-	-
- Balance to be vested	18,44,707	36,41,779	68,33,264	-	-
Options available for grant:	1,75,132	1,75,132	2,68,503	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)	14.50 years	15.50 years	16.50 years	-	-

b) In the annual general meeting held on July 25, 2016 the shareholders approved the issue of 2,000,000 options under the Scheme titled "ESOP Plan -2014 - A" (ESOP B). The ESOP B allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The difference between the fair price of the share (being the intrinsic value of the option) underlying the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

Particulars	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Option outstanding at the beginning of the year:					
Option granted during the year:	19,78,215	-	-	-	-
Weighted average exercise price per option	85	-	-	-	-
Options exercised during the year:	-	-	-	-	-
Options lapsed during the year:	7,200	-	-	-	-
Options outstanding at the end of the year:	19,71,015	-	-	-	-
- Vested	-	-	-	-	-
- Balance to be vested	19,71,015	-	-	-	-
Options available for grant:	21,785	-	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)	5.72 years	-	-	-	-

c) In the extraordinary general meeting held on August 29, 2016 the shareholders approved the issue of 5,000,000 options under the Scheme titled "ESOP Plan -2016" (ESOP C). The ESOP C allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The difference between the fair price of the share (being the intrinsic value of the option) underlying the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

Particulars	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Option outstanding at the beginning of the year:					
Option granted during the year:	24,91,215	-	-	-	-
Weighted average exercise price per option	85	-	-	-	-
Options exercised during the year:	-	-	-	-	-
Options lapsed during the year:	13,600	-	-	-	-
Options outstanding at the end of the year:	24,77,615	-	-	-	-
- Vested	-	-	-	-	-
- Balance to be vested	24,77,615	-	-	-	-
Options available for grant:	25,08,785	-	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)	5.99 years	-	-	-	-

The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
(Loss) / Profit (as reported)	532.08	274.96	(165.58)	52.72	(765.69)
Add / (Less): stock based employee compensation (intrinsic value)	-	-	-	-	-
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See note below)	(115.56)	(31.10)	(40.03)	-	-
Net Profit / (Loss) (proforma)	416.52	243.86	(205.61)	52.72	(765.69)
Basic earnings per share (as reported) - in Rs.	7.92	4.46	(2.69)	0.86	(12.44)
Basic earnings per share (proforma) - in Rs.	6.20	3.96	(3.34)	0.86	(12.44)
Diluted earnings per share (as reported) - in Rs.	7.92	4.13	(2.69)	0.86	(12.44)
Diluted earnings per share (proforma) - in Rs.	6.20	3.67	(3.34)	0.86	(12.44)

Note: The fair value impact is as adjusted for the change arising from estimated forfeiture and the actual forfeiture as well as changes made to the estimated future forfeitures of options granted.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure V(B): Additional Information to Standalone Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Particulars	**For the year ended**				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
ESOP 2014 Scheme					
Risk Free Interest Rate	Refer note below	7.75%	7.90%	-	-
Option life (comprising the vesting period and the exercise period)	-	16-19 years	16-19 years	-	-
Exercise period from the date of vesting	-	15 Years	15 Years	-	-
Expected Annual Volatility of Shares	-	0%	0%	-	-
Expected Dividend Yield	-	0%	0%	-	-
ESOP 2014A Scheme					
Risk Free Interest Rate	7.61%	-	-	-	-
Option life (comprising the vesting period and the exercise period)	5 to 8 years	-	-	-	-
Exercise period from the date of vesting	4 years	-	-	-	-
Expected Annual Volatility of Shares	0%	-	-	-	-
Expected Dividend Yield	0%	-	-	-	-
ESOP 2014A Scheme					
Risk Free Interest Rate	7.61%	-	-	-	-
Option life (comprising the vesting period and the exercise period)	5 to 8 years	-	-	-	-
Exercise period from the date of vesting	4 years	-	-	-	-
Expected Annual Volatility of Shares	0%	-	-	-	-
Expected Dividend Yield	0%	-	-	-	-

Note: The assumptions are given for the period in which shares have been granted for the employees as per the respective ESOP Schemes.
The Company has not introduced any new employee share based payment plans to be administered through Trust during all the years disclosed above.

Annexure V(B): Additional Information to Standalone Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)

13. Provision for Taxation

Current Income Tax
India
Since the company has significant carry forward tax losses being business loss, unabsorbed depreciation and research and development cost, avaliable for set off there is no tax liability arising under normal tax and the company has accrued for MAT based on the annual effective tax rate. In the absence of virtual certainity of future taxable profits the Company has not recognised any MAT credit.

Deferred Taxes
The net Deferred tax as at 31 March amounting to Nil has been arrived at as follows:

	Particulars	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
A	Deferred tax liabilities arising from:					
	Difference between carrying amount of fixed assets in the financial statements and the Income tax return	229.62	228.82	67.67	100.58	186.52
B	Deferred tax assets arising from:					
	Unabsorbed depreciation allowance *	229.62	228.82	67.67	100.58	186.52
C	Net deferred tax asset / (liability) (A-B)	-	-	-	-	-
D	Net deferred tax charge for the year	-	-	-	-	-

* Recognised to the extent that there are compensatory timing differences the reversal of which will result in sufficient future taxable income against which this can be realised.

14. Product Development Cost

Product development costs capitalised with regard to the development of various modules of products are being amortised in accordance with the Company's policy.

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Amount Capitalised	428.04	705.50	294.62	199.50	509.50
Capital WIP	192.86	524.60	883.39	836.54	717.66

15. Research and development Expenses incurred by the company are as follows-

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Research and development expenses debited to statement of Profit and Loss (net)	329.26	297.40	166.24	220.89	223.37

16. Details of Capital and Revenue expenditure incurred towards Research and Development (as per DSIR)

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Tangible Assets	59.97	33.80	23.00	35.29	48.84
Intangible Assets	391.62	346.80	335.20	300.80	432.73
Total Capital Expenditure	451.59	380.60	358.20	336.09	481.57
Total Revenue Expenditure	299.90	297.40	166.24	220.89	223.37
TOTAL	751.49	678.00	524.44	556.98	704.94

17. Provision for diminution in the value of long term investments: During the year ended March 31, 2013, the Company recorded a provision towards an other than temporary diminution in the value of its investment in its wholly owned subsidiary, Tejas Israel Limited, for an amount of Rs. 541.87 Million.

18. During the year ended March 31, 2017, the Company has reassessed the marketability of one of its in-production intangible assets and considering the technological obsolescence requiring revision in the existing product design, has written off accumulated costs relating to past development activity not supporting the future design and development amounting to Rs. 304.68 million.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure V(B): Additional Information to Standalone Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)

19. Expenditure on corporate social responsibility (as per section 135 of the 2013 Act)
(a) Gross amount required to be spent by the Company during March 31, 2017: Rs. 10.8 million
(b) Amount spent during the year: Rs 11 million (included under expenditure on corporate social responsibility Annexure XXIX)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
1. Construction / acquisition of any asset					
Incurred	-	-	-	-	-
Yet to be incurred	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
2. On purposes other than (1) above					
Incurred	11.00	-	-	-	-
Yet to be incurred	-	-	-	-	-
Total	**11.00**	**-**	**-**	**-**	**-**

20. Disclosure in respesct of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Closing cash in hand as on 08-11-2016					
SBNs (Rs.)	30,000	-	-	-	-
Other Denominations Notes (Rs.)	4,945	-	-	-	-
Total (Rs.)	**34,945**	-	-	-	-
(+) Permitted Receipts					
SBNs (Rs.)	-	-	-	-	-
Other Denominations Notes (Rs.)	2,26,640	-	-	-	-
Total (Rs.)	**2,26,640**	-	-	-	-
(-) Permitted Payments					
SBNs (Rs.)	-	-	-	-	-
Other Denominations Notes (Rs.)	2,15,577	-	-	-	-
Total (Rs.)	**2,15,577**	-	-	-	-
(-) Amount deposited in Banks					
SBNs (Rs.)	30,000	-	-	-	-
Other Denominations Notes (Rs.)	-	-	-	-	-
Total (Rs.)	**30,000**	**-**	**-**	**-**	**-**
Closing cash in hand as on 30-12-2016	**16,008**	**-**	**-**	**-**	**-**

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure V(C): Summary of events pertaining to Employee Stock Options post March 31, 2017

(All amounts in Rupees Million except for share data or as otherwise stated)

1. Employee Stock Options

a) In the annual general meeting held on September 24, 2014 the shareholders approved the issue of 7,101,767 options under the Scheme titled "ESOP Plan -2014" (ESOP A). The ESOP A allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The difference between the fair price of the share (being the intrinsic value of the option) underlying the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

b) In the annual general meeting held on July 25, 2016 the shareholders approved the issue of 2,000,000 options under the Scheme titled "ESOP Plan -2014 - A" (ESOP B). The ESOP B allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The difference between the fair price of the share (being the intrinsic value of the option) underlying the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

c) In the extraordinary general meeting held on August 28, 2016 the shareholders approved the issue of 5,000,000 options under the Scheme titled "ESOP Plan -2016" (ESOP C). The ESOP C allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. No options were granted till September 30, 2016.

d) The particulars of movements in the status of the above mentioned ESOP A, B and C between the information disclosed as of March 31, 2017 to the date of the restated financial information is as below:

Particulars	**ESOP A**	**ESOP B**	**ESOP C**
As at March 31, 2017			
Options available for grant:	1,75,132	21,785	25,08,785
Option outstanding as at March 31, 2017			
- Vested	32,02,509	-	-
- Balance to be vested	18,44,707	19,71,015	24,77,615
	50,47,216	19,71,015	24,77,615
Transaction between April 01, 2017 up to May 17, 2017			
Option granted during the period	-	-	1,35,200
Weighted average exercise price per option	65.00	85.00	110.00
Options exercised during the period	13,04,719	-	-
Options lapsed during the period*	5,375	4,500	8,600
Options outstanding as on the date of report	37,37,122	19,66,515	26,04,215
- Vested*	18,95,265	-	-
- Balance to be vested*	18,41,857	19,66,515	26,04,215
Balance of options available for grant:	1,75,132	21,785	23,73,585

* Out of 5,375 options lapsed during the period, 2,525 options are 'vested and lapsed' and 2,850 options are 'balance to be vested and lapsed'.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure VI: Standalone Restated Statement of Share Capital
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Authorised					
Equity shares of face value of Rs.	10	10	10	10	10
Equity shares (No.)	17,64,52,000	10,99,00,000	10,99,00,000	10,99,00,000	10,99,00,000
Authorised Equity shares of (Rs. in million)	1,764.52	1,099.00	1,099.00	1,099.00	1,099.00
Compulsorily Convertible preference shares of Rs.	-	1,000	1,000	1,000	1,000
Compulsorily Convertible preference shares (No.)	-	6,65,520	6,65,520	4,20,000	4,20,000
Authorised compulsorily convertible preference shares of (Rs. in million)	-	665.52	665.52	420.00	420.00
Total authorised share capital	**1,764.52**	**1,764.52**	**1,764.52**	**1,519.00**	**1,519.00**
Issued					
Equity shares of face value of Rs.	10	10	10	10	10
Equity shares (No.)	10,34,61,341	9,59,78,151	9,10,01,377	9,10,01,377	9,10,01,377
Equity shares of (Rs. in million)	1,034.61	959.78	910.01	910.01	910.01
Compulsorily Convertible preference shares of Rs.	-	-	1,000	1,000	1,000
Compulsorily Convertible preference shares (No.)	-	-	6,39,849	3,94,330	3,94,330
Compulsorily Convertible preference shares of (Rs. in million)	-	-	639.85	394.33	394.33
Total issued share capital	**1,034.61**	**959.78**	**1,549.86**	**1,304.34**	**1,304.34**
Subscribed and fully paid up					
Equity shares of face value of Rs.	10	10	10	10	10
Equity shares (No.)	7,07,33,411	6,32,50,221	5,82,73,447	5,82,73,447	5,82,73,447
Equity shares of (Rs. in million)	707.33	632.50	582.73	582.73	582.73
Compulsorily Convertible preference shares of Rs.	-	-	1,000	1,000	1,000
Compulsorily Convertible preference shares (No.)	-	-	6,39,849	3,94,330	3,94,330
Compulsorily Convertible preference shares of (Rs. in million)	-	-	639.85	394.33	394.33
Total subscribed and fully paid up share capital	**707.33**	**632.50**	**1,222.58**	**977.06**	**977.06**
Subscribed but not fully paid up					
Equity shares of face value of Rs.	10	10	10	10	10
Unpaid amount (Rs. per share)	-	9	9	9	9
Equity shares (No.)*	3,27,27,930	3,27,27,930	3,27,27,930	3,27,27,930	3,27,27,930
Equity shares of (Rs. in million)	-	32.73	32.73	32.73	32.73
Total subscribed but not fully paid up share capital	**-**	**32.73**	**32.73**	**32.73**	**32.73**
Forfeited shares (Rs. in million) (to the extent of amount paid up)*	32.73	-	-	-	-
	32.73	**-**	**-**	**-**	**-**
Total share capital	**740.06**	**665.23**	**1,255.31**	**1,009.79**	**1,009.79**

* 32,727,930 partly paid-up Equity Shares issued by our Company to the Tejas Employee Welfare Trust on June 11, 2010, were forfeited on July 25, 2016.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure VI: Standalone Restated Statement of Share Capital
(All amounts in Rupees Million except for share data or as otherwise stated)

Notes:

a)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Equity shares with voting rights (fully paid up)					
At the beginning of the year	6,32,50,221	5,82,73,447	5,82,73,447	5,82,73,447	5,82,73,447
Issued during the year	74,83,190	-	-	-	-
Alloted on conversion of preference shares during the year (Refer note (f) below)	-	49,76,774	-	-	-
Outstanding at the end of the year	7,07,33,411	6,32,50,221	5,82,73,447	5,82,73,447	5,82,73,447
Equity shares with voting rights (partly paid up)					
At the beginning of the year	3,27,27,930	3,27,27,930	3,27,27,930	3,27,27,930	3,27,27,930
Issued during the year	-	-	-	-	-
Conversion during the year	-	-	-	-	-
Forfeited during the year	(3,27,27,930)	-	-	-	-
Outstanding at the end of the year	-	3,27,27,930	3,27,27,930	3,27,27,930	3,27,27,930
Compulsory convertible preference shares (fully paid up)					
At the beginning of the year	-	6,39,849	3,94,330	3,94,330	-
Issued during the year	-	-	2,45,519	-	3,94,330
Cancelled on conversion to equity shares during the year (Refer note (f) below)	-	(6,39,849)	-	-	-
Outstanding at the end of the year	-	-	6,39,849	3,94,330	3,94,330

b)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Equity shares with voting rights (fully paid up)					
At the beginning of the year	632.50	582.73	582.73	582.73	582.73
Issued during the year	74.83	-	-	-	-
Alloted on conversion of preference shares during the year (Refer note (f) below)	-	49.77	-	-	-
Outstanding at the end of the year	707.33	632.50	582.73	582.73	582.73
Equity shares with voting rights (partly paid up)					
At the beginning of the year	32.73	32.73	32.73	32.73	32.73
Issued during the year	-	-	-	-	-
Conversion during the year	-	-	-	-	-
Forfeited during the year	(32.73)	-	-	-	-
Outstanding at the end of the year	-	32.73	32.73	32.73	32.73
Compulsory convertible preference shares (fully paid up)					
At the beginning of the year	-	639.85	394.33	394.33	-
Issued during the year	-	-	245.52	-	394.33
Cancelled on conversion to equity shares during the year (Refer note (f) below)	-	(639.85)	-	-	-
Outstanding at the end of the year	-	-	639.85	394.33	394.33

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure VI: Standalone Restated Statement of Share Capital
(All amounts in Rupees Million except for share data or as otherwise stated)

c) Details of equity shares held by each shareholder holding more than 5% shares:

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Equity shares with voting rights including partly paid up shares					
Tejas Employee Welfare Trust					
Number of shares held	-	3,97,77,769	3,97,77,769	3,97,77,769	3,97,76,269
% holding in that class of shares	-	41.44%	43.71%	43.71%	43.71%
Cascade Capital Management, Mauritius					
Number of shares held	2,18,43,184	2,18,43,184	1,88,52,150	1,88,52,150	1,88,52,150
% holding in that class of shares	30.88%	22.76%	20.72%	20.72%	20.72%
Samena Spectrum Co.					
Number of shares held	1,39,81,648	-	-	-	-
% holding in that class of shares	19.77%	-	-	-	-
Mayfield XII, Mauritius					
Number of shares held	71,06,628	71,06,628	61,33,500	61,33,500	61,33,500
% holding in that class of shares	10.05%	7.40%	6.74%	6.74%	6.74%
Sandstone Private Investments					
Number of shares held	44,87,250	-	-	-	-
% holding in that class of shares	6.34%	-	-	-	-
Intel Capital (Cayman) Corporation					
Number of shares held	41,81,400	-	-	-	-
% holding in that class of shares	5.91%	-	-	-	-

(All amounts in Rupees Million except for share data or as otherwise stated)

d) Details of Compulsorily convertible preference shares held by each shareholder holding more than 5% shares:

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Compulsorily Convertible Preference Shares					
Cascade Capital Management, Mauritius					
Number of shares held	-	-	3,81,099	2,13,364	2,13,364
% holding in that class of shares	-	-	59.56%	54.11%	54.11%
Intel Capital (Mauritius) Limited					
Number of shares held	-	-	55,739	55,739	55,739
% holding in that class of shares	-	-	8.71%	14.14%	14.14%
Mayfield XII, Mauritius					
Number of shares held	-	-	1,23,990	69,418	69,418
% holding in that class of shares	-	-	19.38%	17.60%	17.60%
India Industrial Growth Fund Limited					
Number of shares held	-	-	26,283	26,283	26,283
% holding in that class of shares	-	-	4.11%	6.67%	6.67%
Jade Dragon (Mauritius) Limited					
Number of shares held	-	-	47,022	26,326	26,326
% holding in that class of shares	-	-	7.35%	6.68%	6.68%

e) Shares reserved for issuance towards outstanding employee stock options granted / available for grant

(Refer Annexure V(B)(12))

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Equity shares of Rs. 10/- each	1,22,01,548	71,01,767	71,01,767	-	-

f) Right, Preferences and Restrictions attached to shares

Equity Shares :

The Company has issued only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by Directors is subject to approval by the Shareholders at the ensuring Annual General meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive only residual assets of the Company.

Convertible instruments:

The Company has issued Compulsorily convertible preference shares ("CCPS") which would be converted to equity shares at any time within a period of 19 years, beginning from June 21, 2012 in terms of the agreement. The CCPS are convertible at a price and in the manner as described in the investment agreement.

The Company has issued Compulsorily Convertible Preference Shares - II("CCPS - II") which would be converted to equity shares at any time within a period of 19 years, beginning from January 13, 2015 in terms of the Addendum to the Investment Agreement. The CCPS are convertible at a price and in the manner as described in the Addendum to the Investment Agreement.

Conversion of Compulsorily Convertible Preference Shares to Equity Shares :

On March 28, 2016, the Company has converted 394,330 Compulsorily Convertible Preference Shares (CCPS) issued pursuant to Investment Agreement dated May 30, 2012 to 2,878,321 Equity Shares of Rs. 10/- per share with a premium of Rs. 127/- per share.

On March 28, 2016, the Company has converted 245,519 Compulsory Convertible Preference Shares-II (CCPS-II) issued pursuant to Addendum to Investment Agreement dated December 29, 2014 to 2,098,453 Equity Shares of Rs. 10/- per share with a premium of Rs. 107/- per share.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure VII: Standalone Restated Statement of Reserves and Surplus
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Securities premium account					
Opening balance	4,157.00	3,566.97	3,566.97	3,566.97	3,566.97
Add : Premium on issue of equity shares and equity shares alloted on conversion of preference shares	720.40	590.03	-	-	-
Less: Issue related expense	23.36	-	-	-	-
Closing balance	**4,854.04**	**4,157.00**	**3,566.97**	**3,566.97**	**3,566.97**
Surplus / (Deficit) in Statement of Profit and Loss					
Opening balance	(1,126.16)	(1,401.12)	(1,235.54)	(1,288.26)	(522.57)
Add: Profit / (Loss) for the year	532.08	274.96	(165.58)	52.72	(765.69)
Closing balance	**(594.08)**	**(1,126.16)**	**(1,401.12)**	**(1,235.54)**	**(1,288.26)**
Total	**4,259.96**	**3,030.84**	**2,165.85**	**2,331.43**	**2,278.71**

Notes:
1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure VIII: Standalone Restated Statement of Long Term Borrowings
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Unsecured Financial support under Technology Development & Demonstration Programme (TDDP) of DSIR	40.00	50.00	50.00	50.00	30.00
(Repayable in the form of annual Royalties @ 26% of total grant received for a period of 5 years from the date of commercialization. If project is abandoned then total grant received to be repaid with interest @ 12% p.a.)					
Less: Current maturities of long term debt (Refer annexure XIII)	20.00	10.00	-	-	-
	20.00	**40.00**	**50.00**	**50.00**	**30.00**
Loans against Fixed Deposits	250.00	250.00	250.00	250.00	-
Secured against fixed deposit maintained with the Bank, at an interest rate of 8.85% and repayable on March 10, 2018 (from previous year 2013-14 to 2014-15 @ 12.90% interest rate, repayable on February 05, 2016).					
Less: Current maturities of long term debt (Refer annexure XIII)	250.00	-	250.00	-	-
	-	**250.00**	**-**	**250.00**	**-**
Total	**20.00**	**290.00**	**50.00**	**300.00**	**30.00**

Notes:

1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) There are no amounts due to Associate/ Directors/Relatives of Directors/ Entities having significant influence/Key Managerial Personnel.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure VIII: Standalone Restated Statement of Long Term Borrowings (Contd..)
(All amounts in Rupees Million except for share data or as otherwise stated)

Principal Terms of Long Term Borrowings

Sl. No.	Name of the Lender	Nature of loan sanctioned	Total Amount Sanctioned (Rs. Million)	Total Fund based as on March 31, 2017 (Rs. Million)	Interest Rate / Total Cost	Tenor / Repayment terms	Pre-payment terms	Security as per loan agreement
1	Standard Chartered Bank	Term Loan	250.00	250.00	8.85 % p.a.	Bullet Repayment at the end of max. tenor of 24 months	The Company may prepay the loan with prior written permission of SCB, subject to compliance with the conditions stipulated by SCB including payment of pre-payment charges or break costs.	Secured against fixed deposit maintained with the Bank

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure IX: Standalone Restated Statement of Other Long Term Liabilities
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Interest accrued but not due on borrowings	-	-	-	4.35	1.75
Total	**-**	**-**	**-**	**4.35**	**1.75**

Notes:
1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure X: Standalone Restated Statement of Long Term Provisions
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Provision for employee benefits:					
Provision for compensated absences	11.18	7.16	5.61	8.68	18.76
Provision for warranty (Refer annexure V(B)(11))	24.47	12.48	8.63	7.24	6.88
Total	**35.65**	**19.64**	**14.24**	**15.92**	**25.64**

Notes:
1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure XI: Standalone Restated Statement of Short Term Borrowings

(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Loans repayable on demand					
from banks - secured	2,259.08	1,783.73	1,630.03	2,030.32	1,593.58
from foreign bank - secured	-	290.66	306.23	-	-
from other parties - secured	-	99.97	154.26	148.81	175.38
Total	**2,259.08**	**2,174.36**	**2,090.52**	**2,179.13**	**1,768.96**

Notes:

1) Details of security for the short-term borrowings:

Particulars	Nature of security	As at				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Loans repayable on demand:						
from banks						
Project financing	Secured by exclusive charge on the assets including receivables, both present and future pertaining to the project and escrow of receivables pertaining to the project and carry an interest rate of 5.825% per annum.	-	-	91.10	450.51	-
Cash credit	Secured by hypothecation of inventory, book debts, fixed assets and current assets and carry interest rate ranging from 3% to 14.75% per annum.	995.12	720.90	793.88	976.24	575.62
Working capital demand loan		881.00	414.00	179.00	200.00	374.50
Packing credit		382.96	210.50	195.48	129.83	430.63
Buyers credit		-	373.93	337.77	229.02	212.83
FCNRB		-	-		-	-
Loan against fixed deposits	Secured against fixed deposit maintained with the Bank, at an interest rate of 11% per annum.	-	64.40	32.80	44.72	-
Total - from banks		**2,259.08**	**1,783.73**	**1,630.03**	**2,030.32**	**1,593.58**
from foreign bank						
Foreign currency non residential - bank account	Secured against Pari-passu first charge on the present and future current assets and movable fixed assets of the Company, at an interest rate of LIBOR + 2% per annum.	-	290.66	306.23	-	-
Total - from foreign bank		**-**	**290.66**	**306.23**	**-**	**-**
from other parties						
Factoring facility	Secured by assignment of underlying receivables with recourse and carry interest rates ranging from 14% to 14.5% per annum	-	99.97	154.26	148.81	175.38
Total - from other parties		**-**	**99.97**	**154.26**	**148.81**	**175.38**

2) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

3) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

4) There are no amounts due to Associate/ Directors/Relatives of Directors/ Entities having significant influence/Key Managerial Personnel.

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure XI: Standalone Restated Statement of Short Term Borrowings (Contd..)

(All amounts in Rupees Million except for share data or as otherwise stated)

Principal Terms of Short Term Borrowings

Sl. No.	Name of the Lender	Nature of loan sanctioned (Fund Based + Non Fund Based)	Total Amount Sanctioned (Fund based + Non Fund Based) (Rs. Million)	Nature of loan outstanding (Fund Based excluding Bills Discounted)	Total Fund based excluding Bills Discounted Outstanding as on March 31, 2017 (Rs. Million) (Refer Note 1)	Interest Rate / Total Cost (Refer Note 2)	Tenor / Repayment terms	Pre-payment terms	Security as per loan agreement
1	Kotak Mahindra Bank Limited	a) Working capital limit comprising of various sub-limits like Export Packing Credit (EPC), Packing credit in Foreign Currency (PCFC), Foreign Bill Discounting (FBD), Cash Credit (CC), Overdraft, Working Capital Demand Loan (WCDL), Sales Invoice Finance, Bank Guarantee, Letter of Credit and Buyers Credit. b) Treasury Value at Risk (VaR) comprising of Forex Forward Loan Equivalent Risk (LER) and Mark to Market (MTM) Limit. c) Project specific limits comprising of Letter of Credit, Buyers Credit, Cash Credit and Sales Invoice Financing.	1,036.00	Working Capital Demand Loan	230.00	8.75%	Minimum 7 days Maximum 180 days	The Company shall be liable to pay pre-payment charges at such rates as may be advised by Kotak at the time of receipt of such pre-payment request	First pari passu hypothecation charge to be shared with Citi bank, Axis Bank, Standard Chartered Bank, and EXIM Bank on all existing and future inventory, receivables (excluding those discounted with Canbank factors) / current assets/ movable assets / movable fixed assets of the Borrower.
				Overdraft Facility	150.17	10.75%	Maximum 180 days		
2	Standard Chartered Bank	(a) Export Bills Discounting comprising of various sublimits like Overdraft, Import Letter of Credit, Bond and Guarantees, Preshipment Financing under Export Orders and Credit Bills negotiated discrepant. (b) Bond and Guarantees (c) Financial Guarantees / Standby Letter of Credit comprising of various sublimits like Import Letter of Credit and Bond & Guarantees. (d) Term Loan.	980.00	Overdraft Facility	107.77	9.00%	Maximum 365 days	The Company may prepay the loan with prior written permission of SCB, subject to compliance with the conditions stipulated by SCB including payment of pre-payment charges or break costs.	Pari Passu charge on the current assets of the Company
				PCRE	149.01	9.00%	Maximum 180 days		
3	Citibank N.A.	a) Regular Working Capital limits comprising of Cash Credit, Working Capital Demand Loan, Letters of Credit, Buyers Credit, Export Finance and Bill Discounting and Short Term Loan. b) Order specific working capital limits comprising of Working Capital Demand Loan, Letter of Credit and Buyers Credit	1,230.00	Overdraft Facility	698.84	13.00%	Maximum 365 days	Prepayment penalty @ 2% of the sanction amount or principal outstanding whichever is higher, at the discretion of Citibank N.A.	Pari Passu first charge on the present and future current assets and movable fixed assets of the Borrower. Pari Passu letter from existing working capital banks ceding charge on the enhanced limits to be submitted within 30 days Demand promissory note and letter of continuity Cash margins of 10% for Sight LC's and 100% for performance bank guarantees Drawing power will be calculated as per the internal guidelines of the Bank. No drawing power will be assigned to receivables from group entities.
				WCDL	441.00	8.50 % to 9.00 %	Maximum 180 days		
				Preshipment Credit in Foreign Currency (PCFC)	17.38	Libor + Spread (i.e. Total Interest ranging from 3.52% to 4.63%)	Maximum 180 days		

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure XI: Standalone Restated Statement of Short Term Borrowings (Contd..)

(All amounts in Rupees Million except for share data or as otherwise stated)

Principal Terms of Short Term Borrowings

Sl. No.	Name of the Lender	Nature of loan sanctioned (Fund Based + Non Fund Based)	Total Amount Sanctioned (Fund based + Non Fund Based) (Rs. Million)	Nature of loan outstanding (Fund Based excluding Bills Discounted)	Total Fund based excluding Bills Discounted Outstanding as on March 31, 2017 (Rs. Million) (Refer Note 1)	Interest Rate / Total Cost (Refer Note 2)	Tenor / Repayment terms	Pre-payment terms	Security as per loan agreement
4	Axis Bank Limited	(a) Cash Credit, Working Capital Demand Loan comprising of various sub-limits like Inland Bill Discounting, Invoice Discounting, Export Packing Credit (EPC), Pre Shipment Credit in Foreign Currency (PCFC) and Foreign Bills Purchased / Discounted (FBP/FBD/EBRD). (b) Letter of Credit, Bank Guarantee and Letter of undertaking (LOU) for Buyers Credit	1,085.00	Cash Credit	38.34	3 Month MCLR + 1.15% p.a. (currently at 9.00% p.a.)	On Demand	N.A.	Primary: Pari passu first charge on the current assets, present and future of the Company Collateral: Pari passu first charge on the entire movable fixed assets, present and future of the Company
				WCDL	210.00	3 Month MCLR + 1.15% p.a. (currently at 9.00% p.a.)	Maximum 12 months		Primary: Counter guarantee of the Borrower All the primary/ collateral securities stipulated for CC / WCDL facilities will also be extended to cover the LoU for buyer's credit facility Collateral: 5% of the outstanding LCs to be kept in TDR with Bank's lien noted thereon
5	Export-Import Bank of India	The loan sanctioned comprises non-funded facilities by way of Bank Guarantees / Letter of Credit fully interchangeable with funded facilities by way of Export Project Cash Flow Deficit Finance (EPCDF), Pre-cum-Post Shipment Credit (PPSC).	648.50 (USD 10 million) (Refer Note 3)	Pre shipment credit without document handling	216.57	6 Month Libor + 450 BPs p.a.	Repayment is based on terms of contract.	The Company may prepay the whole or a part of any disbursement (being an amount or multiple of USD 100,000 or its equivalent in other foreign currencies in the case of foreign currency disbursement) together with accrued interest thereon subject to payment of pre-payment premium at such rate as may be determined by Exim Bank, having regard to the then remaining maturity period of the disbursement, and provided our Company shall have given Exim Bank not less than 30 days notice in writing of its intention to prepay, and the proposed date of pre-payment (incase of foreign disbursement) shall be any interest payment date	1. Pari-passu first charge on current assets of TNL, including receivables, both present and future 2. Pari-passu first charge on the entire movable fixed assets of the Company
Total			**4,979.50**		**2,259.08**				

Notes:

1. Total amount outstanding of INR 2259.08 Million excludes Bills Discounted to the tune of INR 263.81 Million as the company has a policy of netting-off the same with the trade receivables and consider it as contingent liability.

2. The rate of interest disclosed are those prevailing as of March 31, 2017. As per the terms of sanction, the rates of interest would be agreed mutually at the time of draw down.

3. The rate of Conversion of USD has been taken as Rs. 64.85 wherever the limits / outstanding are in USD

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure XII: Standalone Restated Statement of Trade Payables

(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Other than micro enterprises and small enterprises					
Acceptances	71.04	196.73	253.12	104.62	226.00
Other than acceptances	1,286.89	1,801.30	973.62	1,314.02	910.97
Total	**1,357.93**	**1,998.03**	**1,226.74**	**1,418.64**	**1,136.97**

Notes:

1) The figures disclosed above are based on the restated Standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) Following are the amounts due to Subsidiary/Associate/ Directors/Relatives of Directors/ Entities having significant influence/ Key Managerial personnel (KMP):

	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Tejas Communication Pte Limited, Singapore	-	88.64	177.10	343.43	218.46
Tejas Israel	1.16	49.67	32.40	31.06	35.26
Salary Payable to KMP	2.99	7.80	0.80	2.00	-
	4.15	**146.11**	**210.30**	**376.49**	**253.72**

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XIII: Standalone Restated Statement of Other Current Liabilities
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Current maturities of long-term debt (Refer annexure VIII)	270.00	10.00	250.00	-	-
Interest accrued but not due on borrowings	4.95	5.74	3.00	5.83	5.77
Income received in advance	40.86	12.88	7.68	46.04	18.04
Advance from Customer	2.29	-	-	-	-
Gratuity (net) (Refer annexure V(B)(8))	-	0.86	-	-	-
Other payables					
Statutory remittances	50.72	107.30	40.98	58.66	25.47
Payables on foreign currency forward (net)	-	12.42	-	-	-
Others	1.92	2.99	2.21	8.89	5.62
Total	**370.74**	**152.19**	**303.87**	**119.42**	**54.90**

Notes:
1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XIV: Standalone Restated Statement of Short term Provisions
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Provision for employee benefits					
Provision for compensated absences	2.54	1.93	0.92	1.60	1.67
Provision - Others:					
Provision for income tax (net of advance tax)	1.80	1.80	1.88	1.88	1.88
Provision for warranty (Refer annexure V(B)(11))	33.95	24.95	16.77	16.25	6.53
Total	**38.29**	**28.68**	**19.57**	**19.73**	**10.08**

Notes:
1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XV: Standalone Restated Statement of Fixed Assets - Tangibles
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	Gross block						Accumulated depreciation					Closing net block
	Opening balance	Additions	Deletions	Effect of foreign currency exchange differences	Other adjustments	Closing balance	Opening balance	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Closing balance	
As at March 31, 2017												
Electrical Installations	81.19	9.60	-	-	-	90.79	32.53	7.95	-	-	40.48	50.31
Furniture and Fixtures	70.69	5.88	-	-	-	76.57	29.38	14.08	-	-	43.46	33.11
Networking Equipment	8.49	0.79	-	-	-	9.28	5.43	1.18	-	-	6.61	2.67
Computing Equipment	62.30	10.13	-	-	-	72.43	51.79	6.33	-	-	58.12	14.31
Servers	14.34	4.84	-	-	-	19.18	12.61	1.06	-	-	13.67	5.51
Laboratory Equipment	199.65	48.03	-	-	-	247.68	136.30	11.41	-	-	147.71	99.97
Office Equipment	12.55	1.82	-	-	-	14.37	10.18	1.44	-	-	11.62	2.75
Vehicles	0.91	-	-	-	-	0.91	0.48	0.09	-	-	0.57	0.34
R&D Cards	194.71	-	-	-	-	194.71	75.14	48.68	-	-	123.82	70.89
Total	**644.83**	**81.09**	**-**	**-**	**-**	**725.92**	**353.84**	**92.22**	**-**	**-**	**446.06**	**279.86**
As at March 31, 2016												
Electrical Installations	75.99	5.20	-	-	-	81.19	25.84	6.69	-	-	32.53	48.66
Furniture and Fixtures	68.71	1.98	-	-	-	70.69	22.97	6.41	-	-	29.38	41.31
Networking Equipment	8.30	0.19	-	-	-	8.49	4.14	1.29	-	-	5.43	3.06
Computing Equipment	50.74	11.56	-	-	-	62.30	48.02	3.77	-	-	51.79	10.51
Servers	14.34	-	-	-	-	14.34	11.99	0.62	-	-	12.61	1.73
Laboratory Equipment	173.07	26.58	-	-	-	199.65	128.54	7.76	-	-	136.30	63.35
Office Equipment	11.99	0.56	-	-	-	12.55	9.26	0.92	-	-	10.18	2.37
Vehicles	0.91	-	-	-	-	0.91	0.39	0.09	-	-	0.48	0.43
R&D Cards	143.97	50.74	-	-	-	194.71	35.96	39.18	-	-	75.14	119.57
Total	**548.02**	**96.81**	**-**	**-**	**-**	**644.83**	**287.11**	**66.73**	**-**	**-**	**353.84**	**290.99**
As at March 31, 2015												
Leasehold Improvements	58.98	-	-	-	(58.98)	-	12.01	-	-	(12.01)	-	-
Electrical Installations	75.67	11.00	27.81	-	17.13	75.99	40.28	6.34	27.82	7.04	25.84	50.15
Furniture and Fixtures	27.16	0.54	0.84	-	41.85	68.71	13.02	5.74	0.76	4.97	22.97	45.74
Networking Equipment	12.41	-	4.11	-	-	8.30	7.04	1.20	4.10	-	4.14	4.16
Computing Equipment	80.65	1.22	16.79	-	(14.34)	50.74	71.33	4.81	16.75	(11.37)	48.02	2.72
Servers	-	-	-	-	14.34	14.34	-	0.62	-	11.37	11.99	2.35
Laboratory Equipment	213.45	16.96	57.34	-	-	173.07	181.23	4.66	57.35	-	128.54	44.53
Office Equipment	17.98	1.72	7.71	-	-	11.99	16.27	0.69	7.70	-	9.26	2.73
Vehicles	9.09	-	8.18	-	-	0.91	8.48	0.08	8.17	-	0.39	0.52
R&D Cards	143.97	-	-	-	-	143.97	-	35.96	-	-	35.96	108.01
Total	**639.36**	**31.44**	**122.78**	**-**	**0.00**	**548.02**	**349.66**	**60.10**	**122.65**	**-**	**287.11**	**260.91**
As at March 31, 2014												
Leasehold Improvements	40.88	18.10	-	-	-	58.98	10.85	1.16	-	-	12.01	46.97
Electrical Installations	68.73	6.94	-	-	-	75.67	29.95	10.33	-	-	40.28	35.39
Furniture and Fixtures	21.69	5.47	-	-	-	27.16	8.75	4.27	-	-	13.02	14.14
Networking Equipment	10.97	1.44	-	-	-	12.41	5.74	1.30	-	-	7.04	5.37
Computing Equipment	75.19	5.46	-	-	-	80.65	62.47	8.86	-	-	71.33	9.32
Laboratory Equipment	184.25	29.20	-	-	-	213.45	155.36	25.87	-	-	181.23	32.22
Office Equipment	16.65	1.33	-	-	-	17.98	13.27	3.00	-	-	16.27	1.71
Vehicles	8.17	0.92	-	-	-	9.09	7.70	0.78	-	-	8.48	0.61
R&D Cards	-	143.97	-	-	-	143.97	-	-	-	-	-	143.97
Total	**426.53**	**212.83**	**-**	**-**	**-**	**639.36**	**294.09**	**55.57**	**-**	**-**	**349.66**	**289.70**
As at March 31, 2013												
Leasehold Improvements	36.54	25.11	20.77	-	-	40.88	9.15	3.82	2.12	-	10.85	30.03
Electrical Installations	33.88	38.86	4.01	-	-	68.73	25.31	5.04	0.40	-	29.95	38.78
Furniture and Fixtures	12.45	12.97	3.73	-	-	21.69	6.84	2.05	0.14	-	8.75	12.94
Networking Equipment	8.39	4.77	2.19	-	-	10.97	4.44	1.35	0.05	-	5.74	5.23
Computing Equipment	69.24	5.95	-	-	-	75.19	50.76	11.71	-	-	62.47	12.72
Laboratory Equipment	150.93	33.32	-	-	-	184.25	132.74	22.62	-	-	155.36	28.89
Office Equipment	15.66	2.01	1.02	-	-	16.65	12.32	1.06	0.11	-	13.27	3.38
Vehicles	8.17	-	-	-	-	8.17	6.35	1.35	-	-	7.70	0.47
Total	**335.26**	**122.99**	**31.72**	**-**	**-**	**426.53**	**247.91**	**49.00**	**2.82**	**-**	**294.09**	**132.44**

Notes:

1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

3) Other adjustments include reclassification of leasehold improvement to electrical installation and a separate class of asset for server. The reason for reclassification was on account of requirement of Companies Act, 2013.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XVI: Standalone Restated Statement of Fixed Assets - Intangibles
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	Gross block				Accumulated depreciation				Closing net block
	Opening balance	Additions	Deletions	Closing balance	Opening balance	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Closing balance	
As at March 31, 2017									
Computer software	76.50	32.98	-	109.48	71.49	20.61	-	92.10	17.38
Product development	2,839.61	428.04	-	3,267.65	2,192.71	451.39	-	2,644.10	623.55
Total	**2,916.11**	**461.02**	**-**	**3,377.13**	**2,264.20**	**472.00**	**-**	**2,736.20**	**640.93**
As at March 31, 2016									
Computer software	62.23	14.27	-	76.50	53.06	18.43	-	71.49	5.01
Product development	2,134.08	705.53	-	2,839.61	1,895.44	297.27	-	2,192.71	646.90
Total	**2,196.31**	**719.80**	**-**	**2,916.11**	**1,948.50**	**315.70**	**-**	**2,264.20**	**651.91**
As at March 31, 2015									
Computer software	191.63	22.59	151.99	62.23	173.24	31.81	151.99	53.06	9.17
Product development	1,839.46	294.62	-	2,134.08	1,501.84	393.60	-	1,895.44	238.64
Total	**2,031.09**	**317.21**	**151.99**	**2,196.31**	**1,675.08**	**425.41**	**151.99**	**1,948.50**	**247.81**
As at March 31, 2014									
Computer software	166.77	24.86	-	191.63	152.89	20.35	-	173.24	18.39
Product development	1,639.96	199.50	-	1,839.46	1,019.30	482.54	-	1,501.84	337.62
Total	**1,806.73**	**224.36**	**-**	**2,031.09**	**1,172.19**	**502.89**	**-**	**1,675.08**	**356.01**
As at March 31, 2013									
Computer software	142.61	24.16	-	166.77	116.32	36.57	-	152.89	13.88
Product development	1,130.45	509.51	-	1,639.96	624.58	394.72	-	1,019.30	620.66
Total	**1,273.06**	**533.67**	**-**	**1,806.73**	**740.90**	**431.29**	**-**	**1,172.19**	**634.54**

Notes:

1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

3) For the year ended March 31, 2016, the company had received approval under Modified Special Incentive Package Scheme (MSIPS) from the Ministry of Communication and Information Technology, Department of Information Technology, vide sanction letter no. 27(18)/2013-IPHW dated December 5, 2014. Under the said scheme, the Company is in the process of submitting a claim for incentive amounting to Rs. 31.90 million which has not been adjusted to the cost of respective assets, as the same is contingent upon receipt of approval of the final amounts.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XVII: Standalone Restated Statement of Non-current investments
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Investments (At cost):					
Trade					
Investment in equity instruments of subsidiaries					
Equity shares fully paid up in Tejas Communication Pte Ltd.					
Number of shares	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
Amount (Rs. in million)	2.69	2.69	2.69	2.69	2.69
Equity shares fully paid up in Tejas Israel Limited					
Number of shares	9,00,000	9,00,000	9,00,000	9,00,000	9,00,000
Amount (Rs. in million)	541.87	541.87	541.87	541.87	541.87
Equity shares fully paid up in vSave Energy Private Limited					
Number of shares	1,34,999	1,34,999	1,34,999	1,34,999	-
Amount (Rs. in million)	1.35	1.35	1.35	1.35	-
Investment in preference shares of subsidiaries					
Redeemable preference shares fully paid up in Tejas Communication Pte Limited					
Number of shares	13,68,400	13,68,400	13,68,400	13,68,400	13,68,400
Amount (Rs. in million)	41.84	41.84	41.84	41.84	41.84
Investment in ELCIA ESDM cluster					
Equity shares fully paid up in ELCIA ESDM cluster					
Number of shares	1,100	1,100	1,100	-	-
Amount (Rs. in million)	0.01	0.01	0.01	-	-
Advance Against Equity- Tejas Communication Pte Ltd.	-	-	-	-	1.14
	587.76	587.76	587.76	587.75	587.54
Less: Provision for diminution in value of investment	541.87	541.87	541.87	541.87	541.87
Total	45.89	45.89	45.89	45.88	45.67
Aggregate amount of unquoted investments	45.89	45.89	45.89	45.88	45.67

Notes:
1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XVIII: Standalone Restated Statement of Long term Loans and advances
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Security deposits, unsecured considered good	54.15	42.74	48.21	50.26	41.01
Loans and advances to employees, unsecured, considered good	-	-	-	0.02	1.03
Advance income tax and taxes deducted at sources (Refer note 3 below)	227.99	175.97	153.83	130.30	104.17
Capital advances	-	-	-	0.53	-
Other loans and advances					
Tejas Employee Welfare Trust, unsecured, considered good	-	334.13	335.23	336.83	337.93
Prepaid Expenses	8.00	5.26	6.57	17.88	2.19
Total	**290.14**	**558.10**	**543.84**	**535.82**	**486.33**

Notes:

1) The figures disclosed above are based on the standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) Advance income tax and taxes deducted at sources are net of provisions :

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Advance income tax and taxes deducted at sources	358.58	293.78	271.64	248.11	200.79
Less: Provision for tax	130.59	117.81	117.81	117.81	96.62
Net advance income tax and taxes deducted at sources	227.99	175.97	153.83	130.30	104.17

4) There are no amounts due from Subsidiary/Associate/Director/Relatives of Directors/ Entities having significant influence/ Key Managerial personnel.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XIX: Standalone Restated Statement of Other non-current assets
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Long-term trade receivables, unsecured, considered good	177.99	66.22	30.23	85.94	8.31
Accruals, Interest accrued on deposits	0.13	-	-	3.01	0.05
Fixed deposits with banks	850.96	250.00	-	251.12	0.20
In earmarked deposit accounts					
Balances held as margin money or security against borrowings, guarantees and other commitments	141.12	-	-	-	-
Total	**1,170.20**	**316.22**	**30.23**	**340.07**	**8.56**

Notes:

1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) There are no amounts due from Subsidiary/Associate/Directors/Relatives of Directors/ Entities having significant influence/ Key Managerial personnel.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XX: Standalone Restated Statement of Current Investments
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Unquoted Investment in mutual funds					
ICICI - Interval 1 Quarterly Series 61	-	-	-	-	-
IDFC - Money Manager Fund -	-	-	-	-	-
Birla Sun Life	-	-	-	-	-
Total	-	-	-	-	-
Aggregate amount of unquoted investments	-	-	-	-	-

Notes:
1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXI: Standalone Restated Statement of Inventories
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Raw materials, components including assemblies and sub assemblies	1,817.53	2,307.86	2,207.23	2,066.94	1,945.36
Goods-in-transit	5.81	7.95	14.72	16.17	61.86
Total	**1,823.34**	**2,315.81**	**2,221.95**	**2,083.11**	**2,007.22**

Notes:

1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXII: Standalone Restated Statement of Trade Receivables
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment					
Unsecured, considered good	360.51	310.87	426.51	249.96	445.90
Unsecured, considered doubtful	14.36	33.53	377.71	194.84	124.43
	374.87	344.40	804.22	444.80	570.33
Less: Provision for doubtful trade receivables	14.36	33.53	377.71	194.84	124.43
	360.51	310.87	426.51	249.96	445.90
Other Trade receivables					
Unsecured, considered good	3,324.02	3,329.54	2,251.90	2,526.31	1,601.11
Less: Bill Discounting	263.81	1,149.04	731.23	602.26	783.27
Total	**3,420.72**	**2,491.37**	**1,947.18**	**2,174.01**	**1,263.74**

Notes:

1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) Following are the amounts due from Subsidiary/Associate/ Directors/Relatives of Directors/ Entities having significant influence/ Key Managerial personnel:

	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Tejas Communication Pte Limited, Singapore	84.75	81.84	88.60	114.35	154.25
Tejas Israel Limited, Israel	-	16.92	1.50	1.46	1.32
	84.75	98.76	90.10	115.81	155.57

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXIII: Standalone Restated Statement of Cash and bank balances
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Cash & cash equivalents					
Cash on hand	-	0.05	0.08	0.06	0.03
Balances with banks					
In current accounts	162.13	466.55	42.78	12.38	34.99
In EEFC accounts	28.02	6.33	9.14	25.27	24.59
In deposit accounts	107.62	15.05	58.64	-	281.13
	297.77	487.98	110.64	37.71	340.74
Other bank balances					
In other deposit accounts	61.74	-	-	-	-
In earmarked deposit accounts					
Balances held as margin money or security against borrowings, guarantees and other commitments	337.86	202.48	368.20	182.48	213.45
Total	**697.37**	**690.46**	**478.84**	**220.19**	**554.19**

Notes:

1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXIV: Standalone Restated Statement of Short-term loans and advances
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Security deposits, unsecured, considered good	5.19	6.30	7.69	9.20	15.71
Loans and advances to employees, unsecured					
Considered good	154.87	13.52	8.17	28.90	30.03
Considered doubtful	-	-	-	-	1.26
	154.87	13.52	8.17	28.90	31.29
Less: Provision for doubtful loans and advances	-	-	-	-	1.26
	154.87	13.52	8.17	28.90	30.03
Prepaid expenses - Unsecured, considered good	87.58	24.70	37.88	32.75	26.79
Balances with government authorities, unsecured, considered good					
CENVAT credit receivable	78.18	64.59	25.34	108.01	149.27
VAT credit receivable	-	-	-	34.23	11.35
Service Tax credit receivable	27.54	33.72	20.07	11.40	23.94
Others	-	-	-	-	-
	105.72	98.31	45.41	153.64	184.56
Advance to Suppliers, unsecured					
Considered good	94.96	171.95	149.01	123.13	159.79
Considered doubtful	-	-	24.32	24.32	-
	94.96	171.95	173.33	147.45	159.79
Less: Provision for doubtful advances to suppliers	-	-	24.32	24.32	-
	94.96	171.95	149.01	123.13	159.79
Others	1.51	8.30	1.29	0.08	0.08
Total	**449.83**	**323.08**	**249.45**	**347.70**	**416.96**

Notes:

1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) Following are the amounts due from Subsidiary/Associate/ Directors/Relatives of Directors/ Entities having significant influence/ Key Managerial personnel:

	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Tejas Communication Pte Limited, Singapore	69.76	-	-	-	-
vSave Energy Private Limited	0.01	-	-	-	-
	69.77	-	-	-	-

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXV: Standalone Restated Statement of Other Current Assets
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Accruals, Interest accrued on deposits	2.68	1.25	3.87	0.86	6.65
Others					
KESDM Incentive claims	10.00	90.74	92.80	54.16	-
Patent expense reimbursable	-	9.90	14.28	12.24	7.12
Expenses recoverable	-	-	-	-	7.87
Receivable on foreign currency forwards (net)	-	-	3.64	-	-
Focus Product Scheme claim	57.89	48.58	99.68	87.67	25.72
Excess of plan asset on gratuity obligation(Refer annexure V(B)(8))	-	-	1.05	7.76	-
Total	**70.57**	**150.47**	**215.32**	**162.69**	**47.36**

Notes:
1) The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXVI: Standalone Restated Statement of Revenue from operations
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Sale of products					
Manufactured goods - Optical and Data Networking products including multiplexers	8,301.63	6,286.37	3,694.37	3,494.53	2,402.98
Component sales	528.86	118.26	2.94	124.98	87.24
	8,830.49	6,404.63	3,697.31	3,619.51	2,490.22
Sale of services					
Installation & commissioning revenue	45.08	17.93	33.96	32.35	24.99
Annual maintenance revenue	282.31	249.87	183.36	217.63	172.98
Other service revenue	34.59	53.03	108.61	181.11	144.66
	361.98	320.83	325.93	431.09	342.63
Other operating revenues					
Export incentives	40.43	0.25	37.75	-	-
Duty drawback	-	-	-	69.20	41.39
Sales commission	-	-	-	0.04	26.16
Royalty Income	-	-	-	0.03	20.93
	40.43	0.25	37.75	69.27	88.48
Revenue from operations (gross)	**9,232.90**	**6,725.71**	**4,060.99**	**4,119.87**	**2,921.33**
Less: Excise duty	579.48	470.37	202.66	172.57	171.52
Revenue from operations (net)	**8,653.42**	**6,255.34**	**3,858.33**	**3,947.30**	**2,749.81**

Notes:
1) The figures disclosed above are based on the restated standalone summary statement of profit and loss of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXVII: Standalone Restated Statement of Cost of materials consumed
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Opening stock	2,307.86	2,207.22	2,066.95	1,945.35	1,973.42
Add: Purchases	4,663.61	3,699.88	2,188.83	2,126.50	1,374.67
Less: Capitalised during the year	-	50.74	8.46	145.66	38.62
	6,971.47	**5,856.36**	**4,247.32**	**3,926.19**	**3,309.47**
Less: Closing stock	1,817.53	2,307.86	2,207.22	2,066.95	1,945.35
Cost of material consumed	**5,153.94**	**3,548.50**	**2,040.10**	**1,859.24**	**1,364.12**

Notes:

1) The figures disclosed above are based on the restated standalone summary statement of profit and loss of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXVIII: Standalone Restated Statement of Employee benefit expenses
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Salaries and wages	1,032.70	889.33	726.33	659.21	761.47
Contributions to provident and other funds	46.69	44.82	44.46	36.92	34.40
Staff welfare expenses	45.22	37.38	27.85	35.56	27.18
Less: Capitalised during the year	391.62	337.35	321.46	300.80	393.23
Total	**732.99**	**634.18**	**477.18**	**430.89**	**429.82**

Notes:
1) The figures disclosed above are based on the restated standalone summary statement of profit and loss of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXIX: Standalone Restated Statement of Other expenses
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Installation & Commissioning Expenses	77.36	63.40	38.61	29.77	25.62
Other Processing Charges	42.04	33.70	8.79	62.22	17.87
Power and fuel	36.01	34.15	29.72	30.38	29.01
Housekeeping & Security	21.62	13.27	13.13	14.05	14.06
Rent including lease rentals	72.01	68.60	68.38	61.99	58.27
Repairs and maintenance - Machinery	4.88	5.86	2.92	3.69	4.38
Repairs and maintenance - Others	53.83	42.84	31.55	33.79	39.27
Insurance	7.52	9.85	11.20	10.81	9.89
Rates and taxes	38.21	45.76	24.19	36.64	6.50
Communication	11.81	10.68	10.67	12.44	11.51
Royalty	9.89	0.85	0.90	1.55	0.42
Travelling and conveyance	114.25	75.32	59.36	81.07	60.47
Provision for doubtful advances	-	-	-	24.32	-
Printing and stationery	5.07	2.81	2.05	1.79	1.63
Freight and forwarding	14.78	41.99	45.62	48.31	39.46
Sales Expenses	93.83	91.54	13.61	80.50	5.12
Sales commission	146.27	29.08	0.27	5.70	1.00
Business promotion	8.36	2.67	1.98	1.64	3.30
Donations and contributions	0.07	-	0.34	0.16	0.24
Director Sitting Fees	1.31	1.06	0.30	0.17	0.20
Director Commission	1.50	-	-	-	-
Legal and professional	79.73	79.54	28.58	31.42	27.16
Payments to auditors (Refer note (1) below)	6.38	9.11	5.28	5.57	5.40
Net loss on foreign currency transactions and translation (other than considered as finance cost)	45.77	9.60	35.79	-	22.86
Loss on fixed assets sold / scrapped / written off	-	-	-	-	28.90
Bad trade and other receivables, loans and advances written off	52.58	503.34	-	-	-
Less:- Provision for doubtful trade and other receivables, loans and advances released	33.53	402.01	-	-	-
	19.05	101.33	-	-	-
Provision for doubtful trade and other receivables	14.36	33.53	182.87	110.35	62.40
Provision for warranty	42.90	27.36	15.22	23.75	4.89
KESDM receivable write off	70.72	-	-	-	-
Expenditure on Corporate Social Responsibility	1.10	-	-	-	-
Miscellaneous expenses	84.86	139.87	30.11	21.80	17.00
Less: Capitalised during the year	9.29	9.46	5.19	20.25	3.29
Total	**1,116.20**	**964.31**	**656.25**	**713.63**	**493.54**

Notes:

1) Payments to the auditors comprises (net of service tax input credit, where applicable):

	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Statutory auditors					
- Audit fee	4.00	4.00	2.80	2.30	2.90
-Tax matters	2.21	3.80	2.20	2.89	2.39
-Reimbursement of expenses	0.17	1.31	0.28	0.38	0.11
Total	6.38	9.11	5.28	5.57	5.40

2) The figures disclosed above are based on the restated standalone summary statement of profit and loss of the Company.

3) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXX: Standalone Restated Statement of Finance costs
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Interest expense on:					
Borrowings	231.15	360.46	371.53	354.54	283.18
Delayed payment of taxes	1.34	25.68	2.71	-	-
Other borrowing costs	55.57	65.15	48.03	32.16	24.91
	288.06	451.29	422.27	386.70	308.09
Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	19.93	34.40	36.94	54.90	26.38
Total	**307.99**	**485.69**	**459.21**	**441.60**	**334.47**

Notes:

1) The figures disclosed above are based on the restated standalone summary statement of profit and loss of the Company
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXI: Standalone Restated Statement of Other Income
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Interest income from bank on deposits	41.10	34.45	34.02	33.77	36.04
Other non-operating income					
Karnataka Electronic System Design & Manufacturing Inter State Sales CST Reimbursement	-	-	38.62	44.16	-
Karnataka Electronic System Design & Manufacturing R&D Grant	10.00	-	10.00	10.00	-
Corporate Charges	-	-	3.06	21.17	36.69
Profit on sale of fixed assets	-	-	4.45	-	-
Doubtful debts recovered	2.91	-	-	-	-
Insurance claims on fire*	-	-	-	-	48.12
Liabilities no longer required written back	15.13	-	-	-	-
Miscellaneous income	2.31	0.28	4.19	0.14	4.40
Dividend income:from current investments in mutual funds	-	-	-	-	3.36
Total	**71.45**	**34.73**	**94.34**	**109.24**	**128.61**

Notes:
1) The figures disclosed above are based on the restated standalone summary statement of profit and loss of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

* Insurance claim on fire is non-recurring in nature

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXII: Restated Standalone Summary Statement of Functionwise Profits and Losses.
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Revenue					
Products	7,722.15	5,816.00	3,491.71	3,321.96	2,231.46
Component sales	528.86	118.26	2.94	124.98	87.24
Services	361.98	320.83	325.93	431.09	342.63
Other Operating Revenues	40.43	0.25	37.75	69.27	88.48
Net Revenue (A)	**8,653.42**	**6,255.34**	**3,858.33**	**3,947.30**	**2,749.81**
Cost of Material Consumed/Sold	5,201.47	3,614.73	2,091.21	1,961.13	1,420.05
Manufacturing Expenses	161.02	135.11	142.31	90.85	71.93
Service Expenses	299.30	236.03	177.25	183.56	135.83
Total Cost of Goods Sold (B)	**5,661.79**	**3,985.87**	**2,410.77**	**2,235.54**	**1,627.81**
Gross Profit (C) = (A) - (B)	**2,991.63**	**2,269.47**	**1,447.56**	**1,711.76**	**1,122.00**
Operating Expenses:					
Research & Development (Gross)	730.17	644.21	489.58	523.22	618.49
Less: R&D Capitalised	(400.91)	(346.81)	(323.34)	(302.33)	(395.12)
Research & Development (Net)	**329.26**	**297.40**	**166.24**	**220.89**	**223.37**
Selling & Marketing	684.48	643.30	410.60	407.49	276.99
General & Administrative	281.83	210.82	150.13	139.84	136.45
Operating Expenses (Net) (D)	**1,295.57**	**1,151.52**	**726.97**	**768.22**	**636.81**
Income/(Loss) from operations (EBITDA)					
(E) = (C) - (D)	**1,696.06**	**1,117.95**	**720.59**	**943.54**	**485.19**
Other Income	71.45	34.73	94.34	109.24	128.61
Foreign exchange loss/(gain)	65.70	44.00	72.73	54.90	49.24
Finance costs	288.06	451.29	422.27	386.70	308.09
Depreciation and amortization	564.22	382.43	485.51	558.46	480.29
Restated Income/(Loss) before Exceptional items and tax	**849.53**	**274.96**	**(165.58)**	**52.72**	**(223.82)**
Exceptional items					
Provision for diminution in the value of long term investments	-	-	-	-	(541.87)
Intangible assets in progress written off	(304.68)	-	-	-	-
Restated Income / (Loss) before tax	**544.85**	**274.96**	**(165.58)**	**52.72**	**(765.69)**
Tax expense:					
Current tax	12.77	-	-	-	-
Deferred tax	-	-	-	-	-
Restated Net Income / (Loss) for the year	**532.08**	**274.96**	**(165.58)**	**52.72**	**(765.69)**
Earning per share (Par Value Rs. 10 each)					
(a) Basic	7.92	4.46	(2.69)	0.86	(12.44)
(b) Diluted	7.92	4.13	(2.69)	0.86	(12.44)
Weighted average Basic Equity share outstanding	6,72,23,628	6,15,87,033	6,15,46,240	6,15,46,240	6,15,46,240
Weighted average Diluted Potential Equity share outstanding	6,72,23,628	6,65,23,014	6,15,46,240	6,15,46,240	6,15,46,240

Notes:

1. Classification of expenses as per Standalone Restated Summary Statement of Functionwise Profits and Losses has been determined by the Management based on costs directly incurred for various functional cost centers which are identifiable and allocation of common costs which are not directly attributable to any specific functional cost centre on a the basis of head count for all the periods. The total of each category of expenses have been agreed with the audited financial statements, and the auditors have relied on the management representation as to the head count for each function for the allocation and identification of direct employee costs.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXII: Restated Standalone Summary Statement of Functionwise Profits and Losses.
(All amounts in Rupees Million except for share data or as otherwise stated)

2. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

3 The breakup of foreign exchange loss/(gain) is as under:

	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Net loss on foreign currency transactions and translation towards borrowings (considered as finance cost) (Refer Annexure XXX)	19.93	34.40	36.94	54.90	26.38
Net loss on foreign currency transactions and translation others (other than considered as finance cost) (Refer Annexure XXIX)	45.77	9.60	35.79	-	22.86
	65.70	44.00	72.73	54.90	49.24

4 The reconciliation of EBITDA between Schedule III and functionwise profit and loss account is as follows:

	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
EBITDA as per Schedule III (Refer Annexure II)	1,650.29	1,108.35	684.80	943.54	462.33
Net loss on foreign currency transactions and translation others (other than considered as finance cost) (Refer Annexure XXIX)	45.77	9.60	35.79	-	22.86
EBITDA as per functionwise P&L	1,696.06	1,117.95	720.59	943.54	485.19

5 The reconciliation of Cost of Material Consumed/Sold between Schedule III and functionwise profit and loss account is as follows:

	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Cost of material consumed as per Schedule III (Refer Annexure II)	5,153.94	3,548.50	2,040.10	1,859.24	1,364.12
Add: Considered separately under other expenses as per Schedule III (Refer Annexure XXIX)					
Other Processing Charges	42.04	33.70	8.79	62.22	17.87
Freight and forwarding	14.78	41.99	45.62	48.31	39.46
Less: Other processing charges considered under R&D	9.29	9.46	3.30	8.64	1.40
Cost of material consumed as per restated functionwise P&L	5,201.47	3,614.73	2,091.21	1,961.13	1,420.05

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXIII: Restated Standalone Statement of Related Party Transactions
(All amounts in Rupees Million except for share data or as otherwise stated)

Related Party Transactions:
Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Tejas Communication Pte Limited, Singapore ('Tejas, Singapore') (Wholly owned subsidiary since incorporation on June 14, 2001)
	Tejas Israel Limited, Israel ('Tejas Israel) (Wholly owned subsidiary since acquisition on August 17, 2010)
	vSave Energy Private Limited('vSave') (Wholly owned subsidiary since incorporated on November 06, 2013)
	Tejas Communications (Nigeria) Limited (Wholly owned subsidiary of Tejas Singapore, incorporated on September 07, 2015)
Key Management Personnel	Mr. Sanjay Nayak

There are no individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise. There have been no transactions with any relatives of Key Management Personnel.or companies in which such relative may be interested.

Details of the related party transactions during the year:

	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Transaction during the year					
Purchases of goods					
Tejas Singapore	65.81	211.09	766.60	587.18	537.24
Tejas Israel	-	-	-	-	3.09
Sale of goods					
Tejas Singapore	183.23	41.56	74.40	123.46	183.58
Tejas Israel	-	-	-	-	-
Rendering of Services					
Tejas Singapore	2.20	4.51	1.50	1.45	-
Royalty					
Tejas Singapore	-	-	-	0.03	20.93
Sales Commission					
Tejas Singapore	48.60	25.60	-	0.04	26.16
Sales Expenses					
Tejas Singapore	-	-	-	50.34	-
Corporate Charges					
Tejas Singapore	-	-	3.10	19.10	33.92
Guarantees given					
Tejas Singapore	-	-	-	-	1,329.98
Tejas Israel	-	-	-	7.19	13.84
Advance for Equity Returned					
Tejas Singapore	-	-	-	1.14	-
Reimbursement of expenses					
Tejas Singapore	61.51	110.90	-	-	-
Remuneration					
Mr. Sanjay Nayak	15.14	14.95	7.20	5.21	9.44
Investment					
Vsave	-	-	-	1.35	-
Advances for Purchase of goods					
Tejas Singapore	69.76	-	-	-	-

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXIII: Restated Standalone Statement of Related Party Transactions
(All amounts in Rupees Million except for share data or as otherwise stated)

Related Party Transactions:

Balances outstanding at the end of the year:

	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Trade receivables					
Tejas Singapore	84.75	81.84	88.60	114.35	154.25
Tejas Israel	-	16.92	1.50	1.46	1.32
Trade payables					
Tejas Singapore	-	88.64	177.10	343.43	218.46
Tejas Israel	1.16	49.67	32.40	31.06	35.26
Advance					
Tejas Singapore	69.76	-	-	-	-
Vsave	0.01	-	-	-	-
Advance for equity					
Tejas Singapore	-	-	-	-	1.14
Guarantees given on behalf of					
Tejas Singapore	-	66.26	62.50	329.53	841.42
Tejas Israel	-	49.70	53.10	59.92	67.58
Payable to KMP					
Mr. Sanjay Nayak	2.99	7.80	0.80	2.00	-

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXIV: Restated Standalone Statement of Accounting Ratios
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars		As at / For the year ended				
		March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Net Profit after tax as restated	A	532.08	274.96	(165.58)	52.72	(765.69)
Less: Preference dividend and tax thereon		-	-	-	-	-
Net profit after tax (as restated) attributable to equity shareholders	**B**	**532.08**	**274.96**	**(165.58)**	**52.72**	**(765.69)**
Weighted average no. of equity shares outstanding during the year used for computing Basic EPS (Refer Note 4 below)	C	6,72,23,628	6,15,87,033	6,15,46,240	6,15,46,240	6,15,46,240
Add: Effect of dilution						
Convertible preference shares/ warrants	D	-	49,35,981	-	-	-
Weighted average no. of equity shares for calculating Diluted EPS	**E = C+D**	**6,72,23,628**	**6,65,23,014**	**6,15,46,240**	**6,15,46,240**	**6,15,46,240**
Net Worth at the end of the year (Rs. in million) (Refer Note 6 below)	**F**	**5,000.02**	**3,696.07**	**3,421.16**	**3,341.22**	**3,288.50**
Total no. of equity shares outstanding at the end of the year (Refer Note 5)		7,07,33,411	6,65,23,014	6,15,46,240	6,15,46,240	6,15,46,240
Add: Equity shares equivalent of CCPS (Refer Note 5)		-	-	49,76,774	28,78,321	28,78,321
Total adjusted equity shares	**G**	**7,07,33,411**	**6,65,23,014**	**6,65,23,014**	**6,44,24,561**	**6,44,24,561**
Accounting ratios:						
Basic earnings per share (EPS) (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(a) below)	H = B/C	7.92	4.46	(2.69)	0.86	(12.44)
Diluted earnings per share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(b) below)	I = A/E	7.92	4.13	(2.69)	0.86	(12.44)
Return on Net Worth (%) (Refer Note 3(c) below)	J = A/F	10.64%	7.44%	-4.84%	1.58%	-23.28%
Net asset value per equity share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(d) below)	K = F/G	70.69	55.56	51.43	51.86	51.04

Notes:

1. The figures disclosed above are based on the restated standalone summary statements of the Company.

2. The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

3. The Ratios have been computed as below:

(a) Basic Earnings per share (Rs.)

$$\frac{\text{Net profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

(b) Diluted Earnings per share (Rs.)

$$\frac{\text{Net profit after tax}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$$

(c) Return on Net Worth (%)

$$\frac{\text{Net profit after tax}}{\text{Net worth at the end of the year}}$$

(d) Net asset value per share (Rs.)

$$\frac{\text{Net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$$

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5 There are potential equity shares in the form of stock options of 9,495,846, 6,926,635 and 6,833,264 to employees for the year ended March 31, 2017, March 31, 2016, and March 31, 2015 respectively. As these options are neither dilutive nor anti-dilutive, they are ignored in the calculation of diluted earnings per share.

6 a. Total no. of equity shares outstanding at the end of the year is determined by considering the the total number of fully paid up equity shares and proportionate number of partly paid up equity shares outstanding as at the year end. The partly paid up equity shares represent 32,727,930 equity shares of Rs. 10/- each with Re.1/- paid up as at year ended March 31, 2016, 2015, 2014 and 2013.

b. The number of shares considered under Compulsarily convertible preference shares (CCPS) represent the contracted number of equity shares to be alloted as per the Investment Agreement dated May 30, 2013 and addendum to Investment Agreement dated December 29, 2014. The total number of preference shares outstanding as of March 31,2017, 2016, 2015, 2014 and 2013 was Nil, Nil, 639,849, 394,330 and 394,330 respectively.

7 Net worth for ratios mentioned in note 3(c) and 3(d) represents the aggregate of the paid up share capital and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.

8 Earnings per share calculations are in accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014. As per Accounting Standard 20, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous years have been considered accordingly.

9 Pursuant to the approval granted at the shareholder's meeting dated July 25, 2016 the Company has forfeited 3,27,27,930 equity shares having face value of Rs. 10 each, with Re. 1/- paid up, resulting in a reduction in the overall shares outstanding.The information of the shares outstanding for the earlier periods disclosed include such partly paid equity shares being treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXV: Restated Standalone Summary of Capitalisation Statement
(All amounts in Rupees Million except for share data or as otherwise stated)

S.No	PARTICULARS	Pre-Issue As at March 31, 2017	Increase due to the Issue	Post Issue Amount after considering the Issue (Refer Note 3 below)
		A	B	C (A+B)
I	**Borrowings:**			
	Short-term borrowings	2,259.08	-	-
	Long-term borrowings	20.00	-	-
	Add: Current maturities of long term borrowings	270.00	-	-
	Total borrowings - a	**2,549.08**	**-**	**-**
II	**Shareholders' fund**			
	Share capital	740.06	-	-
	Reserves and Surplus	4,259.96	-	-
	Total shareholders' fund - b	**5,000.02**	**-**	**-**
III	**Total borrowings / shareholders' fund - a/b**	**0.510**	**-**	**-**
IV	**Long-term borrowings / shareholders' fund**	**0.004**	**-**	**-**

Notes:

1) The figures disclosed above are based on the restated standalone summary statements of the Company.
2) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) The corresponding post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence, the same have not been provided in the above statement.
4) After March 31, 2017 until the date of signing the report, there has been an increase in Share Capital and Reserves and Surplus pursuant to exercise of stock options, referred to in Annexure V(C), which are provided in the table below:

Particulars	Number of Equity Shares	Share capital	Reserves and Surplus
As of March 31, 2017	7,07,33,411	740.06	4,259.96
Allotment of equity shares pursuant to Exercise of Options	13,04,719	13.05	71.76
As of May 17, 2017	7,20,38,130	753.11	4,331.72

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXVI: Restated Standalone Tax Shelter Statement
(All amounts in Rupees Million except for share data or as otherwise stated)

	Particulars	As at / For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
A	Restated profit before tax	544.85	274.96	(165.58)	52.72	(765.69)
B	Normal tax rate	30.00%	30.00%	30.00%	30.00%	30.00%
C	Tax at special rate (Long term capital gain/ loss)	20.00%	20.00%	20.00%	20.00%	20.00%
D	Tax thereon at the above rate (A * B)	163.46	82.49	(49.67)	15.82	(229.71)
E	**Permanent differences**					
	Weighted deduction under section 35(2AB) under the Income Tax Act, 1961	(1,196.75)	(999.14)	(824.23)	(855.52)	(1,116.37)
	Deduction under section 35(1)(iv) of the Act	(32.64)	(15.96)	(11.76)	-	-
	Deduction under section 35(1)(i) of the Act	-	-	(6.17)	-	-
	Income/receipts credited to P/L considered in other heads of income	(40.93)	(34.45)	(34.03)	(33.77)	(85.09)
	Total	**(1,270.32)**	**(1,049.55)**	**(876.19)**	**(889.29)**	**(1,201.46)**
F	**Timing differences**					
	Difference in book depreciation and depreciation under Income Tax Act, 1961	510.35	324.54	415.90	502.35	438.34
	Expenses allowed on payment basis	-	-	(5.36)	(8.43)	(4.62)
	Provision for doubtful debts and advances	14.36	33.53	182.87	134.68	62.40
	Provision for Impairment of Investment	-	-	-	-	541.87
	Reversal of provision for doubtful advance and receivables (Net)	(33.53)	(402.03)	-	(41.20)	-
	Expenses on issue of shares	23.36	-	-	-	-
	Others	6.33	31.40	1.12	33.06	46.93
	Income from Other Source	40.93	34.45	34.03	33.77	36.04
	Total	**561.80**	**21.89**	**628.56**	**654.23**	**1,120.96**
G	**Net adjustments (E + F)**	**(708.52)**	**(1,027.67)**	**(247.63)**	**(235.06)**	**(80.50)**
H	**Taxable income/(loss) before set off of losses**					
	- Taxable at normal rate	(163.67)	(752.71)	(413.21)	(182.34)	(846.19)
	- Taxable at special rate	-	-	-	-	-
		(163.67)	(752.71)	(413.21)	(182.34)	(846.19)
I	Business losses carried forward/ (set-off) as carried forward losses	163.67	752.71	413.21	182.34	846.19
J	Total Tax Expenses/ (savings) thereon (H + I)	-	-	-	-	-
K	Incremental Tax arising under Minimum Alternate Tax under Section 115JB of the Income-tax Act, 1961	12.77	-	-	-	-
L	**Current Tax (J + K)**	**12.77**	**-**	**-**	**-**	**-**
M	MAT Credit Entitlement	-	-	-	-	-
N	Deferred Tax	-	-	-	-	-
O	**Total Tax Expenses (L + M + O)**	**12.77**	**-**	**-**	**-**	**-**

Notes:
1) The aforesaid Statement of Tax Shelter has been prepared as per the restated summary statement of profits and losses of the Company.
2) The above statement should be read with the notes to restated Standalone summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) Income tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED RESTATED FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 26 OF COMPANIES ACT, 2013, READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

TO THE BOARD OF DIRECTORS OF
TEJAS NETWORKS LIMITED
#25, J.P. Software Park, Electronics City, Phase-I
Hosur Road, Bangalore - 560100

Dear Sirs,

1. We have examined the attached Consolidated Restated Financial Information of Tejas Networks Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute 'the Group'), which comprises of the Consolidated Restated Balance Sheet as at March 31, 2017, 2016, 2015, 2014 and 2013, the Consolidated Restated Statement of Profit and Loss and the Consolidated Restated Cash Flow Statement for the years ended March 31, 2017, 2016, 2015, 2014 and 2013, (collectively, the "Consolidated Restated Financial Information") as approved by the Board of Directors of the Company at their meeting held on May 17, 2017 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) and prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules);

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

   The preparation of the Consolidated Restated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Consolidated Restated Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Rules, SEBI ICDR Regulations and the Guidance Note.

   Our responsibility is to examine the Consolidated Restated Financial Information and confirm whether such Consolidated Restated Financial Information comply with the requirements of the Act, the Rules, SEBI ICDR Regulations and the Guidance Note.

2. We have examined such Consolidated Restated Financial Information taking into consideration

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 30, 2016 in connection with the proposed IPO of the Company;

   b) The Guidance Note; and

   c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Consolidated Restated Financial Information.

3. These Consolidated Restated Financial Information have been compiled by the Management based on the audited Consolidated Financial Statements as at and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 which have been approved by the Board of Directors at their meetings held on April 17, 2017, May 20, 2016, September 05, 2015, August 29, 2014 and September 2, 2013 respectively and have been audited by us.

   We did not audit the financial statements and other financial information for the subsidiaries that have been audited by other auditors, whose reports have been furnished to us, and our opinion on the consolidated financial statements in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Group's share of total assets, total revenues, and net cash flows pertaining to these entities for the relevant years is tabulated below:

(` in million)

Particulars	**As at/ For the years ended**				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Total Assets	0.03	17.50	331.20	223.84	349.35
Total Revenues	-	-	77.80	464.82	1,173.76
Net Cash (Outflows) /Inflows	-	0.10	11.50	65.02	22.02

4. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of the Rules, SEBI ICDR Regulations and the Guidance Note, we report that:

   a) The Consolidated Restated Summary Statement of Assets and Liabilities of the Group as at March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure - I to this report is after making adjustments and regrouping as in our opinion were appropriate and more fully described in "Notes on material adjustments and regroupings to Consolidated Restated Summary Statements", as set out in Annexure - IV.

   b) The Consolidated Restated Summary Statement of Profit and Loss of the Group for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure - II to this report is after making adjustments and regrouping as in our opinion were appropriate and more fully described in "Notes on material adjustments and regroupings to Consolidated Restated Summary Statements", as set out in Annexure - IV.

   c) The Consolidated Restated Summary Statement of Cash Flows of the Group for the years ended March 31, 2017, 2016 2015, 2014 and 2013 examined by us, as set out in Annexure - III to this report is after making adjustments and regrouping as in our opinion were appropriate and more fully described in "Notes on material adjustments and regroupings to Consolidated Restated Summary Statements", as set out in Annexure - IV.

   d) Based on the above, according to the information and explanations given to us, we are of opinion that the Consolidated Restated Financial Information:

      (i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

      (ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

      (iii) do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.

5. We have also examined the following Consolidated Restated Financial Information of the Group set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on May 17, 2017 for the years ended March 31, 2017, 2016, 2015, 2014 and 2013.

   (i) Annexure IV : Notes on material adjustments and regroupings to Consolidated Restated Summary Statements
   (ii) Annexure V(A) : Significant Accounting Policies to Consolidated Restated Summary Statements
   (iii) Annexure V(B): Additional Information to Consolidated Restated Summary Statements
   (iv) Annexure V(C): Summary of events pertaining to Employee Stock Options post March 31,2017
   (v) Annexure VI: Consolidated Restated Statement of Share Capital
   (vi) Annexure VII: Consolidated Restated Statement of Reserves and Surplus
   (vii) Annexure VIII: Consolidated Restated Statement of Long Term Borrowings
   (viii) Annexure IX: Consolidated Restated Statement of Other Long Term Liabilities
   (ix) Annexure X: Consolidated Restated Statement of Long Term Provisions
   (x) Annexure XI: Consolidated Restated Statement of Short Term Borrowings
   (xi) Annexure XII: Consolidated Restated Statement of Trade Payables
   (xii) Annexure XIII: Consolidated Restated Statement of Other Current Liabilities
   (xiii) Annexure XIV: Consolidated Restated Statement of Short term Provisions
   (xiv) Annexure XV: Consolidated Restated Statement of Fixed Assets – Tangibles
   (xv) Annexure XVI: Consolidated Restated Statement of Fixed Assets – Intangibles
   (xvi) Annexure XVII: Consolidated Restated Statement of Non-current investments
   (xvii) Annexure XVIII: Consolidated Restated Statement of Long-Term Loans and Advances
   (xviii) Annexure XIX: Consolidated Restated Statement of Other Non-Current Assets
   (xix) Annexure XX: Consolidated Restated Statement of Current Investments
   (xx) Annexure XXI: Consolidated Restated Statement of Inventories
   (xxi) Annexure XXII: Consolidated Restated Statement of Trade Receivables
   (xxii) Annexure XXIII: Consolidated Restated Statement of Cash and Bank Balances
   (xxiii) Annexure XXIV: Consolidated Restated Statement of Short-Term Loans and Advances
   (xxiv) Annexure XXV: Consolidated Restated Statement of Other Current Assets
   (xxv) Annexure XXVI: Consolidated Restated Statement of Revenue from Operations
   (xxvi) Annexure XXVII: Consolidated Restated Statement of Cost of Materials Consumed
   (xxvii) Annexure XXVIII: Consolidated Restated Statement of Employee Benefit Expenses
   (xxviii) Annexure XXIX: Consolidated Restated Statement of Other Expenses
   (xxix) Annexure XXX: Consolidated Restated Statement of Finance Costs
   (xxx) Annexure XXXI: Consolidated Restated Statement of Other Income
   (xxxi) Annexure XXXII: Consolidated Restated Summary Statement of Function- Wise Profits and Losses
   (xxxii) Annexure XXXIII: Consolidated Restated Statement of Related Party Transactions
   (xxxiii) Annexure XXXIV: Consolidated Restated Statement of Accounting Ratios
   (xxxiv) Annexure XXXV: Consolidated Restated Summary of Capitalisation Statement

   In our opinion, the above financial information contained in Annexures I to XXXV accompanying this report read along with the Significant Accounting Policies as set out in Annexure V (A) are prepared after making adjustments and regroupings as considered appropriate [Refer Annexure IV] and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI ICDR Regulations and the Guidance Note.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report 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 this report.

9. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, National Stock Exchange, Bombay Stock Exchange and the Registrar of Companies, Karnataka in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountant
ICAI Firm Registration No. 008072S

Monisha Parikh
Partner
Membership No. 47840

BENGALURU,
May 17, 2017

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure I: Consolidated Restated Summary Statement of Assets and Liabilities
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	Annexures	As at				
		March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	Annexure VI	740.06	665.23	1,255.31	1,009.79	1,009.79
Reserves and surplus	Annexure VII	4,266.58	2,940.08	2,056.30	2,234.76	2,202.08
		5,006.64	**3,605.31**	**3,311.61**	**3,244.55**	**3,211.87**
Non-current liabilities						
Long-term borrowings	Annexure VIII	20.00	290.00	50.00	300.00	74.79
Other long-term liabilities	Annexure IX	-	-	-	4.34	1.75
Long-term provisions	Annexure X	35.65	19.64	14.26	15.92	25.64
		55.65	**309.64**	**64.26**	**320.26**	**102.18**
Current liabilities						
Short-term borrowings	Annexure XI	2,259.18	2,240.33	2,151.75	2,315.73	2,126.84
Trade payables						
Total outstanding dues to micro enterprises and small enterprises		-	-	-	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	Annexure XII	1,399.50	1,996.49	1,376.37	1,372.40	1,034.74
Other current liabilities	Annexure XIII	402.40	202.58	357.00	179.34	77.70
Short-term provisions	Annexure XIV	38.37	28.68	19.57	19.72	10.07
		4,099.45	**4,468.08**	**3,904.69**	**3,887.19**	**3,249.35**
TOTAL		**9,161.74**	**8,383.03**	**7,280.56**	**7,452.00**	**6,563.40**
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	Annexure XV	279.99	291.12	261.04	289.74	132.51
Intangible assets	Annexure XVI	640.91	651.89	247.79	355.99	634.52
Tangible Capital work-in-progress			-	1.33	-	2.13
Intangible assets under development		186.16	518.06	876.69	836.56	710.97
Non-current investments	Annexure XVII	0.01	0.01	0.01	-	-
Long-term loans and advances	Annexure XVIII	290.77	560.37	546.22	538.07	489.02
Other non-current assets	Annexure XIX	1,170.20	316.22	30.25	340.07	8.56
		2,568.04	**2,337.67**	**1,963.33**	**2,360.43**	**1,977.71**
Current assets						
Current investments	Annexure XX	-	-	-	-	-
Inventories	Annexure XXI	1,817.24	2,316.79	2,209.07	2,085.67	2,141.47
Trade receivables	Annexure XXII	3,579.95	2,542.41	2,076.19	2,233.01	1,379.02
Cash and Bank balances	Annexure XXIII	709.37	693.83	499.49	229.19	584.06
Short-term loans and advances	Annexure XXIV	416.57	341.86	317.13	380.98	433.78
Other current assets	Annexure XXV	70.57	150.47	215.35	162.72	47.36
		6,593.70	**6,045.36**	**5,317.23**	**5,091.57**	**4,585.69**
TOTAL		**9,161.74**	**8,383.03**	**7,280.56**	**7,452.00**	**6,563.40**

Note:
The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and VA.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Monisha Parikh
Partner
Membership No. 47840

Place : Bangalore
Date : May 17, 2017

For and on behalf of the Board of Directors

Sanjay Nayak
Managing Director
(DIN: 01049871)

V. Balakrishnan
Director
(DIN: 02825465)

Venkatesh Gadiyar
Chief Financial Officer
Place : Bangalore
Date : May 17, 2017

Krishnakanth G. V.
Company Secretary

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure II: Consolidated Restated Summary Statement of Profits and Losses
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	Annexures	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
INCOME						
Revenue from operations (gross)		9,361.44	6,744.94	4,070.92	4,403.12	3,864.23
Less: Excise duty		579.48	470.37	202.66	172.57	171.52
Revenue from operations (net) (A)	Annexure XXVI	**8,781.96**	**6,274.57**	**3,868.26**	**4,230.55**	**3,692.71**
EXPENSES						
Cost of materials consumed	Annexure XXVII	5,140.53	3,506.55	1,981.30	2,085.28	2,258.07
Employee benefits expense	Annexure XXVIII	763.23	665.27	495.11	449.00	450.79
Other expenses	Annexure XXIX	1,135.91	972.29	706.64	746.60	542.20
Total expenses (B)		**7,039.67**	**5,144.11**	**3,183.05**	**3,280.88**	**3,251.06**
Restated Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (A - B)		**1,742.29**	**1,130.46**	**685.21**	**949.67**	**441.65**
Finance Cost	Annexure XXX	(315.20)	(493.15)	(469.59)	(459.79)	(356.17)
Depreciation and amortisation expense		(564.22)	(382.43)	(485.65)	(558.50)	(480.32)
Other Income	Annexure XXXI	86.80	35.17	91.37	96.39	94.95
Restated Profit / (Loss) before exceptional items and tax		**949.67**	**290.05**	**(178.66)**	**27.77**	**(299.89)**
Exceptional items						
Intellectual Property write off	Annexure V(B).14	-	-	-	-	(386.28)
Goodwill written off	Annexure V(B).15	-	-	-	-	(101.95)
Intangible assets in progress written off	Annexure V(B).16	(304.68)	-	-	-	-
Restated Profit / (Loss) before tax		**644.99**	**290.05**	**(178.66)**	**27.77**	**(788.12)**
Tax expense						
Current tax expense for current year		12.77	-	-	-	2.31
Deferred tax		-	-	-	-	-
Restated Profit / (Loss) for the year		**632.22**	**290.05**	**(178.66)**	**27.77**	**(790.43)**
Earning per share (Par Value Rs. 10 each)						
(a) Basic		**9.40**	**4.71**	**(2.90)**	**0.45**	**(12.84)**
(b) Diluted		**9.40**	**4.36**	**(2.90)**	**0.45**	**(12.84)**

Note:
The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and VA.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Monisha Parikh
Partner
Membership No. 47840

Place : Bangalore
Date : May 17, 2017

For and on behalf of the Board of Directors

Sanjay Nayak
Managing Director
(DIN: 01049871)

V. Balakrishnan
Director
(DIN: 02825465)

Venkatesh Gadiyar
Chief Financial Officer
Place : Bangalore
Date : May 17, 2017

Krishnakanth G. V.
Company Secretary

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure III: Consolidated Restated Summary Statement of Cash Flows
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
CASH FLOW FROM OPERATING ACTIVITIES					
Profit / Loss before Tax	644.99	290.05	(178.66)	27.77	(790.43)
Translation reserve	-	-	-	-	5.45
Adjustments For					
Depreciation and Amortization	564.22	382.43	485.65	558.50	480.32
Provision for receivables	16.05	76.23	182.87	110.35	62.40
Bad trade and other receivables, loans and advances written off	52.58	503.00	-	-	-
Provision for doubtful trade and other receivables, loans and advances released	(33.53)	(402.00)	-	24.32	-
Provision for Obsolete inventory	-	-	-	-	39.79
KESDM Receivable Written off	70.72	-	-	-	-
Write off of goodwill	-	-	-	-	101.95
Interest income	(41.12)	(34.46)	(34.04)	(33.79)	(36.05)
Finance costs	315.20	493.15	469.59	459.79	356.17
Dividend Income	-	-	-	-	(3.36)
Unrealised Exchange Difference on translation of foreign currency - cash & cash equivalents	0.67	(1.10)	(6.20)	5.38	(1.11)
Unrealised Exchange Difference (Net)	(38.66)	(27.30)	4.15	(7.55)	(12.86)
Loss / (Profit) on sale of fixed assets	-	-	(4.45)	-	29.14
Liabilities no longer required written back	(15.13)	-	-	-	-
Profit on write back off borrowing	-	-	-	(6.22)	-
Intangible assets in progress written off	304.68	-	-	-	-
Operating profit before Working Capital Changes	**1,840.67**	**1,280.00**	**918.91**	**1,138.55**	**231.41**
Changes in working capital:					
Adjustments for (increase) / decrease in operating assets:					
Inventories	499.70	(107.72)	(123.50)	75.92	137.25
Trade receivables	(1,105.64)	(353.37)	(264.12)	(896.82)	(628.41)
Short-term loans and advances	(74.98)	(24.80)	64.60	47.36	66.24
Long-term loans and advances	320.96	8.00	14.80	(47.97)	(26.08)
Other current assets	10.60	62.20	(49.60)	(110.00)	(29.02)
Other non current assets	-	(285.93)	309.82	(331.51)	(6.95)
Adjustments for increase / (decrease) in operating liabilities:					
Trade payables	(614.36)	611.03	(16.68)	317.59	532.20
Other current liabilities	(9.58)	86.20	(69.40)	101.64	(19.95)
Short-term provisions	9.69	9.20	0.20	9.65	(1.29)
Long-term provisions	16.02	5.40	(1.70)	(9.72)	(5.23)
Cash generated from operations	**893.08**	**1,290.21**	**783.33**	**294.69**	**250.17**
Less: Income tax paid	(64.16)	(22.10)	(23.56)	(26.14)	2.31
NET CASH GENERATED BY OPERATING ACTIVITIES (A)	**828.92**	**1,268.11**	**759.77**	**268.55**	**252.48**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of fixed assets and change in CWIP	(514.99)	(456.67)	(389.69)	(561.16)	(228.87)
Sale proceeds from sale of fixed assets	-	-	4.45	-	2.13
Placed in bank deposits not considered as cash and cash equivalents	(939.20)	(84.30)	65.39	(219.94)	17.89
Dividend Income	-	-	-	-	3.36
Interest income	39.56	37.20	34.04	36.62	46.11
Purchase of investments	-	-	(0.01)	-	-
Sale of investments	-	-	-	-	158.57
NET CASH GENERATED / (USED) IN INVESTING ACTIVITIES (B)	**(1,414.63)**	**(503.77)**	**(285.82)**	**(744.48)**	**(0.81)**

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure III: Consolidated Restated Summary Statement of Cash Flows
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
CASH FLOW FROM FINANCING ACTIVITIES					
Finance costs	(315.99)	(490.50)	(476.77)	(457.20)	(356.23)
Working capital borrowings - net	8.61	(3.40)	-	341.18	46.35
Repayment of long-term borrowings	(59.69)	88.50	(164.32)	270.00	-
Proceeds from issue of shares	771.87	-	245.52	-	394.33
NET CASH GENERATED / (USED) IN FINANCING ACTIVITIES (C)	**404.80**	**(405.40)**	**(395.57)**	**153.98**	**84.45**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(180.91)	358.94	78.38	(321.95)	336.12
Cash & cash equivalents at the beginning of the year	490.23	125.09	48.66	369.50	33.48
Add/(Less): Unrealised exchange gain/(loss)	1.12	6.20	(1.95)	1.11	(0.10)
	491.35	**131.29**	**46.71**	**370.61**	**33.38**
Cash & cash equivalents at the end of the year	310.44	490.23	125.09	48.66	369.50
Add/(Less): Unrealised exchange gain/(loss)	(0.67)	1.12	6.20	(1.95)	1.11
	309.77	**491.35**	**131.29**	**46.71**	**370.61**
Notes:					
Components of Cash & Cash Equivalents:					
Cash on hand	-	0.05	0.15	0.12	0.03
Balances with banks					
In current accounts	174.13	469.92	63.36	21.31	64.86
In EEFC accounts	28.02	6.33	9.14	25.28	24.59
In deposit accounts	107.62	15.05	58.64	-	281.13
Total Cash and Cash Equivalents	**309.77**	**491.35**	**131.29**	**46.71**	**370.61**

Note:
The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and VA.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Monisha Parikh
Partner
Membership No. 47840

Place : Bangalore
Date : May 17, 2017

For and on behalf of the Board of Directors

Sanjay Nayak
Managing Director
(DIN: 01049871)

V. Balakrishnan
Director
(DIN: 02825465)

Venkatesh Gadiyar
Chief Financial Officer
Place : Bangalore
Date : May 17, 2017

Krishnakanth G. V.
Company Secretary

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure IV: Notes on material adjustments and regroupings to Consolidated Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)

1) Notes on material adjustments

a) The summary of results of restatements made in the audited financial statements for the respective years and its impact on the profits of the Company is as follows:

Particulars		For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Net Profit for the year as per audited financial statements	**(A)**	632.22	285.28	(173.94)	27.82	(790.43)
Restated Adjustments:						
Add/(less): Rates and taxes		-	4.77	(4.72)	(0.05)	-
	(B)		4.77	(4.72)	(0.05)	-
Restated profit	**(A + B)**	632.22	290.05	(178.66)	27.77	(790.43)

Note:
The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexures IV and VA.

b) Restated adjustments:

Rates and taxes :
The statement of profit and loss for certain financial years include amounts provided for interest and penalty on delayed remittances of statutory dues, etc. which have now been adjusted to the respective years to which they relate.

2) Change in the estimated useful lives of the fixed assets
During the year ended March 31, 2015, the management has re-estimated useful lives and residual values of all its fixed assets which has resulted in lower charge of depreciation amounting to Rs. 62.60 million in that year. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made to the restated consolidated summary statements of the Group.

3) Material regrouping
Appropriate adjustments have been made in the Restated Consolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at and for the year ended March 31, 2016, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

a) **Reclassification of Insurance from other expenses to Staff Welfare**

	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Staff Walfare as per audited financials	46.92	37.38	12.08	24.30	14.36
Add: Insurance - Staff	-	-	16.42	15.48	13.60
Staff Walfare as per restated financials	46.92	37.38	28.50	39.78	27.96

b) Reclassification of Insurance from other expenses to Staff Welfare

	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Insurance as per audited financials	7.55	10.71	27.89	27.28	24.04
Less: Insurance - Staff	-	-	16.42	15.48	13.60
Insurance as per restated financials	7.55	10.71	11.47	11.80	10.44

4) **Related Party Disclosure**

	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Transaction during the year					
Remuneration disclosed as per audited financials	6.36	14.50	6.36	5.21	9.44
Add: Bonus accrued not included	-	0.45	0.84	-	-
Remuneration disclosed as per restated financials	6.36	14.95	7.20	5.21	9.44

5) **Guarantees under Contingent Liability**

	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Guarantees issued disclosed as per audited financials	-	-	-	389.45	909.00
Less: guarantee given to subsidiary not eliminated	-	-	-	389.45	909.00
Guarantees issued disclosed as per restated financials	-	-	-	-	-

(All amounts in Rupees Million except for share data or as otherwise stated)

1 Corporate Information

Tejas Networks Limited ('Tejas') is an optical and data networking products company that designs, develops, manufactures high-performance and future-ready products for building high-speed communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks. Tejas products are differentiated by a programmable, software-defined hardware architecture that provides flexibility, multi-generation support and a seamless software-enabled network transformation to its customers. Tejas customers include telecommunications service providers, internet service providers, web-scale internet companies, utility companies, defence companies and government entities.

2 Significant Accounting Policies

2.1 Basis of Consolidation and Significant Accounting policies

The significant accounting policies have been predominantly presented below in the order of the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013.

2.2 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

2.3 Principles of consolidation

The consolidated financial statements relate to Tejas Networks Limited (the 'Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

I. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company.

II. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

III. The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.

IV. Goodwill arising on consolidation is not amortised but tested for impairment.

V. Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the Company	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at					
				March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Tejas Communications Pte Limited (wholly owned subsidiary since incorporation on June 14, 2001)	Subsidiary	Singapore	Tejas Networks Limited	100%	100%	100%	100%	100%	100%
Tejas Israel Limited (wholly owned subsidiary since acquisition on August 17, 2010)	Subsidiary	Israel	Tejas Networks Limited	100%	100%	100%	100%	100%	100%
vSave Energy Pvt Limited (wholly owned subsidiary since incorporated on November 06, 2013)	Subsidiary	Bangalore	Tejas Networks Limited	100%	100%	100%	100%	-	-
Tejas Communications (Nigeria) Limited (wholly owned subsidiary of Tejas Communications Pte Limited, incorporated on September 07, 2015)	Subsidiary	Nigeria	Tejas Communications Pte Limited	100%	100%	-	-	-	-

VI. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

2.4 Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(All amounts in Rupees Million except for share data or as otherwise stated)

2.5 Inventory

Inventory (raw material - components including assemblies and sub assemblies) is valued at lower of cost (weighted average basis) and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroy and other levies, transit insurance and receiving charges. Net realizable value is calculated based on the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

2.6 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.7 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.8 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company and its India subsidiaries has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Individual assets costing less than Rs. 25,000 : depreciated in full in the year of purchase.

Classwise details of useful life of tangible assets followed by the Company is shown in the below table:-

	Useful life of tangible assets	
	from April 1, 2014 onwards*	**from April 01, 2011 to March 31, 2014**
Lease hold improvements & Electrical Installati	Over the primary period of lease of underlying premises	Over the primary period of lease of underlying premises
Furniture & fixtures	10 years	6 years
Networking equipment	6 years	6 years
Computing equipment	3 years	3 years
Servers	6 years	3 years
Lab equipment	10 years	2 years
Office equipment	5 years	2 years
Vehicles	8 years	3 years
R&D Cards	4 years	4 years

* Useful life estimates revised in view of the requirements of Schedule II of the Companies Act, 2013

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries has been provided on straight-line method as per the estimated useful life of such assets as follows:

Furniture and Fixture – 3 years
Equipments and software- 3 years

Intangible assets are amortised over their estimated useful life, as follows:

Computer Software	Over the license period
Product development costs	24 months

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.9 Revenue Recognition:

Sale of Goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income from Services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Income from royalty and commission are accrued based on the terms of agreement entered into with the respective parties

2.10 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.11 Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work in progress
Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible Assets under development
Expenditure on Research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

Intangible Assets
Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Product development costs are capitalised in cases where the technical feasibility of the products are established and are amortised over a period of 24 months on pro-rata basis from the date the products are commercially available for sale. Other product development costs are expensed in the year in which they are incurred.

2.12 Foreign Currency Transactions

Initial recognition
Transactions in foreign currency entered into by the Company are recorded on the basis of the exchange rate prevailing as on the date of transaction or at rates that closely approximate the rate at the date of transaction.

Measurement at the balance sheet date
Monetary assets and liabilities (other than derivative contracts) of the Company, denominated in foreign currency, outstanding at the balance sheet date are restated at rates prevailing at the year-end.

Treatment of exchange differences
Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Accounting for forward contracts
Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

Non Integral operations - Tejas Communication Pte Ltd, Singapore
On consolidation, all assets and liabilities of the overseas subsidiary are translated at the exchange rates at the balance sheet date. Income and expenditure items are translated at the average exchange rates for the year. Exchange differences arising are accumulated under Foreign Currency Translation Reserve.

Integral operations – Tejas Israel Ltd, Israel
On consolidation, all assets and liabilities of the overseas subsidiary are translated at the exchange rates at the balance sheet date except for Fixed assets and equity. Income and expenditure items are translated at the average exchange rates for the year. Exchange differences arising are recognized in Statement of Profit & Loss.

2.13 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidies will be received. Government grants whose primary conditions is that the Company should purchase or construct otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.14 Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.15 Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

a) Short term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive/ bonus and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:
(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(ii) in case of non-accumulating compensated absences, when the absences occur.

b) Long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

c) Defined Contribution Plan:
The Company's contribution to provident fund (including pension) and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

d) Defined Benefit Plan:
For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

2.16 Accounting for Employee Stock Option Plans

The Company has constituted employee stock option plans - ‘Tejas Employee Stock Option Plan’ 2014 , ‘Tejas Employee Stock Option Plan 2014 - A’ and ‘Tejas Employees Stock Option Plan 2016’ (“the Plans”), for the benefit of its employees. Employee Stock Options granted in terms of these Plans are accounted under the “Intrinsic Value Method” stated in the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India.

In case the grant price is lower than the intrinsic value of the underlying equity share stock option then the difference is expensed as "employee compensation" over the period of vesting.

2.17 Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.18 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

2.19 Lease

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the 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 year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.20 Earning per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.21 Taxes on Income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.22 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product’s technical and marketing feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

2.23 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.24 Provisions, Contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

All known liabilities are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent liabilities and are disclosed in Notes to the financial statement. Contingent assets are not recognised in the financial statements.

2.25 Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

2.26 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.27 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure V(B): Additional Information to Consolidated Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)

1. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Contingent liabilities					
Bills Discounted	263.81	1,149.04	731.23	656.74	873.90
Guarantees issued	-	-	-	-	-
Disputed Central Excise Demands*	137.90	137.90	157.93	170.89	193.11
Disputed Income Tax Demands*	467.76	380.40	632.96	383.87	105.20
Disputed CST Demand*	3.88	-	-	-	-

* These cases are pending at various forums with the respective authorities. Outflows if any, arising out of these claims would depend on the outcome of the decision of the appellate authority and the Company`s right for future appeals before judiciary. No reimbursements are expected.

Commitments					
Estimated amount of contracts remaining to be executed on capital account and not provided for					
Tangible assets	13.92	15.10	3.74	1.21	6.73
Intangible assets	-	-	-	-	-

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure V(B): Additional Information to Consolidated Restated Summary Statements

(All amounts in Rupees Million except for share data or as otherwise stated)

2. Details on foreign currency exposures

I. Assets	Foreign Currency	31-Mar-17			31-Mar-16			31-Mar-15			31-Mar-14			31-Mar-13		
		Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)
Receivables (trade & other)	USD	64.85	77,11,438	500.09	66.26	68,07,371	451.02	61.34	1,27,41,539	781.60	58.71	1,03,54,543	607.93	53.40	77,40,789	413.32
	MYR	14.65	4,16,32,691	610.02	16.97	1,87,49,583	318.18	17.15	1,35,56,137	232.51	18.35	3,26,39,961	599.02	-	-	-
	EUR	69.29	21,700	1.50	75.40	21,700	1.64	67.19	21,700	1.46	-	-	-	-	-	-
Other Monetary assets																
a. Advance to Suppliers	USD	64.85	64,205	4.16	66.26	3,44,020	22.79	62.50	3,33,584	20.85	60.54	80,232	4.86	-	-	-
	AED	-	-	-	-	-	-	17.02	3,000	0.05	11.96	3,000	0.04	14.78	3,000	0.04
	EUR	-	-	-	-	-	-	67.19	385	0.03	-	-	-	-	-	-
b. Balance in EEFC Account	USD	64.85	4,32,111	28.02	66.26	72,481	4.80	62.50	55,499	3.47	59.92	4,25,401	25.49	54.29	4,53,040	24.59
c. Balance with non-scheduled banks	USD	64.85	2,24,186	14.54	66.26	10,47,662	69.42	62.50	90,719	5.67	59.92	75,843	4.54	54.29	27,394	1.49
	AED	17.66	90,190	1.59	18.04	82,590	1.49	17.02	32,347	0.55	16.31	12,880	0.21	14.78	9,565	0.14
	BDT	0.79	37,79,764	3.00	0.82	37,79,764	3.10	0.79	40,70,767	3.20	0.71	45,36,121	3.20	0.72	45,36,121	3.24
	KES	0.63	65,12,279	4.10	0.65	22,07,947	1.44	-	-	-	-	-	-	-	-	-
	SGD	47.01	209	0.01	49.27	1,966	0.10	45.48	113	0.01	47.58	674	0.03	43.72	2,056	0.09
	MYR	14.65	3,112	0.05	16.97	16,541	0.28	17.15	1,391	0.02	18.35	9,378	0.17	17.49	44,030	0.77
	PHP	1.29	15,70,791	2.03	1.44	13,92,215	2.00	1.39	13,84,426	1.93	1.34	13,76,697	1.84	1.33	15,28,108	2.03
	ZAR	-	-	-	-	-	-	5.19	1,10,056	0.57	5.66	1,11,395	0.63	5.87	1,17,509	0.69
Total Receivables (A)				**1,169.11**			**876.26**			**1,051.92**			**1,247.96**			**446.40**
Hedged by derivative contracts (B)				-			-			-			-			-
Unhedged receivables (C=A-B)				**1,169.11**			**876.26**			**1,051.92**			**1,247.96**			**446.40**

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure V(B): Additional Information to Consolidated Restated Summary Statements

(All amounts in Rupees Million except for share data or as otherwise stated)

2. Details on foreign currency exposures

I. Assets	Foreign Currency	31-Mar-17			31-Mar-16			31-Mar-15			31-Mar-14			31-Mar-13		
		Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)	Exchange Rate	Amount in Foreign Currency	Amount in Rs. (Rs. in million)
II. Liabilities																
Payables (trade & other)	USD	64.85	38,37,005	248.83	66.26	1,16,18,635	769.85	62.50	85,46,742	534.17	59.75	98,32,797	587.49	54.29	41,70,601	226.40
	Euro	69.29	4,057	0.28	77.07	967	0.07	67.19	7,796	0.52	82.50	20,908	1.72	69.50	15,284	1.06
	SGD	46.41	390	0.02	49.27	390	0.02	45.48	390	0.02	47.58	95,289	4.53	43.75	2,57,060	11.25
	AED	17.66	4,828	0.09	-	-	-	-	-	-	17.00	9,723	0.17	-	-	-
	MYR	14.65	1,96,173	2.87	-	-	-	16.88	1,17,330	1.98	-	-	-	-	-	-
	KES	0.63	19,80,640	1.25	-	-	-	-	-	-	-	-	-	-	-	-
	GBP	-	-	-	95.35	3,125	0.30	92.47	3,627	0.34	-	-	-	-	-	-
	CHF	-	-	-	-	-	-	-	-	-	59.11	10,600	0.63	57.00	2,693	0.15
	BDT	-	-	-	-	-	-	-	-	-	-	-	-	0.68	2,455	-
Advance from customers		-	-	-	-	-	-	62.50	1,82,229	11.39	-	-	-	-	-	-
Royalty Payable		-	-	-	60.64	29,685	1.80	62.50	29,077	1.82	59.91	6,808	0.41	54.29	15,802	0.86
Sales commission payable		-	-	-	-	-	-	-	-	-	51.30	2,27,412	11.67	54.29	1,09,942	5.97
Borrowings																
a. Loan from Banks (Working capital loan)	USD	64.85	36,09,088	234.05	66.26	77,78,565	515.41	62.50	1,01,77,746	636.11	59.91	61,02,374	365.62	54.29	1,13,11,385	614.04
b. Loan from banks	USD	-	-	-	66.26	43,86,927	290.66	62.50	48,99,561	306.22	-	-	-	-	-	-
Total payables (A)				**487.39**			**1,578.11**			**1,492.57**			**972.24**			**859.73**
Hedged by derivative contracts (B)				-			290.66			306.22			-			-
Unhedged payables (C=A-B)				**487.39**			**1,287.45**			**1,186.35**			**972.24**			**859.73**

(All amounts in Rupees Million except for share data or as otherwise stated)

3. Dues to Micro Enterprises and Small Enterprises

Information regarding which of the Trade Payables constitute Micro, Small and Medium Enterprises (MSMEs) under the Micro, Small and Medium Enterprises Development Act, 2006 has been compiled by the Management to the extent possible by obtaining the information from the Suppliers. Based on declarations received from the suppliers, no supplier is registered under the said Act and hence the disclosure requirements of the said Act are not applicable.

4. Employee benefit plans

Defined contribution plans

The Company makes contributions to Provident Fund and Employee's Pension Scheme, 1995. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Company has recognised the following amounts in the Statement of Profit and Loss in the following years:

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Provident Fund Contributions	31.47	24.50	24.79	28.44	29.39
Employee Pension Scheme	7.36	6.70	5.93	3.37	3.70
Employee contribution funds - Singapore	0.62	0.70	0.40	0.60	-

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

Compensated absence

Compensated absence expense (net) recorded in Statement of Profit & Loss are as follows:

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Compensated absence expense (net)	5.09	3.20	2.28	8.54	0.57
Actuarial assumptions for long-term compensated absences					
Discount rate	7.31%	7.80%	8.08%	9.31%	8.00%
Expected return on plan assets	7.31%	7.80%	8.08%	9.31%	8.00%
Salary escalation	5.00%	5.00%	5.00%	5.00%	5.00%
Attrition	1.00%	1.00%	1.00%	1.00%	1.00%

(All amounts in Rupees Million except for share data or as otherwise stated)

Gratuity

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Discount rate	7.31%	8.00%	8.00%	9.00%	8.00%
Salary escalation	5.00%	4.50%	5.00%	5.00%	5.00%
Attrition (upto the age of 35 years)	1.00%	5.00%	1.00%	1.00%	1.00%
Attrition (beyond the age of 35 years)	1.00%	1.00%	1.00%	1.00%	1.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Components of employer expense					
Current service cost	11.94	8.00	6.04	7.54	9.66
Interest cost	4.88	4.40	3.71	3.48	4.09
Expected return on plan assets	(4.83)	(4.00)	(4.43)	(4.20)	(4.97)
Actuarial losses/(gains)	(4.12)	5.20	8.42	(5.52)	(7.48)
Total expense recognised in the Statement of Profit and Loss	**7.87**	**13.60**	**13.74**	**1.30**	**1.30**
Actual contribution and benefit payments for year					
Actual benefit payments	(1.86)	8.90	7.26	6.77	11.75
Actual contributions	8.71	11.80	7.00	-	-
Net asset / (liability) recognised in the Balance Sheet					
Present value of defined benefit obligation	(76.64)	(63.38)	(54.98)	(39.82)	(43.51)
Fair value of plan assets	76.64	62.60	56.03	47.62	52.56
Funded status [Surplus / (Deficit)]	-	(0.78)	1.05	7.80	9.05
Net asset / (liability) recognised in the Balance Sheet	**-**	**(0.78)**	**1.05**	**7.80**	**9.05**
Change in defined benefit obligations (DBO) during the year					
Present value of DBO at beginning of the year	63.45	54.98	39.82	43.51	48.13
Current service cost	11.94	8.00	6.04	7.54	9.66
Interest cost	4.88	4.40	3.71	3.48	4.09
Settlement cost / (credit)	-	(8.90)	(7.26)	(6.77)	(11.74)
Actuarial (gains) / losses	(1.77)	4.90	12.67	(7.94)	(6.63)
Benefits paid	(1.86)	-	-	-	-
Present value of DBO at the end of the year	**76.64**	**63.38**	**54.98**	**39.82**	**43.51**
Change in fair value of assets during the year					
Plan assets at beginning of the year	62.61	55.90	47.62	52.56	58.49
Expected return on plan assets	4.83	4.00	4.43	4.21	4.97
Actual company contributions	8.71	11.80	6.99	0.05	-
Actuarial gain / (loss)	2.35	(0.20)	4.25	(2.43)	0.85
Benefits paid	(1.86)	(8.90)	(7.26)	(6.77)	(11.75)
Plan assets at the end of the year	**76.64**	**62.60**	**56.03**	**47.62**	**52.56**
Actual return on plan assets	7.18	(3.70)	(8.68)	1.78	(5.82)
Composition of the plan assets is as follows:					
Equity mutual funds	76.64	62.60	56.03	47.62	52.56
Others	-	-	-	-	-
Experience adjustments					
Gratuity					
Present value of DBO	(76.64)	(63.38)	(54.98)	(39.82)	(43.51)
Fair value of plan assets	76.64	62.60	56.03	47.62	52.56
Funded status [Surplus / (Deficit)]	-	(0.78)	1.05	7.80	9.05
Experience gain / (loss) adjustments on plan liabilities	(3.77)	5.70	5.29	(1.42)	3.15
Experience gain / (loss) adjustments on plan assets	2.35	(0.20)	4.25	(2.43)	0.85

(All amounts in Rupees Million except for share data or as otherwise stated)

5 Segment information

The Company has identified business segment as its primary segment. The management believes that the company's operations predominantly fall under the single business segment of Networking.

Secondary Segment Information

The secondary segment being geographical segment is identified based on location of customers, individually contributing 10 percent or more of the Company's revenues.

Geographic Segment	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
I. Revenues					
India	5,518.09	4,390.85	2,129.49	2,222.24	1,579.44
Americas	1,222.59	1,162.21	756.53	643.09	610.76
Others	2,041.28	721.51	982.24	1,365.22	1,502.51
	8,781.96	**6,274.57**	**3,868.26**	**4,230.55**	**3,692.71**
II Total Carrying amount of Segment Assets, by geographical location					
India	8,796.85	8,080.33	6,734.96	6,852.79	5,919.15
Others	364.90	302.70	545.60	599.21	644.25
III Cost incurred for purchase of tangible & intangible assets by geographical location					
India	542.11	816.61	348.72	437.19	656.65
Others	-	-	-	-	0.05

6 Details of leasing arrangements

The Company has entered into operating lease arrangements for certain facilities and office premises. Certain of the leases are cancellable at the option of the lessee an certain leases have a lock-in period of three (3) to five (5) years.

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Lease payments recognised in the Statement of Profit and Loss	74.66	71.10	71.20	65.18	62.01
Future minimum lease payments					
not later than one year	13.99	23.80	25.10	45.70	26.28
later than one year and not later than five years	-	18.70	3.30	25.60	31.75
later than five years	-	-	-	-	-

(All amounts in Rupees Million except for share data or as otherwise stated)

7 Earnings per share

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Basic					
Net profit / (loss) for the year from continuing operations	632.22	290.05	(178.66)	27.77	(790.43)
Less: Preference dividend and tax thereon	-	-	-	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	632.22	290.05	(178.66)	27.77	(790.43)
Weighted average number of equity shares	6,72,23,628	6,15,87,033	6,15,46,240	6,15,46,240	6,15,46,240
Par value per share	10.00	10.00	10.00	10.00	10.00
Earnings per share from continuing operations - Basic	**9.40**	**4.71**	**(2.90)**	**0.45**	**(12.84)**
Diluted					
Net profit / (loss) for the year from continuing operations	632.22	290.05	(178.66)	27.77	(790.43)
Less: Preference dividend and tax thereon	-	-	-	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	632.22	290.05	(178.66)	27.77	(790.43)
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	632.22	290.05	(178.66)	27.77	(790.43)
Weighted average number of equity shares for Basic EPS	6,72,23,628	6,15,87,033	6,15,46,240	6,15,46,240	6,15,46,240
Add: Effect of Convertible Preference Shares*	-	49,35,981	-	-	-
Weighted average number of equity shares - for diluted EPS	6,72,23,628	6,65,23,014	6,15,46,240	6,15,46,240	6,15,46,240
Par value per share	10.00	10.00	10.00	10.00	10.00
Earnings per share, from continuing operations - diluted	**9.40**	**4.36**	**(2.90)**	**0.45**	**(12.84)**

*The Preference shares are convertible as per the method specified in the investment agreement got converted on March 28, 2016 and is not ascertainable before conversion. Accordingly it is not considered in computation of dilutive weighted average number of shares for other periods disclosed.

Note: There are potential equity shares in the form of stock options of 9,495,846, 6,926,635 and 6,833,264 to employees for the year ended March 31, 2017, March 31, 2016, and March 31, 2015 respectively. As these options are neither dilutive nor anti-dilutive, they are ignored in the calculation of diluted earnings per share.

8 Details of Provisions

Provision for warranty has been estimated based on historical quantum of replacements absorbed in cost of sales

Particulars	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Opening balance	37.41	25.41	23.48	13.41	15.31
Additions	42.92	27.30	15.22	23.75	4.89
Utilisation	21.91	15.30	13.29	13.68	6.79
Reversal (withdrawn as no longer required)		-	-	-	-
Closing balance	58.42	37.41	25.41	23.48	13.41
Of the above, the following amounts are expected to be incurred within a year:					
Provision for warranty	33.95	25.00	16.77	16.24	6.53

(All amounts in Rupees Million except for share data or as otherwise stated)

9 Employee Stock Option Plan (disclosures made under the ICAI Guidance Note on Share Based Payments)

a) In the annual general meeting held on September 24, 2014 the shareholders approved the issue of 7,101,767 options under the Scheme titled "ESOP Plan -2014" (ESOP A). The ESOP A allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

Employee stock options details as on the Balance Sheet date are as follows:

Particulars	2016-17	2015-2016	2014-2015	2013-2014	2012-2013
Option outstanding at the beginning of the year:	69,26,635	68,33,264	-	-	-
Option granted during the year:	-	93,371	68,33,264	-	-
Weighted average exercise price per option	65.00	65.00	65.00	-	-
Options exercised during the year:	18,68,122	-	-	-	-
Options lapsed during the year:	11,297	-	-	-	-
Options outstanding at the end of the year:	50,47,216	69,26,635	68,33,264	-	-
- Vested	32,02,509	32,84,856	-	-	-
- Balance to be vested	18,44,707	36,41,779	68,33,264	-	-
Options available for grant:	1,75,132	1,75,132	2,68,503	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)	14.50 years	15.50 years	16.50 years	-	-

b) In the annual general meeting held on July 25, 2016 the shareholders approved the issue of 2,000,000 options under the Scheme titled "ESOP Plan -2014 - A" (ESOP B). The ESOP B allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The difference between the fair price of the share (being the intrinsic value of the option) underlying the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

Particulars	2016-17	2015-2016	2014-2015	2013-2014	2012-2013
Option outstanding at the beginning of the year:					
Option granted during the year:	19,78,215	-	-	-	-
Weighted average exercise price per option	85	-	-	-	-
Options exercised during the year:	-	-	-	-	-
Options lapsed during the year:	7,200	-	-	-	-
Options outstanding at the end of the year:	19,71,015	-	-	-	-
- Vested	-	-	-	-	-
- Balance to be vested	19,71,015	-	-	-	-
Options available for grant:	21,785				
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)	5.72 years	-	-	-	-

c) In the extraordinary general meeting held on August 29, 2016 the shareholders approved the issue of 5,000,000 options under the Scheme titled "ESOP Plan -2016" (ESOP C). The ESOP C allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The difference between the fair price of the share (being the intrinsic value of the option) underlying the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

Particulars	2016-17	2015-2016	2014-2015	2013-2014	2012-2013
Option outstanding at the beginning of the year:					
Option granted during the year:	24,91,215	-	-	-	-
Weighted average exercise price per option	85	-	-	-	-
Options exercised during the year:	-	-	-	-	-
Options lapsed during the year:	13,600	-	-	-	-
Options outstanding at the end of the year:	24,77,615	-	-	-	-
- Vested	-	-	-	-	-
- Balance to be vested	24,77,615	-	-	-	-
Options available for grant:	25,08,785				
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)	5.99 years	-	-	-	-

(All amounts in Rupees Million except for share data or as otherwise stated)

The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
(Loss) / Profit (as reported)	632.22	290.05	(178.66)	27.77	(790.43)
Add / (Less): stock based employee compensation (intrinsic value)	-	-	-	-	-
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See note below)	(115.56)	(31.10)	(40.03)	-	-
Net Profit / (Loss) (proforma)	516.66	258.95	(218.69)	27.77	(790.43)
Basic earnings per share (as reported) - in Rs.	9.40	4.71	(2.90)	0.45	(12.84)
Basic earnings per share (proforma) - in Rs.	7.69	4.20	(3.55)	0.45	(12.84)
Diluted earnings per share (as reported) - in Rs.	9.40	4.36	(2.90)	0.45	(12.84)
Diluted earnings per share (proforma) - in Rs.	7.69	3.89	(3.55)	0.45	(12.84)

Note: The fair value impact is as adjusted for the change arising from estimated forfeiture and the actual forfeiture as well as changes made to the estimated future forfeitures of options granted.

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
ESOP 2014 Scheme					
Risk Free Interest Rate	Refer note below	7.75%	7.90%	-	-
Option life (comprising the vesting period and the exercise period)	-	16-19 years	16-19 years	-	-
Exercise period from the date of vesting	-	15 Years	15 Years	-	-
Expected Annual Volatility of Shares	-	0%	0%	-	-
Expected Dividend Yield	-	0%	0%	-	-
ESOP 2014A Scheme					
Risk Free Interest Rate	7.61%	-	-	-	-
Option life (comprising the vesting period and the exercise period)	5 to 8 years	-	-	-	-
Exercise period from the date of vesting	4 years	-	-	-	-
Expected Annual Volatility of Shares	0%	-	-	-	-
Expected Dividend Yield	0%	-	-	-	-
ESOP 2016 Scheme					
Risk Free Interest Rate	7.61%				
Option life (comprising the vesting period and the exercise period)	5 to 8 years				
Exercise period from the date of vesting	4 years				
Expected Annual Volatility of Shares	0%				
Expected Dividend Yield	0%				

Note: The assumptions are given for the period in which shares have been granted for the employees as per the respective ESOP Schemes.
The Company has not introduced any new employee share based payment plans to be administered through Trust during all the years disclosed above.

(All amounts in Rupees Million except for share data or as otherwise stated)

10 Provision for Taxation

Current Income Tax

India

Since the company has significant carry forward tax losses being business loss, unabsorbed depreciation and research and development cost, avaliable for set off there is no tax liability arising under normal tax and the company has accrued for MAT based on the annual effective tax rate. In the absence of virtual certainity of future taxable profits the Company has not recognised any MAT credit.

Deferred Taxes

The net Deferred tax as at 31 March amounting to Nil has been arrived at as follows:

	Particulars	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
A	Deferred tax liabilities arising from:					
	Difference between carrying amount of fixed assets in the financial statements and the Income tax return	229.62	228.82	67.67	100.58	186.52
B	Deferred tax assets arising from:					
	Unabsorbed depreciation allowance *	229.62	228.82	67.67	100.58	186.52
C	Net deferred tax asset / (liability) (A-B)	-	-	-	-	-
D	Net deferred tax charge for the year	-	-	-	-	-

* Recognised to the extent that there are compensatory timing differences the reversal of which will result in sufficient future taxable income against which this can be realised.

11 Product Development Cost

Product development costs capitalised with regard to the development of various modules of products are being amortised in accordance with the Company's policy.

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Amount Capitalised	428.04	705.50	294.62	199.50	509.50
Capital WIP	186.16	518.06	876.69	836.56	710.97

12 Research and development Expenses incurred by the company are as follows-

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Research and development expenses debited to statement of Profit and Loss (net)	329.26	297.40	166.24	220.89	224.18

13 Details of Capital and Revenue expenditure incurred towards Research and Development (as per DSIR)

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Tangible Assets	59.97	33.80	23.00	35.29	48.84
Intangible Assets	391.62	346.80	335.20	300.80	432.73
Total Capital Expenditure	451.59	380.60	358.20	336.09	481.57
Total Revenue Expenditure	299.90	297.40	166.24	220.89	224.18
TOTAL	751.49	678.00	524.44	556.98	705.75

14 During the year ending 31st March 2013, considering the technological changes adopted by the market, the company had decided to write off the intellectual property rights, which was acquired during Financial Year ending 31st March 2011. And the same is recorded as " Intellectual Property Written Off" Rs. 386.28 Million

15 During the year ending 31st March 2013, the Company impaired its goodwill of Rs. 101.95 Million, arising from its investment in its subsidairy, Tejas Israel Limited.

16 During the year ended March 31, 2017, the Company has reassessed the marketability of one of its in-production intangible assets and considering the technological obsolescence requiring revision in the existing product design, has written off accumulated costs relating to past development activity not supporting the future design and development amounting to Rs. 304.68 million.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure V(B): Additional Information to Consolidated Restated Summary Statements
(All amounts in Rupees Million except for share data or as otherwise stated)

17 Expenditure on corporate social responsibility (as per section 135 of the 2013 Act)
(a) Gross amount required to be spent by the Company during the 31st March 2017 Rs. 10.8 million (previous year Nil).
(b) Amount spent during the year: Rs 11 million (included under expenditure on corporate social responsibility Annexure XXIX)

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1. Construction / acquisition of any asset					
Incurred	-	-	-	-	-
Yet to be incurred	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
2. On purposes other than (1) above					
Incurred	11.00	-	-	-	-
Yet to be incurred	-	-	-	-	-
Total	**11.00**	**-**	**-**	**-**	**-**

18 Disclosure in respesct of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Closing cash in hand as on 08-11-2016					
SBNs (Rs.)	30,000	-	-	-	-
Other Denominations Notes (Rs.)	4,945	-	-	-	-
Total (Rs.)	**34,945**	-	-	-	-
(+) Permitted Receipts					
SBNs (Rs.)	-	-	-	-	-
Other Denominations Notes (Rs.)	2,26,640	-	-	-	-
Total (Rs.)	**2,26,640**	-	-	-	-
(-) Permitted Payments					
SBNs (Rs.)	-	-	-	-	-
Other Denominations Notes (Rs.)	2,15,577	-	-	-	-
Total (Rs.)	**2,15,577**	-	-	-	-
(-) Amount deposited in Banks					
SBNs (Rs.)	30,000	-	-	-	-
Other Denominations Notes (Rs.)	-	-	-	-	-
Total (Rs.)	**30,000**	**-**	**-**	**-**	**-**
Closing cash in hand as on 30-12-2016	**16,008**	**-**	**-**	**-**	**-**

19 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets, i.e., total assets minus total liabilities				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Parent Company					
As % of consolidated net assets	98.81%	100.94%	102.78%	103.13%	98.50%
Amount (Rs. in million)	4,947.24	3,639.10	3,403.51	3,345.95	3,163.85
Subsidiaries					
Indian					
vSave Energy Private Limited.					
As % of consolidated net assets	0.00%	0.00%	-0.04%	0.00%	0.00%
Amount (Rs. in million)	(0.04)	0.01	(1.30)	(0.10)	0.00
Foreign					
Tejas Communication Pte. Ltd.					
As % of consolidated net assets	1.67%	0.08%	-1.77%	-1.86%	1.01%
Amount (Rs. in million)	83.61	2.80	(58.60)	(60.50)	32.48
Tejas Isreal Ltd.					
As % of consolidated net assets	-0.48%	-1.02%	-0.97%	-1.26%	0.48%
Amount (Rs. in million)	(24.17)	(36.60)	(32.00)	(40.80)	15.54
Total					
As % of consolidated net assets	100.00%	100.00%	100.00%	100.00%	100.00%
Amount (Rs. in million)	**5,006.64**	**3,605.31**	**3,311.61**	**3,244.55**	**3,211.87**

	Share of profit or loss				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Parent Company					
As % of consolidated profit or loss	84.52%	151.54%	100.06%	223.51%	42.64%
Amount (Rs. in million)	534.33	439.55	(178.76)	62.07	(337.05)
Subsidiaries					
Indian					
vSave Energy Private Limited.					
As % of consolidated profit or loss	0.00%	0.00%	0.73%	-0.36%	0.00%
Amount (Rs. in million)	(0.03)	-	(1.30)	(0.10)	-
Foreign					
Tejas Communication Pte. Ltd.					
As % of consolidated profit or loss	13.52%	-48.89%	-2.52%	-124.59%	8.05%
Amount (Rs. in million)	85.50	(141.80)	4.50	(34.60)	(63.60)
Tejas Isreal Ltd.					
As % of consolidated profit or loss	1.96%	-2.65%	1.74%	1.44%	49.31%
Amount (Rs. in million)	12.42	(7.70)	(3.10)	0.40	(389.78)
Total					
As % of consolidated profit or loss	100.00%	100.00%	100.00%	100.00%	100.00%
Amount (Rs. in million)	**632.22**	**290.05**	**(178.66)**	**27.77**	**(790.43)**

Note : The above disclosures are net of eliminations, and all adjustments pertaining to unrealised profits or inter-company transfers and exchange translation reserve arising on consolidation has been considered in the share of the profits / (loss) and the net assets of the Parent Company.

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure V(C): Summary of events pertaining to Employee Stock Options post March 31, 2017

(All amounts in Rupees Million except for share data or as otherwise stated)

1. **Employee Stock Options**

a) In the annual general meeting held on September 24, 2014 the shareholders approved the issue of 7,101,767 options under the Scheme titled "ESOP Plan -2014" (ESOP A). The ESOP A allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The difference between the fair price of the share (being the intrinsic value of the option) underlying the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

b) In the annual general meeting held on July 25, 2016 the shareholders approved the issue of 2,000,000 options under the Scheme titled "ESOP Plan -2014 - A" (ESOP B). The ESOP B allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The difference between the fair price of the share (being the intrinsic value of the option) underlying the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

c) In the extraordinary general meeting held on August 29, 2016 the shareholders approved the issue of 5,000,000 options under the Scheme titled "ESOP Plan -2016" (ESOP C). The ESOP C allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. The difference between the fair price of the share (being the intrinsic value of the option) underlying the options granted on the date of grant of option and the exercise price of the option representing Stock compensation expense is expensed over the vesting period.

d) The particulars of movements in the status of the above mentioned ESOP A, B and C between the information disclosed as of March 31, 2017 to the date of the restated financial information is as below:

Particulars	ESOP A	ESOP B	ESOP C
As at March 31, 2017			
Options available for grant:	1,75,132	21,785	25,08,785
Option outstanding as at March 31, 2017			
- Vested	32,02,509	-	-
- Balance to be vested	18,44,707	19,71,015	24,77,615
	50,47,216	19,71,015	24,77,615
Transaction between April 01, 2017 up to May 17, 2017			
Option granted during the period	-	-	1,35,200
Weighted average exercise price per option	65.00	85.00	110.00
Options exercised during the period	13,04,719	-	-
Options lapsed during the period*	5,375	4,500	8,600
Options outstanding as on the date of report	37,37,122	19,66,515	26,04,215
- Vested*	18,95,265	-	-
- Balance to be vested*	18,41,857	19,66,515	26,04,215
Balance of options available for grant:	1,75,132	21,785	23,73,585

* Out of 5,375 options lapsed during the period, 2,525 options are 'vested and lapsed' and 2,850 options are 'balance to be vested and lapsed'.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure VI: Consolidated Restated Statement of Share Capital
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Authorised					
Equity shares of face value of Rs.	10	10	10	10	10
Equity shares (No.)	17,64,52,000	10,99,00,000	10,99,00,000	10,99,00,000	10,99,00,000
Authorised Equity shares of (Rs. in million)	1,764.52	1,099.00	1,099.00	1,099.00	1,099.00
Compulsorily Convertible preference shares of Rs.	-	1,000	1,000	1,000	1,000
Compulsorily Convertible preference shares (No.)	-	6,65,520	6,65,520	4,20,000	4,20,000
Authorised compulsorily convertible preference shares of (Rs. in million)	-	665.52	665.52	420.00	420.00
Total authorised share capital	**1,764.52**	**1,764.52**	**1,764.52**	**1,519.00**	**1,519.00**
Issued					
Equity shares of face value of Rs.	10	10	10	10	10
Equity shares (No.)	10,34,61,341	9,59,78,151	9,10,01,377	9,10,01,377	9,10,01,377
Equity shares of (Rs. in million)	1,034.61	959.78	910.01	910.01	910.01
Compulsorily Convertible preference shares of Rs.	-	-	1,000	1,000	1,000
Compulsorily Convertible preference shares (No.)	-	-	6,39,849	3,94,330	3,94,330
Compulsorily Convertible preference shares of (Rs. in million)	-	-	639.85	394.33	394.33
Total issued share capital	**1,034.61**	**959.78**	**1,549.86**	**1,304.34**	**1,304.34**
Subscribed and fully paid up					
Equity shares of face value of Rs.	10	10	10	10	10
Equity shares (No.)	7,07,33,411	6,32,50,221	5,82,73,447	5,82,73,447	5,82,73,447
Equity shares of (Rs. in million)	707.33	632.50	582.73	582.73	582.73
Compulsorily Convertible preference shares of Rs.	-	-	1,000	1,000	1,000
Compulsorily Convertible preference shares (No.)	-	-	6,39,849	3,94,330	3,94,330
Compulsorily Convertible preference shares of (Rs. in million)	-	-	639.85	394.33	394.33
Total subscribed and fully paid up share capital	**707.33**	**632.50**	**1,222.58**	**977.06**	**977.06**
Subscribed but not fully paid up					
Equity shares of face value of Rs.	10	10	10	10	10
Unpaid amount (Rs. per share)	-	9	9	9	9
Equity shares (No.)*	3,27,27,930	3,27,27,930	3,27,27,930	3,27,27,930	3,27,27,930
Equity shares of (Rs. in million)	-	32.73	32.73	32.73	32.73
Total subscribed but not fully paid up share capital	**-**	**32.73**	**32.73**	**32.73**	**32.73**
Forfeited shares (Rs. in million) (to the extent of amount paid up)*	32.73	-	-	-	-
	32.73	**-**	**-**	**-**	**-**
Total share capital	**740.06**	**665.23**	**1,255.31**	**1,009.79**	**1,009.79**

* 32,727,930 partly paid-up Equity Shares issued by our Company to the Tejas Employee Welfare Trust on June 11, 2010, were forfeited on July 25, 2016.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure VI: Consolidated Restated Statement of Share Capital
(All amounts in Rupees Million except for share data or as otherwise stated)

Notes:

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Equity shares with voting rights (fully paid up)					
At the beginning of the year	6,32,50,221	5,82,73,447	5,82,73,447	5,82,73,447	5,82,73,447
Issued during the year	74,83,190	-	-	-	-
Alloted on conversion of preference shares during the year (Refer note (f) below)	-	49,76,774	-	-	-
Outstanding at the end of the year	7,07,33,411	6,32,50,221	5,82,73,447	5,82,73,447	5,82,73,447
Equity shares with voting rights (partly paid up)					
At the beginning of the year	3,27,27,930	3,27,27,930	3,27,27,930	3,27,27,930	3,27,27,930
Issued during the year	-	-	-	-	-
Conversion during the year	-	-	-	-	-
Forfeited during the year	(3,27,27,930)	-	-	-	-
Outstanding at the end of the year	-	3,27,27,930	3,27,27,930	3,27,27,930	3,27,27,930
Compulsory convertible preference shares (fully paid up)					
At the beginning of the year	-	6,39,849	3,94,330	3,94,330	-
Issued during the year	-	-	2,45,519	-	3,94,330
Cancelled on conversion to equity shares during the year (Refer note (f) below)	-	(6,39,849)	-	-	-
Outstanding at the end of the year	-	-	6,39,849	3,94,330	3,94,330

b) Reconciliation of the amount of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Equity shares with voting rights (fully paid up)					
At the beginning of the year	632.50	582.73	582.73	582.73	582.73
Issued during the year	74.83	-	-	-	-
Alloted on conversion of preference shares during the year (Refer note (f) below)	-	49.77	-	-	-
Outstanding at the end of the year	707.33	632.50	582.73	582.73	582.73
Equity shares with voting rights (partly paid up)					
At the beginning of the year	32.73	32.73	32.73	32.73	32.73
Issued during the year	-	-	-	-	-
Conversion during the year	-	-	-	-	-
Forfeited during the year	(32.73)	-	-	-	-
Outstanding at the end of the year	-	32.73	32.73	32.73	32.73
Compulsory convertible preference shares (fully paid up)					
At the beginning of the year	-	639.85	394.33	394.33	-
Issued during the year	-	-	245.52	-	394.33
Cancelled on conversion to equity shares during the year (Refer note (f) below)	-	(639.85)	-	-	-
Outstanding at the end of the year	-	-	639.85	394.33	394.33

(All amounts in Rupees Million except for share data or as otherwise stated)

c) Details of equity shares held by each shareholder holding more than 5% shares:

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Equity shares with voting rights					
Tejas Employee Welfare Trust					
Number of shares held	-	3,97,77,769	3,97,77,769	3,97,77,769	3,97,76,269
% holding in that class of shares	-	41.44%	43.71%	43.71%	43.71%
Cascade Capital Management, Mauritius					
Number of shares held	2,18,43,184	2,18,43,184	1,88,52,150	1,88,52,150	1,88,52,150
% holding in that class of shares	30.88%	22.76%	20.72%	20.72%	20.72%
Samena Spectrum Co.					
Number of shares held	1,39,81,648	-	-	-	-
% holding in that class of shares	19.77%	-	-	-	-
Mayfield XII, Mauritius					
Number of shares held	71,06,628	71,06,628	61,33,500	61,33,500	61,33,500
% holding in that class of shares	10.05%	7.40%	6.74%	6.74%	6.74%
Sandstone Private Investments					
Number of shares held	44,87,250	-	-	-	-
% holding in that class of shares	6.34%	-	-	-	-
Intel Capital (Cayman) Corporation					
Number of shares held	41,81,400	-	-	-	-
% holding in that class of shares	5.91%	-	-	-	-

d) Details of Compulsorily convertible preference shares held by each shareholder holding more than 5% shares:

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Compulsorily Convertible Preference Shares					
Cascade Capital Management, Mauritius					
Number of shares held	-	-	3,81,099	2,13,364	2,13,364
% holding in that class of shares	-	-	59.56%	54.11%	54.11%
Intel Capital (Mauritius) Limited					
Number of shares held	-	-	55,739	55,739	55,739
% holding in that class of shares	-	-	8.71%	14.14%	14.14%
Mayfield XII, Mauritius					
Number of shares held	-	-	1,23,990	69,418	69,418
% holding in that class of shares	-	-	19.38%	17.60%	17.60%
India Industrial Growth Fund Limited					
Number of shares held	-	-	26,283	26,283	26,283
% holding in that class of shares	-	-	4.11%	6.67%	6.67%
Jade Dragon (Mauritius) Limited					
Number of shares held	-	-	47,022	26,326	26,326
% holding in that class of shares	-	-	7.35%	6.68%	6.68%

e) Shares reserved for issuance towards outstanding employee stock options granted / available for grant
(Refer Annexure V(B)(9))

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Equity shares of Rs. 10/- each	1,22,01,548	71,01,767	71,01,767	-	-

f) Right, Preferences and Restrictions attached to shares

Equity Shares :

The Company has issued only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by Directors is subject to approval by the Shareholders at the ensuring Annual General meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive only residual assets of the Company.

Convertible instruments:

The Company has issued Compulsorily convertible preference shares ("CCPS") which would be converted to equity shares at any time within a period of 19 years, beginning from June 21, 2012 in terms of the agreement. The CCPS are convertible at a price and in the manner as described in the investment agreement.

The Company has issued Compulsorily Convertible Preference Shares - II("CCPS - II") which would be converted to equity shares at any time within a period of 19 years, beginning from January 13, 2015 in terms of the Addendum to the Investment Agreement. The CCPS are convertible at a price and in the manner as described in the Addendum to the Investment Agreement.

Conversion of Compulsorily Convertible Preference Shares to Equity Shares :

On March 28, 2016, the Company has converted 394,330 Compulsorily Convertible Preference Shares (CCPS) issued pursuant to Investment Agreement dated May 30, 2012 to 2,878,321 Equity Shares of Rs. 10/- per share with a premium of Rs. 127/- per share.

On March 28, 2016, the Company has converted 245,519 Compulsory Convertible Preference Shares-II (CCPS-II) issued pursuant to Addendum to Investment Agreement dated December 29, 2014 to 2,098,453 Equity Shares of Rs. 10/- per share with a premium of Rs. 107/- per share.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure VII: Consolidated Restated Statement of Reserves and Surplus
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Securities premium account					
Opening balance	4,157.00	3,566.97	3,566.97	3,566.97	3,566.97
Add : Premium on issue of equity shares and equity shares allotted on conversion of preference shares	720.40	590.03	-	-	-
Less: Issue related expense	23.36	-	-	-	-
Closing balance	**4,854.04**	**4,157.00**	**3,566.97**	**3,566.97**	**3,566.97**
Foreign currency translation reserve					
Opening balance	(0.65)	(4.35)	(4.55)	(9.46)	(15.83)
Add / (Less): Effect of foreign exchange rate variations during the year	(2.76)	3.70	0.20	4.91	6.37
Closing balance	**(3.41)**	**(0.65)**	**(4.35)**	**(4.55)**	**(9.46)**
Surplus / (Deficit) in Statement of Profit and Loss					
Opening balance	(1,216.27)	(1,506.32)	(1,327.66)	(1,355.43)	(565.02)
Add: Profit / (Loss) for the year	632.22	290.05	(178.66)	27.77	(790.41)
Closing balance	**(584.05)**	**(1,216.27)**	**(1,506.32)**	**(1,327.66)**	**(1,355.43)**
Total	**4,266.58**	**2,940.08**	**2,056.30**	**2,234.76**	**2,202.08**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure VIII: Consolidated Restated Statement of Long Term Borrowings
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Unsecured Loan from Kreos Capital III Limited	-	49.69	53.10	59.92	67.59
(Repayable in 22 monthly installments beginning December 21, 2012)					
Less: Current maturities of long term debt (Refer annexure XIII)	-	49.69	53.10	59.92	22.80
	-	**-**	**-**	**-**	**44.79**
Unsecured Financial support under Technology Development & Demonstration Programme (TDDP) of DSIR	40.00	50.00	50.00	50.00	30.00
(Repayable in the form of annual Royalties @ 26% of total grant received for a period of 5 years from the date of commercialization. If project is abandoned then total grant received to be repaid with interest @ 12% p.a.)					
Less: Current maturities of long term debt (Refer annexure XIII)	20.00	10.00	-	-	-
	20.00	**40.00**	**50.00**	**50.00**	**30.00**
Loans against Fixed Deposits	250.00	250.00	250.00	250.00	-
Secured against fixed deposit maintained with the Bank, at an interest rate of 8.85% and repayable on March 10, 2018 (from previous year 2012-13 to 2014-15 @ 12.90% interest rate, repayable on February 05, 2016).					
Less: Current maturities of long term debt (Refer annexure XIII)	250.00	-	250.00	-	-
	-	**250.00**	**-**	**250.00**	**-**
Total	**20.00**	**290.00**	**50.00**	**300.00**	**74.79**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) There are no amounts due to Associate/ Directors/Relatives of Directors/ Entities having significant influence/Key Managerial Personnel.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure VIII: Consolidated Restated Statement of Long Term Borrowings (Contd..)
(All amounts in Rupees Million except for share data or as otherwise stated)

Principal Terms of Long Term Borrowings

Sl. No.	Name of the Lender	Nature of loan sanctioned	Total Amount Sanctioned (Rs. Million)	Total Fund based as on March 31, 2017 (Rs. Million)	Interest Rate / Total Cost	Tenor / Repayment terms	Pre-payment terms	Security as per loan agreement
1	Standard Chartered Bank	Term Loan	250.00	250.00	8.85 % p.a.	Bullet Repayment at the end of max. tenor of 24 months	The Company may prepay the loan with prior written permission of SCB, subject to compliance with the conditions stipulated by SCB including payment of pre-payment charges or break costs.	Secured against fixed deposit maintained with the Bank

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure IX: Consolidated Restated Statement of Other Long Term Liabilities
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Interest accrued but not due on borrowings	-	-	-	4.34	1.75
Total	**-**	**-**	**-**	**4.34**	**1.75**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure X: Consolidated Restated Statement of Long Term Provisions
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Provision for employee benefits:					
Provision for compensated absences	11.18	7.16	5.61	8.68	18.76
Provision for warranty (Refer annexure V(B)(8))	24.47	12.48	8.65	7.24	6.88
Total	**35.65**	**19.64**	**14.26**	**15.92**	**25.64**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure XI: Consolidated Restated Statement of Short Term Borrowings

(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Loans repayable on demand					
from banks - secured	2,259.18	1,849.70	1,691.40	2,166.92	1,951.46
from foreign bank - secured	-	290.66	306.05	-	-
from other parties - secured	-	99.97	154.30	148.81	175.38
Total	**2,259.18**	**2,240.33**	**2,151.75**	**2,315.73**	**2,126.84**

Notes:

1) Details of security for the short-term borrowings:

Particulars	Nature of security	As at				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Loans repayable on demand:						
from banks						
Project financing	Secured by exclusive charge on the assets including receivables, both present and future pertaining to the project and escrow of receivables pertaining to the project and carry an interest rate of 5.825% per annum.	-	-	152.50	450.51	-
Cash credit	Secured by hypothecation of inventory, book debts, fixed assets and current assets and carry interest rate ranging from 3% to 14.75% per annum.	995.22	786.90	793.90	976.24	535.51
Working capital demand loan		881.00	414.00	179.00	200.00	374.50
Packing credit		382.96	210.50	195.40	129.83	430.63
Buyers credit		-	373.90	337.80	365.62	398.41
Loan against fixed deposits	Secured against fixed deposit maintained with the Bank, at an interest rate of 11% per annum.	-	64.40	32.80	44.72	40.11
Bill Discounting		-	-	-	-	172.30
Total - from banks		**2,259.18**	**1,849.70**	**1,691.40**	**2,166.92**	**1,951.46**
from foreign bank						
Foreign currency non residential - bank account	Secured against Pari-passu first charge on the present and future current assets and movable fixed assets of the Company, at an interest rate of LIBOR + 2% per annum.	-	290.66	306.05	-	-
Total - from foreign bank		**-**	**290.66**	**306.05**	**-**	**-**
from other parties						
Factoring facility	Secured by assignment of underlying receivables with recourse and carry interest rates ranging from 14% to 14.5% per annum	-	99.97	154.30	148.81	175.38
Total - from other parties		**-**	**99.97**	**154.30**	**148.81**	**175.38**

2) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
3) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
4) There are no amounts due to Associate/ Directors/Relatives of Directors/ Entities having significant influence/Key Managerial Personnel.

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure XI: Consolidated Restated Statement of Short Term Borrowings (Contd..)

(All amounts in Rupees Million except for share data or as otherwise stated)

Principal Terms of Short Term Borrowings

Sl. No.	Name of the Lender	Nature of loan sanctioned (Fund Based + Non Fund Based)	Total Amount Sanctioned (Fund based + Non Fund Based) (Rs. Million)	Nature of loan outstanding (Fund Based excluding Bills Discounted)	Total Fund based excluding Bills Discounted Outstanding as on March 31, 2017 (Rs. Million) (Refer Note 1)	Interest Rate / Total Cost (Refer Note 2)	Tenor / Repayment terms	Pre-payment terms	Security as per loan agreement
1	Kotak Mahindra Bank Limited	a) Working capital limit comprising of various sub-limits like Export Packing Credit (EPC), Packing credit in Foreign Currency (PCFC), Foreign Bill Discounting (FBD), Cash Credit (CC), Overdraft, Working Capital Demand Loan (WCDL), Sales Invoice Finance, Bank Guarantee, Letter of Credit and Buyers Credit. b) Treasury Value at Risk (VaR) comprising of Forex Forward Loan Equivalent Risk (LER) and Mark to Market (MTM) Limit. c) Project specific limits comprising of Letter of Credit, Buyers Credit, Cash Credit and Sales Invoice Financing.	1,036.00	Working Capital Demand Loan	230.00	8.75%	Minimum 7 days Maximum 180 days	The Company shall be liable to pay pre-payment charges at such rates as may be advised by Kotak at the time of receipt of such pre-payment request	First pari passu hypothecation charge to be shared with Citi bank, Axis Bank, Standard Chartered Bank, and EXIM Bank on all existing and future inventory, receivables (excluding those discounted with Canbank factors) / current assets/ movable assets / movable fixed assets of the Borrower.
				Overdraft Facility	150.17	10.75%	Maximum 180 days		
2	Standard Chartered Bank	(a) Export Bills Discounting comprising of various sublimits like Overdraft, Import Letter of Credit, Bond and Guarantees, Preshipment Financing under Export Orders and Credit Bills negotiated discrepant. (b) Bond and Guarantees (c) Financial Guarantees / Standby Letter of Credit comprising of various sublimits like Import Letter of Credit and Bond & Guarantees. (d) Term Loan.	980.00	Overdraft Facility	107.77	9.00%	Maximum 365 days	The Company may prepay the loan with prior written permission of SCB, subject to compliance with the conditions stipulated by SCB including payment of pre-payment charges or break costs.	Pari Passu charge on the current assets of the Company
				PCRE	149.01	9.00%	Maximum 180 days		
3	Citibank N.A.	a) Regular Working Capital limits comprising of Cash Credit, Working Capital Demand Loan, Letters of Credit, Buyers Credit, Export Finance and Bill Discounting and Short Term Loan. b) Order specific working capital limits comprising of Working Capital Demand Loan, Letter of Credit and Buyers Credit	1,230.00	Overdraft Facility	698.84	13.00%	Maximum 365 days	Prepayment penalty @ 2% of the sanction amount or principal outstanding whichever is higher, at the discretion of Citibank N.A.	Pari Passu first charge on the present and future current assets and movable fixed assets of the Borrower. Pari Passu letter from existing working capital banks ceding charge on the enhanced limits to be submitted within 30 days Demand promissory note and letter of continuity Cash margins of 10% for Sight LC's and 100% for performance bank guarantees Drawing power will be calculated as per the internal guidelines of the Bank. No drawing power will be assigned to receivables from group entities.
				WCDL	441.00	8.50 % to 9.00 %	Maximum 180 days		
				Preshipment Credit in Foreign Currency (PCFC)	17.38	Libor + Spread (i.e. Total Interest ranging from 3.52% to 4.63%)	Maximum 180 days		

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure XI: Consolidated Restated Statement of Short Term Borrowings (Contd..)

(All amounts in Rupees Million except for share data or as otherwise stated)

Principal Terms of Short Term Borrowings

Sl. No.	Name of the Lender	Nature of loan sanctioned (Fund Based + Non Fund Based)	Total Amount Sanctioned (Fund based + Non Fund Based) (Rs. Million)	Nature of loan outstanding (Fund Based excluding Bills Discounted)	Total Fund based excluding Bills Discounted Outstanding as on March 31, 2017 (Rs. Million) (Refer Note 1)	Interest Rate / Total Cost (Refer Note 2)	Tenor / Repayment terms	Pre-payment terms	Security as per loan agreement
4	Axis Bank Limited	(a) Cash Credit, Working Capital Demand Loan comprising of various sub-limits like Inland Bill Discounting, Invoice Discounting, Export Packing Credit (EPC), Pre Shipment Credit in Foreign Currency (PCFC) and Foreign Bills Purchased / Discounted (FBP/FBD/EBRD). (b) Letter of Credit, Bank Guarantee and Letter of undertaking (LOU) for Buyers Credit	1,085.00	Cash Credit	38.34	3 Month MCLR + 1.15% p.a. (currently at 9.00% p.a.)	On Demand	N.A.	Primary: Pari passu first charge on the current assets, present and future of the Company Collateral: Pari passu first charge on the entire movable fixed assets, present and future of the Company
				WCDL	210.00	3 Month MCLR + 1.15% p.a. (currently at 9.00% p.a.)	Maximum 12 months		Primary: Counter guarantee of the Borrower All the primary/ collateral securities stipulated for CC / WCDL facilities will also be extended to cover the LoU for buyer's credit facility Collateral: 5% of the outstanding LCs to be kept in TDR with Bank's lien noted thereon
5	Export-Import Bank of India	The loan sanctioned comprises non-funded facilities by way of Bank Guarantees / Letter of Credit fully interchangeable with funded facilities by way of Export Project Cash Flow Deficit Finance (EPCDF), Pre-cum-Post Shipment Credit (PPSC).	648.50 (USD 10 million) (Refer Note 3)	Pre shipment credit without document handling	216.57	6 Month Libor + 450 BPs p.a.	Repayment is based on terms of contract.	The Company may prepay the whole or a part of any disbursement (being an amount or multiple of USD 100,000 or its equivalent in other foreign currencies in the case of foreign currency disbursement) together with accrued interest thereon subject to payment of pre-payment premium at such rate as may be determined by Exim Bank, having regard to the then remaining maturity period of the disbursement, and provided our Company shall have given Exim Bank not less than 30 days notice in writing of its intention to prepay, and the proposed date of pre-payment (incase of foreign disbursement) shall be any interest payment date	1. Pari-passu first charge on current assets of TNL, including receivables, both present and future 2. Pari-passu first charge on the entire movable fixed assets of the Company
6	Citibank N.A. - Singapore Branch	Secured on Standby letter of Credit for amount not les than US$ 1 million drawn in favor of Citibank N.A., Singapore Branch.	64.85 (USD 1 million) (Refer Note 3)	Working capital Loan	0.10	Bank`s Prime plus 4.5% p.a.	On Demand	N.A.	Secured on Standby letter of Credit for amount not les than US$ 1 million drawn in favor of Citibank N.A., Singapore Branch.
Total			**5,044.35**		**2,259.18**				

Notes:

1. Total amount outstanding of INR 2259.18 Million excludes Bills Discounted to the tune of INR 263.81 million as the company has a policy of netting-off the same with the trade receivables and consider it as contingent liability.

2. The rate of interest disclosed are those prevailing as of March 31, 2017. As per the terms of sanction, the rates of interest would be agreed mutually at the time of draw down.

3. The rate of Conversion of USD has been taken as Rs. 64.85 wherever the limits / outstanding are in USD

Tejas Networks Limited

CIN : U72900KA2000PLC026980

Annexure XII: Consolidated Restated Statement of Trade Payables

(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Other than micro enterprises and small enterprises					
Acceptances	71.04	196.73	253.12	104.62	226.00
Other than acceptances	1,328.46	1,799.76	1,123.25	1,267.78	808.74
Total	**1,399.50**	**1,996.49**	**1,376.37**	**1,372.40**	**1,034.74**

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) Following are the amounts due to Subsidiary/Associate/ Directors/Relatives of Directors/ Entities having significant influence/ Key Managerial personnel (KMP):

	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Salary Payable to KMP	2.99	7.80	0.80	2.00	-

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XIII: Consolidated Restated Statement of Other Current Liabilities
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Current maturities of long-term debt (Refer annexure VIII)	270.00	59.69	303.13	59.92	22.80
Interest accrued but not due on borrowings	4.95	5.74	3.00	5.83	5.77
Income received in advance	40.86	12.88	7.68	46.04	18.04
Advance from Customer	33.95	-	-	-	-
Gratuity (net) (Refer annexure V(B)(4))	-	0.80	-	-	-
Other payables					
Statutory remittances	50.72	108.06	40.98	58.66	25.47
Payables on foreign currency forward (net)	-	12.42	-	-	-
Others	1.92	2.99	2.21	8.89	5.62
Total	**402.40**	**202.58**	**357.00**	**179.34**	**77.70**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XIV: Consolidated Restated Statement of Short term Provisions
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Provision for employee benefits					
Provision for compensated absences	2.54	1.93	0.92	1.60	1.66
Provision - Others:					
Provision for income tax (net of advance tax)	1.88	1.80	1.88	1.88	1.88
Provision for warranty (Refer annexure V(B)(8))	33.95	24.95	16.77	16.24	6.53
Total	**38.37**	**28.68**	**19.57**	**19.72**	**10.07**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XV: Consolidated Restated Statement of Fixed Assets - Tangibles
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	Gross block						Accumulated depreciation					Closing net block
	Opening balance	**Additions**	**Deletions**	**Effect of foreign currency exchange differences**	**Other adjustments**	**Closing balance**	**Opening balance**	**Depreciation / amortisation expense for the year**	**Eliminated on disposal of assets**	**Other adjustments**	**Closing balance**	
As at March 31, 2017												
Electrical Installations	81.24	9.60	-	-	-	90.84	32.57	7.95	-	-	40.52	50.32
Furniture and Fixtures	70.78	5.88	-	-	-	76.66	29.44	14.08	-	-	43.52	33.14
Networking Equipment	8.49	0.79	-	-	-	9.28	5.43	1.18	-	-	6.61	2.67
Computing Equipment	62.44	10.13	-		-	72.57	51.86	6.33	-	-	58.19	14.38
Servers	14.34	4.84	-	-	-	19.18	12.61	1.06	-	-	13.67	5.51
Laboratory Equipment	199.67	48.03	-	-	-	247.70	136.30	11.41	-	-	147.71	99.99
Office Equipment	12.56	1.82	-	-	-	14.38	10.16	1.44	-	-	11.60	2.78
Vehicles	0.92	-	-	-	-	0.92	0.49	0.09	-	-	0.58	0.34
R&D Cards	194.71	-	-	-	-	194.71	75.17	48.68	-	-	123.85	70.86
Total	**645.15**	**81.09**	**-**	**-**	**-**	**726.24**	**354.03**	**92.22**	**-**	**-**	**446.25**	**279.99**
As at March 31, 2016												
Electrical Installations	76.04	5.20	-	-	-	81.24	25.88	6.69	-	-	32.57	48.67
Furniture and Fixtures	68.80	1.98	-	-	-	70.78	23.03	6.41	-	-	29.44	41.34
Networking Equipment	8.30	0.19	-	-	-	8.49	4.14	1.29	-	-	5.43	3.06
Computing Equipment	50.88	11.56	-	-	-	62.44	48.09	3.77	-	-	51.86	10.58
Servers	14.34	-	-	-	-	14.34	11.99	0.62	-	-	12.61	1.73
Laboratory Equipment	173.09	26.58	-	-	-	199.67	128.54	7.76	-	-	136.30	63.37
Office Equipment	12.00	0.56	-	-	-	12.56	9.24	0.92	-	-	10.16	2.40
Vehicles	0.92	-	-	-	-	0.92	0.40	0.09	-	-	0.49	0.43
R&D Cards	143.97	50.74	-	-	-	194.71	35.99	39.18	-	-	75.17	119.54
Total	**548.34**	**96.81**	**-**	**-**	**-**	**645.15**	**287.30**	**66.73**	**-**	**-**	**354.03**	**291.12**
As at March 31, 2015												
Leasehold Improvements	58.98	-	-	-	(58.98)	-	12.01	-	-	(12.01)	-	-
Electrical Installations	75.67	11.01	27.77	-	17.13	76.04	40.28	6.37	27.77	7.00	25.88	50.16
Furniture and Fixtures	27.17	0.55	0.76	(0.01)	41.85	68.80	13.04	5.78	0.76	4.97	23.03	45.77
Networking Equipment	12.40	-	4.10	-	-	8.30	7.04	1.20	4.10	-	4.14	4.16
Computing Equipment	86.24	1.23	16.75	(5.50)	(14.34)	50.88	76.87	4.81	16.75	(16.84)	48.09	2.79
Servers	-	-	-	-	14.34	14.34	-	0.62	-	11.37	11.99	2.35
Laboratory Equipment	213.45	16.99	57.35	-	-	173.09	181.22	4.67	57.35	-	128.54	44.55
Office Equipment	18.01	1.73	7.70	(0.04)	-	12.00	16.30	0.71	7.70	(0.07)	9.24	2.76
Vehicles	9.09	-	8.17	-	-	0.92	8.48	0.09	8.17	-	0.40	0.52
R&D Cards	143.97	-	-	-	-	143.97	-	35.99	-	-	35.99	107.98
Total	**644.98**	**31.51**	**122.60**	**(5.55)**	**0.00**	**548.34**	**355.24**	**60.24**	**122.60**	**(5.58)**	**287.30**	**261.04**
As at March 31, 2014												
Leasehold Improvements	40.88	18.10	-	-	-	58.98	10.85	1.16	-	-	12.01	46.97
Electrical Installations	68.73	6.94	-	-	-	75.67	29.95	10.33	-	-	40.28	35.39
Furniture and Fixtures	21.70	5.47	-	-	-	27.17	8.77	4.27	-	-	13.04	14.13
Networking Equipment	10.96	1.44	-	-	-	12.40	5.74	1.30	-	-	7.04	5.36
Computing Equipment	80.25	5.46	-	0.53	-	86.24	67.45	8.90	-	0.52	76.87	9.37
Laboratory Equipment	184.25	29.20	-	-	-	213.45	155.35	25.87	-	-	181.22	32.23
Office Equipment	16.68	1.33	-	-	-	18.01	13.30	3.00	-	-	16.30	1.71
Vehicles	8.17	0.92	-	-	-	9.09	7.70	0.78	-	-	8.48	0.61
R&D Cards	-	143.97	-	-	-	143.97	-	-	-	-	-	143.97
Total	**431.62**	**212.83**	**-**	**0.53**	**-**	**644.98**	**299.11**	**55.61**	**-**	**0.52**	**355.24**	**289.74**
As at March 31, 2013												
Leasehold Improvements	36.54	25.11	20.77	-	-	40.88	9.15	3.82	2.12	-	10.85	30.03
Electrical Installations	33.88	38.86	4.01	-	-	68.73	25.31	5.04	0.40	-	29.95	38.78
Furniture and Fixtures	13.88	12.97	5.97	0.82	-	21.70	6.89	2.05	0.21	0.04	8.77	12.93
Networking Equipment	8.38	4.77	2.19	-	-	10.96	4.44	1.35	0.05	-	5.74	5.22
Computing Equipment	77.44	6.00	4.24	1.05	-	80.25	57.36	11.75	2.58	0.92	67.45	12.80
Laboratory Equipment	150.93	33.32	-	-	-	184.25	132.74	22.61	-	-	155.35	28.90
Office Equipment	15.69	2.01	1.02	-	-	16.68	12.35	1.06	0.11	-	13.30	3.38
Vehicles	8.17	-	-	-	-	8.17	6.35	1.35	-	-	7.70	0.47
Total	**344.91**	**123.04**	**38.20**	**1.87**	**-**	**431.62**	**254.59**	**49.03**	**5.47**	**0.96**	**299.11**	**132.51**

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.

2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

3) Other adjustments include reclassification of leasehold improvement to electrical installation and a separate class of asset for server. The reason for reclassification was on account of requirement of Companies Act, 2013.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XVI: Consolidated Restated Statement of Fixed Assets - Intangibles
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	Gross block				Accumulated depreciation				Closing net block
	Opening balance	Additions	Deletions	Closing balance	Opening balance	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Closing balance	
As at March 31, 2017									
Computer software	76.49	32.98		109.47	71.49	20.61		92.10	17.37
Product development	2,839.60	428.04		3,267.64	2,192.71	451.39		2,644.10	623.54
Total	**2,916.09**	**461.02**	**-**	**3,377.11**	**2,264.20**	**472.00**	**-**	**2,736.20**	**640.91**
As at March 31, 2016									
Computer software	62.22	14.27	-	76.49	53.06	18.43	-	71.49	5.00
Product development	2,134.07	705.53	-	2,839.60	1,895.44	297.27	-	2,192.71	646.89
Total	**2,196.29**	**719.80**	**-**	**2,916.09**	**1,948.50**	**315.70**	**-**	**2,264.20**	**651.89**
As at March 31, 2015									
Computer software	191.62	22.59	151.99	62.22	173.24	31.81	151.99	53.06	9.16
Product development	1,839.45	294.62	-	2,134.07	1,501.84	393.60	-	1,895.44	238.63
Total	**2,031.07**	**317.21**	**151.99**	**2,196.29**	**1,675.08**	**425.41**	**151.99**	**1,948.50**	**247.79**
As at March 31, 2014									
Computer software	166.76	24.86	-	191.62	152.89	20.35	-	173.24	18.38
Product development	1,639.95	199.50	-	1,839.45	1,019.30	482.54	-	1,501.84	337.61
Total	**1,806.71**	**224.36**	**-**	**2,031.07**	**1,172.19**	**502.89**	**-**	**1,675.08**	**355.99**
As at March 31, 2013									
Computer software	142.60	24.16	-	166.76	116.32	36.57	-	152.89	13.87
Product development	1,130.45	509.50	-	1,639.95	624.58	394.72	-	1,019.30	620.65
Intellectual property	386.28	-	386.28	-	-	-	-	-	-
Total	**1,659.33**	**533.66**	**386.28**	**1,806.71**	**740.90**	**431.29**	**-**	**1,172.19**	**634.52**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

3) For the year ended March 31, 2016, the company had received approval under Modified Special Incentive Package Scheme (MSIPS) from the Ministry of Communication and Information Technology, Department of Information Technology, vide sanction letter no. 27(18)/2013-IPHW dated December 5, 2014. Under the said scheme, the Company is in the process of submitting a claim for incentive amounting to Rs. 31.90 million which has not been adjusted to the cost of respective assets, as the same is contingent upon receipt of approval of the final amounts.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XVII: Consolidated Restated Statement of Non-current investments
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Investments (At cost):					
Trade					
Investment in equity instruments					
ELCIA ESDM Cluster					
Number of shares	1,100	1,100	1,100	-	-
Amount	0.01	0.01	0.01	-	-
Total	0.01	0.01	0.01	-	-
Aggregate amount of unquoted investments	0.01	0.01	0.01	-	-

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XVIII: Consolidated Restated Statement of Long term Loans and advances
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Security deposits, unsecured considered good	54.78	44.38	49.98	51.94	42.54
Loans and advances to employees, unsecured, considered good	-	-	-	0.02	1.03
Advance income tax and taxes deducted at sources (Refer note 3 below)	227.99	176.60	154.43	130.87	105.33
Capital advances	-	-	-	0.53	-
Other loans and advances					
Tejas Employee Welfare Trust, unsecured, considered good	-	334.13	335.23	336.83	337.93
Prepaid Expenses	8.00	5.26	6.58	17.88	2.19
Total	**290.77**	**560.37**	**546.22**	**538.07**	**489.02**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) Advance income tax and taxes deducted at sources are net of provisions :

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Advance income tax and taxes deducted at sources	358.58	294.40	274.05	250.49	201.95
Less: Provision for tax	130.59	117.80	119.62	119.62	96.62
Net advance income tax and taxes deducted at sources	227.99	176.60	154.43	130.87	105.33

4) There are no amounts due from Subsidiary/Associate/ Directors/Relatives of Directors/ Entities having significant influence/ Key Managerial personnel.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XIX: Consolidated Restated Statement of Other non-current assets
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Long-term trade receivables, unsecured, considered good	177.99	66.22	30.25	85.94	8.31
Accruals, Interest accrued on deposits	0.13	-	-	3.01	0.05
Fixed deposits	850.96	250.00	-	251.12	0.20
In earmarked deposit accounts					
Balances held as margin money or security against borrowings, guarantees and other commitments	141.12	-	-	-	-
Total	**1,170.20**	**316.22**	**30.25**	**340.07**	**8.56**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) There are no amounts due from Subsidiary/Associate/Directors/Relatives of Directors/ Entities having significant influence/ Key Managerial personnel.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XX: Consolidated Restated Statement of Current Investments
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Unquoted Investment in mutual funds					
ICICI - Interval 1 Quarterly Series 61	-	-	-	-	-
IDFC - Money Manager Fund -	-	-	-	-	-
Birla Sun Life	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXI: Consolidated Restated Statement of Inventories

(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Raw materials, components including assemblies and sub assemblies	1,817.24	2,308.84	2,194.34	2,066.81	2,077.98
Goods-in-transit	-	7.95	14.73	18.86	63.49
Total	**1,817.24**	**2,316.79**	**2,209.07**	**2,085.67**	**2,141.47**

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXII: Consolidated Restated Statement of Trade Receivables

(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Trade receivables outstanding for a period exceeding six months from the date they were due for payment					
Unsecured, considered good	446.20	438.91	560.33	327.49	477.45
Unsecured, considered doubtful	57.79	76.23	377.71	194.84	124.43
	503.99	515.14	938.04	522.33	601.88
Less: Provision for doubtful trade receivables	57.79	76.23	377.71	194.84	124.43
	446.20	438.91	560.33	327.49	477.45
Other Trade receivables					
Unsecured, considered good	3,397.56	3,252.54	2,247.09	2,562.26	1,775.47
Less: Bill Discounting	263.81	1,149.04	731.23	656.74	873.90
Total	**3,579.95**	**2,542.41**	**2,076.19**	**2,233.01**	**1,379.02**

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) There are no amounts due from Subsidiary/Associate/Directors/Relatives of Directors/ Entities having significant influence/ Key Managerial personnel.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXIII: Consolidated Restated Statement of Cash and bank balances
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Cash & cash equivalents					
Cash on hand	-	0.05	0.15	0.12	0.03
Balances with banks					
In current accounts	174.13	469.92	63.36	21.31	64.86
In EEFC accounts	28.02	6.33	9.14	25.28	24.59
In deposit accounts	107.62	15.05	58.64	-	281.13
	309.77	491.35	131.29	46.71	370.61
Other bank balances					
In other deposit accounts	61.74	-	-	-	-
In earmarked deposit accounts					
Balances held as margin money or security against borrowings, guarantees and other commitments	337.86	202.48	368.20	182.48	213.45
Total	**709.37**	**693.83**	**499.49**	**229.19**	**584.06**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXIV: Consolidated Restated Statement of Short-term loans and advances
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Security deposits, unsecured, considered good	5.19	6.30	7.69	9.20	15.71
Loans and advances to employees, unsecured					
Considered good	155.13	15.65	54.49	31.29	31.33
Considered doubtful	-	-	-	-	1.26
	155.13	15.65	54.49	31.29	32.59
Less: Provision for doubtful loans and advances	-	-	-	-	1.26
	155.13	15.65	54.49	31.29	31.33
Prepaid expenses - Unsecured, considered good	88.56	25.22	37.93	33.14	28.27
Balances with government authorities, unsecured, considered good					
CENVAT credit receivable	78.18	64.59	25.34	108.01	149.27
VAT credit receivable	0.49	3.21	8.74	49.07	20.51
Service Tax credit receivable	27.54	33.72	20.06	11.40	23.94
	106.21	101.52	54.14	168.48	193.72
Advance to Suppliers, unsecured					
Considered good	54.97	179.77	156.80	134.17	160.49
Considered doubtful	-	-	24.32	24.32	-
	54.97	179.77	181.12	158.49	160.49
Less: Provision for doubtful advances to suppliers	-	-	24.32	24.32	-
	54.97	179.77	156.80	134.17	160.49
Others	6.51	13.40	6.08	4.70	4.26
Total	**416.57**	**341.86**	**317.13**	**380.98**	**433.78**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) There are no amounts due from Subsidiary/Associate/ Directors/Relatives of Directors/ Entities having significant influence/ Key Managerial personnel.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXV: Consolidated Restated Statement of Other Current Assets
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	As at				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Accruals, Interest accrued on deposits	2.68	1.25	3.87	0.86	6.65
Others					
KESDM Incentive claims	10.00	90.70	92.80	54.16	-
Patent expense reimbursable	-	9.94	14.28	12.24	7.12
Expenses recoverable	-	-	-	-	7.87
Receivable on foreign currency forwards (net)	-	-	3.67	-	-
Focus Product Scheme claim	57.89	48.58	99.68	87.67	25.72
Excess of plan asset on gratuity obligation(Refer annexure V(B)(4))	-	-	1.05	7.79	-
Total	**70.57**	**150.47**	**215.35**	**162.72**	**47.36**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXVI: Consolidated Restated Statement of Revenue from operations
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Sale of products					
Manufactured goods - Optical and Data Networking products including multiplexers	8,401.35	6,300.11	3,700.82	3,513.31	2,611.28
Component sales	557.42	123.24	3.18	389.16	854.22
	8,958.77	6,423.35	3,704.00	3,902.47	3,465.50
Sale of services					
Installation & commissioning revenue	45.08	17.93	33.96	32.35	24.99
Annual maintenance revenue	284.77	254.56	185.78	218.49	180.72
Other service revenue	32.39	48.85	109.43	180.61	151.63
	362.24	321.34	329.17	431.45	357.34
Other operating revenues					
Export incentives	40.43	0.25	37.75	69.20	41.39
	40.43	0.25	37.75	69.20	41.39
Revenue from operations (gross)	**9,361.44**	**6,744.94**	**4,070.92**	**4,403.12**	**3,864.23**
Less: Excise duty	579.48	470.37	202.66	172.57	171.52
Revenue from operations (net)	**8,781.96**	**6,274.57**	**3,868.26**	**4,230.55**	**3,692.71**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of profit and loss of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXVII: Consolidated Restated Statement of Cost of materials consumed
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Opening stock	2,308.87	2,194.35	2,066.83	2,077.98	2,262.10
Add: Purchases	4,648.90	3,671.77	2,117.28	2,219.79	2,112.57
Less: Capitalised during the year	-	50.70	8.46	145.66	38.62
	6,957.77	**5,815.42**	**4,175.65**	**4,152.11**	**4,336.05**
Less: Closing stock	1,817.24	2,308.87	2,194.35	2,066.83	2,077.98
Cost of material consumed	**5,140.53**	**3,506.55**	**1,981.30**	**2,085.28**	**2,258.07**

Notes:
1) The figures disclosed above are based on the restated consolidated summary statement of profit and loss of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXVIII: Consolidated Restated statement of employee benefits
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Salaries and wages	1,060.61	919.72	743.21	676.42	781.21
Contributions to provident and other funds	47.32	45.52	44.86	33.60	34.85
Staff welfare expenses	46.92	37.38	28.50	39.78	27.96
Less: Capitalised during the year	391.62	337.35	321.46	300.80	393.23
Total	**763.23**	**665.27**	**495.11**	**449.00**	**450.79**

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of profit and loss of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXIX: Consolidated Restated Statement of Other expenses
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Installation & Commissioning Expenses	80.97	68.68	39.00	31.03	25.92
Other Processing Charges	47.14	42.22	18.61	78.75	33.27
Power and fuel	36.01	34.15	29.72	30.38	29.03
Housekeeping & Security	21.62	13.27	13.13	14.05	14.15
Rent including lease rentals	74.66	71.10	71.20	65.18	62.01
Repairs and maintenance - Machinery	4.88	9.52	2.92	3.69	4.56
Repairs and maintenance - Others	56.05	49.21	31.55	33.97	39.51
Insurance	7.55	10.71	11.47	11.80	10.44
Rates and taxes	39.17	46.13	25.67	36.82	6.60
Communication	12.85	11.84	11.54	13.97	12.67
Royalty	9.89	0.85	0.90	1.52	0.43
Travelling and conveyance	118.84	80.12	60.59	84.48	63.24
Provision for doubtful advances	-	-	-	24.32	-
Printing and stationery	5.19	2.97	2.15	1.98	1.76
Freight and forwarding	14.81	42.01	46.59	49.17	41.54
Sales Expenses	94.65	93.08	19.85	66.35	15.66
Sales commission	187.15	24.86	12.26	5.70	1.00
Business promotion	8.36	2.67	1.98	1.64	3.30
Donations and contributions	0.07	-	0.34	0.16	0.24
Director Sitting Fees	1.40	1.15	0.40	0.26	0.29
Director Commission	1.50	-	-	-	-
Legal and professional	91.79	88.74	35.06	38.47	31.81
Payments to auditors (refer note (1) below)	6.66	10.25	8.50	8.40	7.83
Net loss on foreign currency transactions and translation (other than considered as finance cost)	47.03	14.44	38.32	4.73	25.08
Loss on fixed assets sold / scrapped / written off	- -	-	-	-	29.14
Bad trade and other receivables, loans and advances written off	52.58	503.34	-	-	-
Less:- Provision for doubtful trade and other receivables, loans and advances released	33.53	402.01	-	-	-
	19.05	101.33	-	-	-
Provision for doubtful trade and other receivables	16.05	76.23	182.87	110.35	62.40
Provision for warranty	42.90	27.36	15.26	23.75	4.89
KESDM receivable write off	70.72	-	-	-	-
Expenditure on Corporate Social Responsibility	1.10	-	-	-	-
Miscellaneous expenses	27.14	58.86	31.95	25.93	18.72
Less: Capitalised during the year	9.29	9.46	5.19	20.25	3.29
Total	**1,135.91**	**972.29**	**706.64**	**746.60**	**542.20**

Notes:

1) Payments to the auditors comprises (net of service tax input credit, where applicable):

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Statutory auditors					
-Audit fee	4.00	4.00	2.80	2.30	2.90
-Tax matters	2.21	3.80	2.20	2.89	2.39
-Reimbursement of expenses	0.17	1.25	0.30	0.38	0.11
Other auditors for the subsidiaries					
-Statutory Audit	0.06	1.20	3.20	2.78	2.39
-Tax matters	0.19	-	-	-	-
-Reimbursement of expenses	0.03	-	-	0.05	0.04
Total	6.66	10.25	8.50	8.40	7.83

2) The figures disclosed above are based on the restated consolidated summary statement of profit and loss of the group.

3) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXX: Consolidated Restated Statement of Finance costs
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Interest expense on:					
Borrowings	236.49	366.41	376.42	361.72	296.15
Delayed payment of taxes	1.34	25.68	2.70	1.00	-
Other borrowing costs	57.44	66.66	53.54	42.17	33.64
	295.27	458.75	432.66	404.89	329.79
Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	19.93	34.40	36.93	54.90	26.38
Total	**315.20**	**493.15**	**469.59**	**459.79**	**356.17**

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of profit and loss of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXI: Consolidated Restated Statement of Other Income
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Interest income from bank on deposits	41.12	34.46	34.04	33.79	36.05
Other non-operating income					
Karnataka Electronic System Design & Manufacturing Inter State Sales CST Reimbursement	-	-	38.64	44.16	-
Karnataka Electronic System Design & Manufacturing R&D Grant	10.00	-	10.00	10.00	-
Corporate Charges	-	-	-	2.07	-
Profit on sale of fixed assets	-	-	4.45	-	-
Doubtful debts recovered	2.91	-	-	-	-
Insurance claims on fire*	-	-	-	-	48.12
Liabilities no longer required written back	15.13	-	-	-	-
Miscellaneous income	17.64	0.71	4.24	6.37	7.42
Dividend income:from current investments in mutual funds	-	-	-	-	3.36
Total	**86.80**	**35.17**	**91.37**	**96.39**	**94.95**

Notes:

1) The figures disclosed above are based on the restated consolidated summary statement of profit and loss of the group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

* Insurance claim on fire non-recurring in nature

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXII: Consolidated Restated Summary Statement of Function- Wise Profits and Losses
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars	For the year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Revenue					
Products	7,821.87	5,829.74	3,498.16	3,340.74	2,439.76
Traded goods - Component sales	557.42	123.24	3.18	389.16	854.22
Services	362.24	321.34	329.17	431.45	357.34
Other Operating Revenues	40.43	0.25	37.75	69.20	41.39
Net Revenue (A)	**8,781.96**	**6,274.57**	**3,868.26**	**4,230.55**	**3,692.71**
Cost of Material Consumed/Sold	5,193.19	3,576.81	2,043.18	2,204.50	2,331.50
Manufacturing Expenses	161.01	135.11	142.30	92.00	71.95
Service Expenses	301.18	236.03	177.24	184.84	136.12
Total Cost of Goods Sold (B)	**5,655.38**	**3,947.95**	**2,362.72**	**2,481.34**	**2,539.57**
Gross Profit (C) = (A) - (B)	**3,126.58**	**2,326.62**	**1,505.54**	**1,749.21**	**1,153.14**
Operating Expenses:					
Research & Development (Gross)	730.17	644.21	489.58	523.22	619.30
Less: R&D Capitalised	(400.91)	(346.81)	(323.34)	(302.33)	(395.12)
Research & Development (Net)	**329.26**	**297.40**	**166.24**	**220.89**	**224.18**
Selling & Marketing	713.58	659.44	450.06	418.25	305.05
General & Administrative	294.42	224.88	165.71	155.67	157.18
Operating Expenses (Net) (D)	**1,337.26**	**1,181.72**	**782.01**	**794.81**	**686.41**
Income/(Loss) from operations (EBITDA) (E) = (C) - (D)	**1,789.32**	**1,144.90**	**723.53**	**954.40**	**466.73**
Other Income	86.80	35.17	91.37	96.39	94.95
Foreign exchange loss/(gain)	66.96	48.84	75.25	59.63	51.46
Finance costs	295.27	458.75	432.66	404.89	329.79
Depreciation and amortization	564.22	382.43	485.65	558.50	480.32
Restated Income/(Loss) before Exceptional items and tax	**949.67**	**290.05**	**(178.66)**	**27.77**	**(299.89)**
Exceptional items					
Intellectual Property write off	-	-	-	-	(386.28)
Goodwill written off	-	-	-	-	(101.95)
Intangible assets in progress written off	(304.68)	-	-	-	-
Restated Income / (Loss) before tax	**644.99**	**290.05**	**(178.66)**	**27.77**	**(788.12)**
Tax expense:					
Current tax	12.77	-	-	-	2.31
Deferred tax	-	-	-	-	-
Restated Net Income / (Loss) for the year	**632.22**	**290.05**	**(178.66)**	**27.77**	**(790.43)**
Earning per share (Par Value Rs. 10 each)					
(a) Basic	**9.40**	**4.71**	**(2.90)**	**0.45**	**(12.84)**
(b) Diluted	**9.40**	**4.36**	**(2.90)**	**0.45**	**(12.84)**
Weighted average Basic Equity share outstanding	6,72,23,628	6,15,87,033	6,15,46,240	6,15,46,240	6,15,46,240
Weighted average Diluted Potential Equity share outstanding	6,72,23,628	6,65,23,014	6,15,46,240	6,15,46,240	6,15,46,240

Notes:

1. Classification of expenses as per Consolidated Restated Summary Statement of Functionwise Profits and Losses has been determined by the Management based on costs directly incurred for various functional cost centers which are identifiable and allocation of common costs which are not directly attributable to any specific functional cost centre on a the basis of head count for all the periods. The total of each category of expenses have been agreed with the audited financial statements, and the auditors have relied on the management representation as to the head count for each function for the allocation and identification of direct employee costs.

2. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXII: Consolidated Restated Summary Statement of Function- Wise Profits and Losses
(All amounts in Rupees Million except for share data or as otherwise stated)

3 The breakup of foreign exchange loss/(gain) is as under:

	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Net (gain) / loss on foreign currency transactions and translation towards borrowings (considered as finance cost) (Refer Annexure XXX)	19.93	34.40	36.93	54.90	26.38
Net loss on foreign currency transactions and translation others (other than considered as finance cost) (Refer Annexure XXIX)	47.03	14.44	38.32	4.73	25.08
	66.96	**48.84**	**75.25**	**59.63**	**51.46**

4 The reconciliation of EBITDA between Schedule III and functionwise profit and loss account is as follows:

	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
EBITDA as per Schedule III (Refer Annexure II)	1,742.29	1,130.46	685.21	949.67	441.65
Net loss on foreign currency transactions and translation others (other than considered as finance cost) (Refer Annexure XXIX)	47.03	14.44	38.32	4.73	25.08
EBITDA as per functionwise P&L	**1,789.32**	**1,144.90**	**723.53**	**954.40**	**466.73**

5 The reconciliation of Cost of Material Consumed/Sold between Schedule III and functionwise profit and loss account is as follows:

	For the year ended				
	March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Cost of material consumed as per Schedule III (Refer Annexure II)	5,140.53	3,506.55	1,981.30	2,085.28	2,258.07
Add: Considered separately under other expenses as per Schedule III (Refer Annexure XXIX)					
Other Processing Charges	47.14	42.22	18.61	78.75	33.27
Freight and forwarding	14.81	42.01	46.59	49.17	41.54
Less: other processing charges considered under R&D	9.29	9.46	3.32	8.70	1.38
Less: Elimination Difference	-	4.51	-	-	-
Cost of material consumed as per restated functionwise P&L	5,193.19	3,576.81	2,043.18	2,204.50	2,331.50

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXIII: Consolidated Restated Statement of Related Party Transactions
(All amounts in Rupees Million except for share data or as otherwise stated)

Related Party Transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Sanjay Nayak

Details of the related party transactions during the year and balances outstanding at the year end:

		For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Transaction during the year						
Remuneration	KMP	15.14	14.95	7.20	5.21	9.44
Balances outstanding at the end of the year						
Remuneration payable	KMP	2.99	7.80	0.80	2.00	-

There are no individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise. There have been no transactions with any relatives of Key Management Personnel.or companies in which such relative may be interested.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXIV: Consolidated Restated Statement of Accounting Ratios
(All amounts in Rupees Million except for share data or as otherwise stated)

Particulars		As at / For the year ended				
		March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Net Profit after tax as restated	A	632.22	290.05	(178.66)	27.77	(790.43)
Less: Preference dividend and tax thereon		-	-	-	-	-
Net profit after tax (as restated) attributable to equity shareholders	**B**	**632.22**	**290.05**	**(178.66)**	**27.77**	**(790.43)**
Weighted average no. of equity shares outstanding during the year used for computing Basic EPS (Refer Note 4 below)	C	6,72,23,628	6,15,87,033	6,15,46,240	6,15,46,240	6,15,46,240
Add: Effect of dilution						
Convertible preference shares/ warrants	D	-	49,35,981	-	-	-
Weighted average no. of equity shares for calculating Diluted EPS	**E = C+D**	**6,72,23,628**	**6,65,23,014**	**6,15,46,240**	**6,15,46,240**	**6,15,46,240**
Net Worth at the end of the year (Rs. in million) (Refer Note 6 below)	**F**	**5,006.64**	**3,605.31**	**3,311.61**	**3,244.55**	**3,211.87**
Total no. of equity shares outstanding at the end of the year (Refer Note 5)		7,07,33,411	6,65,23,014	6,15,46,240	6,15,46,240	6,15,46,240
Add: Equity shares equivalent of CCPS (Refer Note 5)		-	-	49,76,774	28,78,321	28,78,321
Total adjusted equity shares	**G**	**7,07,33,411**	**6,65,23,014**	**6,65,23,014**	**6,44,24,561**	**6,44,24,561**
Accounting ratios:						
Basic earnings per share (EPS) (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(a) below)	H = B/C	9.40	4.71	(2.90)	0.45	(12.84)
Diluted earnings per share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(b) below)	I = A/E	9.40	4.36	(2.90)	0.45	(12.84)
Return on Net Worth (%) (Refer Note 3(c) below)	J = A/F	12.63%	8.05%	-5.39%	0.86%	-24.61%
Net asset value per equity share (Rs.) (Face value of Rs. 10 per share) (Refer Note 3(d) below)	K = F/G	70.78	54.20	49.78	50.36	49.85

Notes:

1. The figures disclosed above are based on the restated consolidated summary statements of the Company.

2. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.

3. The Ratios have been computed as below:

(a) Basic Earnings per share (Rs.) = $\dfrac{\text{Net profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

(b) Diluted Earnings per share (Rs.) = $\dfrac{\text{Net profit after tax}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$

(c) Return on Net Worth (%) = $\dfrac{\text{Net profit after tax}}{\text{Net worth at the end of the year}}$

(d) Net asset value per share (Rs.) = $\dfrac{\text{Net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5 Note: There are potential equity shares in the form of stock options of 9,495,846, 6,926,635 and 6,833,264 to employees for the year ended March 31, 2017, March 31, 2016, and March 31, 2015 respectively. As these options are neither dilutive nor anti-dilutive, they are ignored in the calculation of diluted earnings per share.

6 a. Total no. of equity shares outstanding at the end of the year is determined by considering the the total number of fully paid up equity shares and proportionate number of partly paid up equity shares outstanding as at the year end. The partly paid up equity shares represent 32,727,930 equity shares of Rs. 10/- each with Re.1/- paid up as at year ended March 31, 2016, 2015, 2014 and 2013.

b. The number of shares considered under Compulsarily convertible preference shares (CCPS) represent the contracted number of equity shares to be alloted as per the Investment Agreement dated May 30, 2013 and addendum to Investment Agreement dated December 29, 2014. The total number of preference shares outstanding as of March 31,2017, 2016, 2015, 2014 and 2013 was Nil, Nil, 639,849, 394,330 and 394,330 respectively.

7 Net worth for ratios mentioned in note 3(c) and 3(d) represents the aggregate of the paid up share capital and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.

8 Earnings per share calculations are in accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014. As per Accounting Standard 20, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous years have been considered accordingly.

9 Pursuant to the approval granted at the shareholder's meeting dated July 25, 2016 the Company has forfeited 32,727,930 equity shares having face value of Rs. 10 each, with Re. 1/- paid up, resulting in a reduction in the overall shares outstanding. The information of the shares outstanding for the earlier periods disclosed include such partly paid equity shares being treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Tejas Networks Limited
CIN : U72900KA2000PLC026980
Annexure XXXV: Consolidated Restated Summary of Capitalisation Statement
(All amounts in Rupees Million except for share data or as otherwise stated)

S.No	PARTICULARS	Pre-Issue As at March 31, 2017	Increase due to the Issue	Post Issue Amount after considering the Issue (Refer Note 3 below)
		A	B	C (A+B)
I	**Borrowings:**			
	Short-term borrowings	2,259.18	-	-
	Long-term borrowings	20.00	-	-
	Add: Current maturities of long term borrowings	270.00	-	-
	Total borrowings - a	**2,549.18**	**-**	**-**
II	**Shareholders' fund**			
	Share capital	740.06	-	-
	Reserves and Surplus	4,266.58	-	-
	Total shareholders' fund - b	**5,006.64**	**-**	**-**
III	**Total borrowings / shareholders' fund - a/b**	**0.509**	**-**	**-**
IV	**Long-term borrowings / shareholders' fund**	**0.004**	**-**	**-**

Notes:

1) The figures disclosed above are based on the restated consolidated summary statements of the Company.
2) The above statement should be read with the notes to consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & VA.
3) The corresponding post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence, the same have not been provided in the above statement.
4) After March 31, 2017 until the date of signing the report, there has been an increase in Share Capital and Reserves and Surplus pursuant to exercise of stock options, referred to in Annexure V(C), which are provided in the table below:

Particulars	Number of Equity Shares	Share capital	Reserves and Surplus
As of March 31, 2017	7,07,33,411	740.06	4,266.58
Allotment of equity shares pursuant to Exercise of Options	13,04,719	13.05	71.76
As of May 17, 2017	7,20,38,130	753.11	4,338.34

STATEMENT OF RECONCILIATION BETWEEN INDIAN GAAP AND IND AS

Tejas Networks Limited

A. Reconciliation of Equity as at March 31, 2017 and April 1, 2016

(₹ in Million)

Particulars	Note Reference	Consolidated		Standalone	
		As at March 31, 2017	As at April 1, 2016	As at March 31, 2017	As at April 1, 2016
Equity Capital		707.33	665.23	707.33	665.23
Forfeited Shares		32.73	-	32.73	-
Reserves and Surplus		4,266.58	2,940.08	4,259.96	3,030.84
Balance as per Indian GAAP		**5,006.64**	**3,605.31**	**5,000.02**	**3,696.07**
Add/(Less): Adjustment under Ind AS					
ESOP cost recorded on fair valuation of stock options	2	(178.55)	(100.33)	(178.55)	(100.33)
Adjustment to Stock Option Reserve	2	178.55	100.33	178.55	100.33
ESOP Reserve reversed on account of Options exercised during the year from the Unvested portion as on transition date	2	(34.86)	-	(34.86)	-
Incremental adjustment to Securities Premium for the exercised options during the year from the unvested portion as on transition date	2	34.86	-	34.86	-
Adjustment on Consolidation of ESOP Trust	3	(1.38)	(333.01)	(1.38)	(333.01)
Amortised cost impact on lease deposit	4	(1.27)	(1.03)	(1.27)	(1.03)
Discounting for time value on warranty provisions	5	4.72	2.28	4.72	2.28
Expected credit loss provision for doubtful debts	6	(14.98)	(9.91)	(14.98)	(9.91)
Discounting for time value on long-term receivables	4	(31.39)	(7.52)	(31.39)	(7.52)
Adjustment for effective interest rate for Government Loan at lower than market interest	4	(1.72)	-	(1.72)	-
Adjustment for Fair valuation of foreign currency derivatives	7	-	(5.14)	-	(5.14)
Equity Balance as per Ind AS		**4,960.62**	**3,250.98**	**4,954.00**	**3,341.74**

B. **Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

(₹ in Million)

Particulars	**Note Reference**	**For the year ended March 31, 2017**	
		Consolidated	**Standalone**
Net Profit as per Indian GAAP		632.22	532.08
Add/(Less): Adjustment under Ind AS			
Employee Stock Option cost recorded based on cost as per fair valuation of stock options	2	(78.22)	(78.22)
Adjustment on Consolidation of ESOP Trust	3	(1.38)	(1.38)
Unwinding of interest on amortised cost adjustment for lease deposit	4	(0.23)	(0.23)
Discounting and unwinding of time value on warranty provisions	5	2.44	2.44
Expected credit loss provision for doubtful debts	6	(5.07)	(5.07)
Discounting and unwinding for time value on long-term receivables	4	(23.87)	(23.87)
Adjustment for Fair valuation of foreign currency derivatives	7	5.14	5.14
Adjustment for effective interest rate for Government Loan at lower than market interest	4	(1.72)	(1.72)
Re-measurements of the defined benefit plans- to be classified as other comprehensive income	8	(4.12)	(4.12)
Net Profit as per Ind AS		**525.19**	**425.05**
Other comprehensive income for the period			
Re-measurements of the defined benefit plans- to be classified as other comprehensive income	8	4.12	4.12
Total comprehensive income under Ind AS		**529.31**	**429.17**

Notes to the Reconciliations

1. Ind AS 101 (First-time Adoption of Indian Accounting Standards) allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied certain such exemption for
   a. Determination of the deemed cost of fixed assets as of April 01, 2016 to be represented by the net carrying value of its assets as per Indian GAAP as at March 31, 2016.
   b. Not to adjust any of the carrying values of borrowings with element of a government grant on transition date.

2. The Company, under Indian GAAP, has been recording for the cost of the employee share based payments considering the intrinsic value method as against the requirement under Ind AS 102 to record the cost based on fair value. The Company has accordingly determined the cost of the employee share-based payments considering the fair value principles, and in line with the Ind AS 101, adjusted the opening retained earnings by ~ ₹100.33 Million pertaining to the impact from the grant date to transition date of those stock options which were remaining to be vested as on the transition date. The Company has also determined the cost for the additional grants made during the financial year 2016-17 and accrued for an additional cost of ~ ₹78.22 Million towards such shares.
   There has not been an overall impact to the equity balance on account of such accrual of costs, mainly on account of such charges being transferred to a separate Stock Option Reserve maintained under Other Equity.

   The adjustments pertaining to options exercised have resulted in a movement from the Stock Option Reserve of ₹34.86 Million, to the Securities Premium thereby nullifying the impact to overall equity balance.

3. Under Indian GAAP, the Company was not required to consolidate the Tejas Employee Welfare Trust through which it was managing the shares allotted towards various stock option schemes as well as shares kept aside to issuances against future schemes. The total of ₹333.01 Million of investments held by the Trust directly or in joint holding with the employees of the Company, being funded by the Company through loans provided to the Trust, has been reduced from the total outstanding equity balance on

consolidation of the Trust, including the adjustment for the expenses incurred by the Trust, both in the standalone and consolidated equity balance at transition date.

Subsequently during the financial year 2016-17, as the Trust has repaid all the loans based on collections made from the employees the Company has restated the balance of equity as at March 31, 2017. The expenses of the Trust, net of amounts recoverable from employees, for the financial year 2016-17 of ~₹1.38 Million has also been accrued.

4. All financial assets and financial liabilities are required to be recorded either at amortised cost / effective interest method or at fair value. The Company has categorized all current financial assets and current financial liabilities to be at fair value considering the short term element, and in the case of all long term financial assets and liabilities have adjusted the balance to record the same at amortised cost, with the unwinding occurring through the charge off of the difference and accrual of interest on the carrying value. These adjustments have been made towards rental deposits and long-term trade receivables in case of financial assets and for the Department of Scientific and Industrial Research (DSIR) borrowing which had an interest rate lower than market rate

5. Under Indian GAAP, discounting of Long-term provisions, such as warranty, for time value adjustment was not permitted and provisions were measured at best estimate of the expenditure required to settle the obligation at the Balance Sheet date without considering the effect of discounting. Under Ind AS, such provisions are measured at discounted amounts, if the effect of time value of money is material. The Company has accordingly made the necessary adjustment towards discounting its provision for warranty.

6. Under the Indian GAAP, the Company would record for provisions towards doubtful trade receivables based on specific identification considering various factors including the aging of such receivables. Under Ind AS the Company is required to provide for the possible lifetime credit risk associated with the receivable. The Company has applied the simplified approach available under Ind AS to identify the life time credit loss associated with the outstanding balance of trade receivables as at transition date and as at March 31, 2017 based on an analysis of the trend of bad debts written off in the past.

7. Under Indian GAAP, the Company complied with the requirements of Accounting Standard 11 "The effects of changes in foreign exchange rates" wherein outstanding foreign currency forward contracts were recorded at the year-end spot rates to the extent they were to hedge the exposures recorded in the financial statements. Under Ind AS, as the Company is not applying hedge accounting, all outstanding derivative contracts are required to be recorded at fair value with any gain or loss resulting from the change in fair value of foreign currency forward would be recognized directly to profit or loss. As a result, the net loss arising for reversal of adjustments posted under Indian GAAP and stating the outstanding forward contracts at fair value at transition date amounting to ~ ₹5.14 Million has been adjusted to the reserves. The net effect is then recorded in the income statement during the financial year 2016-17, as there were no outstanding foreign exchange derivative contracts as at March 31, 2017.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The financial statements / information 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 the Company's 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.

Certain principal differences between Indian GAAP and IND AS that may have a material effect on the Company's standalone and consolidated financial statements are summarized below. 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 Red Herring Prospectus.

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
1.	Ind AS 1 Presentation of Financial Statements	Items of Financial Statement	Was limited to Balance Sheet, Statement of Profit and Loss and Cash flow with necessary explanatory notes.	Includes additional information, such as a Statement of changes in equity for the year as well as inclusion of "Other Comprehensive Income" section in the Statement of Profit and Loss.
		Other Comprehensive Income	Certain items such as asset revaluation or exchange difference arising on consolidation of non-integral operations are routed through the Reserves or actuarial adjustments on gratuity obligations are routed through the Statement of Profit and Loss, with no concept of Other Comprehensive Income in Indian GAAP.	Other Comprehensive Income would include adjustments arising from : • Actuarial adjustments on Gratuity Plans to be recorded in OCI • Accounting for Cash Flow hedge reserve • Fair Value of investments in equity • Asset Revaluation reserve • Currency Translation Reserve This would be disclosed as an extension of the Statement of Profit and Loss, with adjustments made to the Net Profit to arrive at total comprehensive income.
		Statement of changes in equity	A statement of changes in equity is not presented. Movements in share capital, retained earnings and other reserves are presented in the notes to accounts.	The statement of changes in equity includes the following information: • total comprehensive income for the period; • the effects on each component of equity of retrospective application or retrospective restatement in accordance with Ind AS 8; and • for each component of equity, a reconciliation between the opening and closing balances, separately disclosing each change
		Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity	Presentation of any items of income or expense as extraordinary is prohibited.
		Comparative information reclassification	A disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosures for the nature, amount	When comparative amounts are reclassified, the nature, amount and reason for reclassification are disclosed.

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
			and reason for reclassification.	
		Critical Judgments	Does not require disclosure of judgments that management has made in the summary of significant accounting policies or other notes.	Requires disclosure of critical judgments made by management in applying accounting policies.
		Estimation uncertainty	Does not require an entity to disclose information about the assumptions that it makes about the future and other major sources of estimation uncertainty at the end of the reporting period though other standards may require certain disclosures of the same.	Requires disclosure of key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The nature of the uncertainty and the carrying amounts of such assets and liabilities at the end of the reporting period are required to be disclosed.
2.	Ind AS 10 Events after Reporting Period	Proposed Dividend	Schedule III requires disclosure of proposed dividend in the notes to accounts. However, as per the requirements of AS 4, which override the provisions of Schedule III, dividends stated to be in respect of the period covered by the financial statements that are proposed or declared after the balance sheet date but before approval of the financial statements are recorded as a provision. Further, as per recent amendments by the Companies (Accounting Standards) Amendment Rules, 2016 in AS 4, dividends declared subsequent to the balance sheet are to be considered as a non-adjusting event, which is similar to the Ind-AS requirement.	Liability for dividends declared to holders for equity instruments are recognized in the period when approved by the Board of Directors in case of interim dividends and when approved by the Shareholders in general meeting in the case of final dividends.
3.	Ind AS 8– Accounting Policies, Changes in Accounting Estimates and Errors	Changes in Accounting Policies	As per AS-5, changes in accounting policies should be made only if required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	Requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
		Accounting for Errors	Prior period items are included in determination of net profit or loss for the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in such a manner that the impact on current profit or loss can be perceived.	Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.
4.	Ind AS 18 – Revenue	Measurement	Revenue is recognized at the nominal amount of consideration	Revenue is recognised at fair value of the consideration receivable. Fair value of

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
			receivable. Sales incentives, cash discounts etc, would get accounted as selling expenses under Other Expenses.	revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognized as interest revenue using the effective interest method. Any sales incentive, discounts or rebates in any form, including cash discounts given to customers will be considered as selling price reductions and accounted as reduction from revenue, and not as other expenses.
		Gross and Net	Sales are initially disclosed at Gross, whereby excise duty is to be deducted from such gross sales and the net sales amount is disclosed as Revenue.	Excise duty would not be reduced from revenue and instead would be disclosed as an expense.
5.	Ind AS 19 – Employee Benefits	Treatment of actuarial adjustments	All actuarial gains and losses should be recognised immediately in the statement of profit and loss.	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.
6.	Ind AS 17 - Leases	Operating Leases	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.	Lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless either of the below: a) another systematic basis is more representative of the time pattern of the user's benefit, or b) the payments to the lessor are structured to increase in line with expected general inflation for cost increases.
		Determining if an arrangement contains a lease	There is no such requirement if it does not take the legal form of a lease.	An arrangement that does not take the legal form of a lease but fulfilment of which is dependent on the use of specific assets and which conveys the right to use the assets is accounted for as a lease in accordance with Ind AS 17.
7.	Ind AS 27 – Separate Financial Statements	Investments in Subsidiaries	All long-term investments were recorded at cost, net of any diminution other than temporary on such investments.	The Company has an option to classify each of its investments in subsidiaries to be either presented at cost or at fair value.
8.	Ind AS 108 Operating Segments	Determination of Segments	Under Indian GAAP, AS 17 requires an enterprise to identify two sets of segments (business and geographical), using a risks and rewards approach, with the enterprise's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters (the 'management approach'). Such components (operating segments) are identified on the basis of internal reports that the entity's Chief Operating Decision Maker (CODM) regularly reviews in allocating resources to segments and in assessing their performance.
9.	Ind AS 102 – Share based payments	Recognition of ESOP Charge	The guidance note on accounting of employee share based payments effective April 1, 2005 issued by the ICAI required unlisted	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

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
			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 e.g. Black Scholes or Binomial model).	is estimated using an option-pricing model (for e.g. Black Scholes or Binomial model).
10.	Ind AS 21 The Effects of Changes in Foreign Exchange Rates	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 20 Accounting for Government Grants and Disclosure of Government Assistance	Recognition	There are two method of recognising government grant related to asset. The grant is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge. Under the other method, grants related to depreciable assets are treated as deferred income which is recognised in the profit and loss statement on a systematic and rational basis over the useful life of the asset. Such allocation to income	Government grants related to assets are presented in the statement of financial position by setting up the grant as deferred income, to be recognized as income over the life of the asset. Government grants are recognised as income to match them with expenses in respect of the related costs for which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholders' interests.

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
			is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government grants in the nature of promoters' contribution i.e. they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay and no repayment is ordinarily expected, are credited directly to shareholders' funds.	
12.	Ind AS 12 Income Taxes	Income and Balance Sheet Approach	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purpose of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.
		Deferred tax on unrealized intragroup 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 109 – Financial Instruments Ind AS 32 – Financial Instruments : Presentation Ind AS 107 – Financial Instruments : Disclosure	Classification of assets and liabilities	Assets and liabilities were only categories between Current and Non-current/Long-term with certain sub categories as required under Schedule III, valued at historical cost.	In addition, all assets and liabilities would further need to be categorized between financial and non-financial assets, with different valuation requirements.
		Provision for doubtful debts	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.
		Valuation of rental deposits	There is no specific accounting treatment specified under Indian GAAP for the accounting of deposits provided by the lessee under a lease. Deposits are generally accounted as assets at historical cost.	Under Ind AS, in case of an operating lease, the difference between the nominal value and the fair value of the deposit under the lease is considered as additional rent payable. This is expensed on a straight line basis over the term of the lease. The lessee also recognizes interest income using internal rate of return through its profit and loss over the life of the deposit.
		Forward Cover	Forward contracts, other than those	Under Ind-AS109, changes in the fair

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
		Contract Accounting	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. (Note : Company had not adopted AS 30, and hence principles under the same are not included here)	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.
		Current and non-current investments (other than in subsidiaries, joint ventures and associates)	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 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

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
				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')
		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.	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.
		Measurement of financial assets and liabilities	Assets and liabilities were never classified as financial and non-financial. Measurement criteria was mostly on cost / transactional value basis, unless otherwise permitted under relevant accounting standards for investments, etc.	Ind AS 109 requires identification of financial assets and liabilities separately from nonfinancial assets and liabilities. All financial assets and liabilities are initially recognised at fair value. Subsequently financial assets are either classified or measured at fair value or at amortised cost. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, i.e. they are carried at fair value through profit and loss (FVTPL), or recognized in other comprehensive income by measuring them fair value through other comprehensive income (FVTOCI). There are two measurement categories for financial liabilities subsequently– FVTPL and amortized cost.
14	Ind AS 113 Fair Value Measurement	Basis for determining fair value	Under Indian GAAP, there is no framework for measuring fair value for financial reporting.	a. Under IND AS, Company would need to consider the following in a fair value measurement : b. The particular asset or liability that is subject of the measurement, c. The principal market for the asset or liability,

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
				d. The market participant; and e. The price. In addition, there are specific consideration for the fair value measurement of: a. Non- financial assets, b. Liabilities, c. Equity, and d. Financial instruments.

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 statements as of and for the Fiscal Years ended March 31, 2015, 2016 and 2017 and the schedules and notes thereto, which appear elsewhere in this Red Herring Prospectus. These restated consolidated financial statements are based on our audited consolidated financial statements and are restated in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations. Our restated consolidated financial statements included in this Red Herring Prospectus are prepared in accordance with Generally Accepted Accounting Principles in India ("**Indian GAAP**"). Indian GAAP differs in certain material respects from US GAAP, Ind AS and IFRS Accordingly, the degree to which our Restated Financial Information of this Red Herring Prospectus will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP. Further, with effect from April 1, 2017, 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 we currently prepare our financial statements, our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements. The transition to Ind AS in India is very recent and there is no clarity on the impact of such transition on our Company. See also, "Summary of Significant Differences between Indian GAAP and Ind AS", "Statement of Reconciliation between Indian GAAP and Ind AS," and "Risk Factors – We are required to prepare financial statements under Ind AS with effect from April 1, 2017. The transition to Ind AS in India is very recent and we may be negatively affected by such transition." on pages 326 and 33, respectively. We are required to prepare financial statements under Ind AS with effect from April 1, 2017. The transition to Ind AS in India is very recent and we may be negatively affected by such transition". Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, results of operations or financial condition.*

For purposes of this section, unless the context requires otherwise, reference to "FY 2017", "FY 2016"and "FY 2015" are to the Fiscal Year ended March 31 of the relevant year.

OVERVIEW

We are an India-based optical and data networking products company with customers in over 60 countries. We design, develop and sell high-performance and cost-competitive products to telecommunications service providers, internet service providers, utility companies, defence companies and government entities (collectively, "**Communication Service Providers**"). Our products are used to build high-speed communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks over optical fibre. Our products utilise a programmable software-defined hardware architecture with a common software code-base that delivers an app-like ease of development and upgrades of new features and technology standards. Currently, India is our largest geographic segment (in terms of revenue) and we are well-positioned to take advantage of the growth opportunities arising out of the Digital India and the Make-in-India programs of the Indian Government.

We have invested heavily in research and development in order to grow through multiple technology cycles and are well-positioned to capitalize on the expected growth in optical capital expenditure globally. Driven by rising smartphone penetration and a massive increase in data traffic, global optical capital expenditure is expected to increase from US$14.6 billion in 2014 to US$17.9 billion in 2020. (*Source: Ovum Optical Networks Spreadsheet: 2015-2020, published in December 2015*) Further, optical equipment expenditure in India is expected to grow from US$391 million in 2014 to US$869 million by 2020, at a CAGR of 14.2% (*Source: Ovum Optical Network Forecast Spreadsheet 2015-2020*) For the year ended March 31, 2016, we were the second largest optical networking products company in terms of market share in India, with a market share of 15% in the overall optical networking market. (*Source: Ovum Market Share Spreadsheet: 1Q16 ON Subregional EMEA and AP, published in June 2016*)

Our current product portfolio targets access (i.e., the outer perimeter of a telecommunications network which connects to the end consumers), metro (i.e., networks that aggregate and distribute traffic collected from access networks within a large city or region) and long-haul (i.e., networks that interconnect metro networks using high bandwidth transmission) networks. Our hardware is modular and our software-defined architecture allows us to remotely upgrade our hardware with new capabilities and features. This enables our customers to adopt a "pay-as-you-grow" approach (i.e., purchase our products/services incrementally as needed) while adopting new services, and also enables them to extend the life of installed systems through regular feature upgrades without having to invest in new hardware purchases. Our software-defined hardware architecture also enables us to deploy the same products across multiple hardware platforms in multiple geographies by making country-specific adaptations, thus allowing us to save costs and realize economies of scale.

Our engineering and management teams have diverse experience in optical communication systems, networking protocols, Field Programmable Gate Array ("**FPGA**") design, embedded system software, application software, high-speed printed circuit board ("**PCB**") design, thermal and mechanical design, product management, quality and test engineering and reliability engineering. This multi-disciplinary skill set in a range of advanced technologies, methodologies and processes has enabled us to develop over 40 carrier-grade equipment, over 300 high-speed PCB and over 250 silicon intellectual properties ("**IPs**") as of the date of this Red Herring Prospectus. As of April 30, 2017 we have filed 333 patent applications, with 203 filings in India, 89 filings in the United States and 6 filings in Europe, out of which 56 patents have been granted. We have also filed 35 patent applications under the Patent Cooperation Treaty as of the date of this Red Herring Prospectus.

We outsource most of our manufacturing to reputed electronics manufacturing services ("**EMS**") companies. This allows us to stay asset-light and enables us to scale-up production without requiring a corresponding increase in capital expenditure towards our own manufacturing operations. See also, "Our Business – Manufacturing" and "Risk Factors – We rely on a limited number of third party suppliers and EMS companies for our key components and products. If such third parties fail to deliver the components and products in a timely manner or meet our specifications, our ability to meet our product delivery and quality obligations will be undermined and as a result, our business, reputation and results of operations will be materially and adversely affected" on pages 158 and 23, respectively. Further, our business model with operations substantially located in India, gives us significant cost advantage in research and development, product development, sales, marketing, customer support and manufacturing. Our India-based operations allows us to design, develop, manufacture and sell high-performance and cost-competitive products in India and globally.

We sell our products predominantly through a combination of direct sales to Communication Service Providers as well as by leveraging our strong relationships with leading global optical vendors as well as integrated solution providers as original equipment manufacturer ("**OEMs**"). We have a high customer retention and our top five revenue generating customers (except two customers) for each of Fiscal Years 2017, 2016 and 2015 have been continuing to use our products for over a decade. Our strategic OEM relationships enable us to gain access to their customers, especially in North America and Europe and grow our international business in these geographies.

Our restated consolidated revenues from operations (net) for the Fiscal Years 2015, 2016 and 2017 were ₹3,868.26 million, ₹6,274.57 million and ₹8,781.96 million, respectively. The following table sets forth details of our restated consolidated revenue from operations (net), EBITDA and profit/loss for the respective periods indicated, each on a consolidated basis:

(₹ in million)

	For Fiscal Year		
	2015	**2016**	**2017**
Revenue from operations (net)	3,868.26	6,274.57	8,781.96
EBITDA[1]	685.21	1,130.46	1,742.29
Restated Profit/(Loss) for the year	(178.66)	290.05	632.22

Notes:
[1] EBITDA means restated earnings before exceptional items, interest, tax, depreciation and amortisation

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Industry trends and capital expenditure in the optical and data networking industry

Our results of operations are affected by trends in the optical and data networking industry, in particular, by the amount of capital expenditure on optical and data networks by Communications Service Providers. An increase in capital expenditure on optical and data networks creates a higher demand for our products, thus increasing our revenue from operations. Conversely, a decrease in capital expenditure on optical and data networks may decrease the demand for our products and resultantly, our revenue from operations.

Driven by rising smartphone penetration and a massive increase in data traffic, global optical capital expenditure is expected to increase from US$14.6 billion in 2014 to US$17.9 billion in 2020. (*Source: Ovum Optical Networks Spreadsheet: 2015-2020, Published Dec 2015*) Further, optical equipment expenditure in India is expected to grow from US$391 million in 2014 to US$869 million by 2020, at a CAGR of 14.2%. (*Source: Ovum Optical Network Forecast Spreadsheet 2015-2020*). We have an end-to-end portfolio of networking products for access, metro and long-haul networks and have benefited from the increasing optical capital expenditure globally and in India. We are well-positioned to continue to benefit from the expected growth in the optical networking capital expenditure. For the year ended March 31, 2016, we were the second largest optical networking products company in India with a market share 15% in the overall optical networking market. (*Source: Ovum Market Share Spreadsheet: 1Q16 ON Subregional EMEA and AP, published in June 2016*).

Customer incumbency, concentration and mix

We have a history of high customer retention from both private and PSU customers and derive a significant proportion of our revenues from repeat business (defined as repeat business generated from a customer in the previous five Fiscal Years). In Fiscal Years 2015, 2016 and 2017 we generated 94.06%, 96.16%, and 88.47%, respectively, of our revenue from operations (net) from existing customers. In addition our top five revenue generating customers (except two customers) for each of Fiscal Years 2017, 2016 and 2015 have been continuing to use our products for over a decade. Further, we have 133 customers that have used our products for the past two to three Fiscal Years, 47 customers that have used our products for the past 4-5 years, 41 customers that have used our products for the past 6-9 years and 22 customers that have used our products for the past ten years.

We have also increased the product portfolio that we offer to our customers, in order to address a larger portion of their optical and data networking requirements. For instance, we have added 100G, DWDM, GPON and Enterprise Ethernet switching products to our portfolio over the past few years. See also, “Our Business – Our Products – Our Operations – Our Products – New Broadband Access Products” and “Our Business – Product Evolution and Development Roadmap” on pages 152 and 155, respectively.

As our customer relationships mature and deepen, we seek to maximise our revenues and profitability by expanding the scope of products and solutions offered to customers with the objective of winning a larger portion of their business. We believe that our ability to establish and strengthen customer relationships and expand the scope of products and services that we offer to our customers will be an important factor in our future growth.

On the other hand, this means that a significant portion of our revenue is generated from a limited number of large customers and if we are unable to maintain our relationship with such customers, our revenues from such customers and our overall results of operations will be adversely affected. For Fiscal Years 2015, 2016 and 2017, revenues from the sale of our products and services (excluding sales to EMS vendors on a pass-through basis) to our top five customers amounted to 56.56%, 67.79% and 58.81% respectively of our consolidated revenue from operations (gross). We expect that in the future a limited number of large customers will continue to comprise a large percentage of our revenue. Consequently, a loss of business from such large customers will reduce our sales volumes and our revenue from operations. In the past, we have faced declines in revenue from operations on account of a large customer filing for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code (in 2009) and many of our Indian PSU telecom service providers reducing capital expenditure, due to regulatory and operational reasons (in Fiscal Years 2012 and 2013). See also “Risk Factors – A significant portion of our revenue is generated from our limited number of large customers and if we are unable to maintain our relationship with such customers, our business, results of operations and financial condition will be materially and adversely affected. Furthermore, these large customers exercise substantial negotiating leverage with us, which could adversely impact our results of operations” on page 20.

Further, in order to win new customers or to retain existing customers, we may have to lower our pricing, which may also exert pressure on our margins. In particular, in order to win tenders from our PSU customers, from whom we derive a significant portion of our revenues, we may have to lower our pricing. The terms and conditions of our contracts with such entities, including RFPs and tenders, tend to be more onerous and are often more difficult to negotiate than those for other commercial contracts. Our ability to win new contracts from our existing PSU clients may depend upon government policies prevailing at the time of new competitive.

Costs of goods sold and operating expenses

Cost of materials consumed amounted to 52.82%, 57.00% and 59.13% of our revenue from operations (net) for Fiscal Years 2015, 2016 and 2017 respectively.

In addition to reporting our total expenses in our consolidated restated summary statement of profits and losses, we also report our total expenses in terms of total costs of goods sold and total operating expenses (see *Annexure XXXII: Restated Consolidated Summary Statement of Function wise Profits and Losses* to our Restated Consolidated Financial Statements). Our total cost of goods sold comprises costs of materials consumed/sold, manufacturing expenses and service expenses. Our total operating expenses comprise research and development expenses, sales and marketing expenses and general and administration expenses.

Set forth below is the breakup of our total function wise expenses for Fiscal Years 2017, 2016 and 2015:

(₹ in million)

	For Fiscal Year					
Particulars	**2017**	**% of revenue from operations (net)**	**2016**	**% of revenue from operations (net)**	**2015**	**% of revenue from operations (net)**
Net Revenue (A)	**8,781.96**	**100.00%**	**6,274.57**	**100.0%**	**3,868.26**	**100.0%**
Cost of Material Consumed/Sold	5,193.19	59.2%	3,576.81	57.0%	2,043.18	52.8%
Manufacturing Expenses	161.01	1.8%	135.11	2.2%	142.30	3.7%
Service Expenses	301.18	3.4%	236.03	3.8%	177.24	4.6%
Total Cost of Goods Sold (B)	**5,655.38**	**64.4%**	**3,947.95**	**62.9%**	**2,362.72**	**61.1%**
Gross Profit (C) = (A) - (B)	**3,126.58**	**35.6%**	**2,326.62**	**37.1%**	**1,505.54**	**38.9%**
Operating Expenses:						
Research & Development (Gross)	730.17	8.3%	644.21	10.3%	489.58	12.7%
Less: R&D Capitalised	(400.91)	(4.6%)	(346.81)	(5.5%)	(323.34)	(8.4%)
Research & Development (Net)	329.26	3.7%	297.40	4.7%	166.24	4.3%
Selling & Marketing	713.58	8.1%	659.44	10.5%	450.06	11.6%
General & Administrative	294.42	3.4%	224.88	3.6%	165.71	4.3%
Operating Expenses (Net) (D)	**1,337.26**	**15.2%**	**1,181.72**	**18.8%**	**782.01**	**20.2%**

Cost of goods sold primarily comprises costs of raw materials and components, expenses paid to our electronics contract manufacturers, shipping and logistics expenses, employee expenses relating to our manufacturing and services functions and cost of bought out items such as cables, accessories and other third party products that we supply to our customers. In addition, our cost of goods sold may include cost of excess and obsolete inventory as and when applicable. Our most significant raw materials are semiconductor components (chips), bare PCBs, optical components (such as transceivers and amplifiers), cables, mechanicals and passive components. Our costs of goods sold are subject to fluctuations in market prices for such raw materials. The supply and pricing of raw materials can be volatile due to a number of factors, including global demand and supply conditions, commodity prices, our buying volumes and currency fluctuations. Further, at the time of introduction and sale of our new or enhanced products, our cost of goods sold may be higher due to our lower buying volumes and we generally expect such costs to decline as the product matures and sales volume increases.

We make a continuous effort to identify cheaper alternate components of comparable performance and quality and also periodically negotiate with all our major raw materials and component suppliers to reduce their prices, based on higher purchasing volumes as well as at the time of making large customer bids, the success of which may result in a large demand. We also continually invest in value engineering and design to reduce our product costs by using latest, more cost-effective components, integrating functionality and by increasing engineering and manufacturing efficiency.

Further, we have invested heavily in research and development and our future success depends on the fruition of our research and development efforts, which will enable us to develop new products and features, to meet industry trends and customer demands. Our research and development expenses primarily consist of manpower expenses as well as expenses incurred on prototype, test equipment and labs. Since all our research and development is based in India, we are able to develop state-of-the-art products and are able to generate significantly better returns on our research and development investments, by leveraging the availability of highly qualified, but cost-effective engineering talent in India. At times, our research and development activities relating to new products may take longer than planned and thus can delay our ability to commercialize new features and products. For Fiscal Years 2015, 2016 and 2017, our gross research and development expenses amounted to ₹489.58 million, ₹644.21 million and ₹730.17 million, respectively. Out of these amounts, we capitalized ₹323.34 million, ₹346.81 million and ₹400.91 million, respectively for these periods.

We continually invest in sales and marketing expenses, both for retaining existing customers and also for winning new customers. Our sales and marketing expenses consist primarily of manpower expenses, commissions, sales related travel expenses, expenses of our international offices and provisions made for failure of payment by customers.

Our general and administrative expenses primarily consist of manpower expenses, rent, insurance, travel as well as legal and professional expenses.

Prices of our products and gross margins

Our results of operations are affected by the selling prices of our products. We price our products based on several factors, including prices charged for comparable products by our competitors, our manufacturing costs, the stage of the product's life cycle, technical complexity of the product, prevailing prices in different geographies and the value perceived by our customers for the target application. The average selling prices of our products are the highest at the time of introduction, when they utilize the latest technology and have certain unique differentiators for the customers. Their prices tend to decrease over time as they become commoditized and the technology becomes more common; eventually, these products are replaced by even newer products which incorporate newer technology and may have a different selling price. We have lowered our prices in the past as a result of this downward price pressure, and we may have to further reduce prices of our existing products in the future. We endeavour to offset any future reductions in our average selling prices by introducing new features and enhancements to our existing products, introducing new products that can support a higher average selling price, since they are more complex and are of higher capacities and by increasing sales volumes and thereby reducing our production costs.

Further, our gross margins can vary significantly depending upon the mix and concentration of revenue by geography and customers. Gross margin can also be affected by our mix and concentration of lower margin "common" equipment (which is sold initially to a customer) versus higher margin add-on cards and products sold subsequently, new products, and charges in expense for excess and obsolete inventory and warranty obligations. We expect that our gross margins will be subject to fluctuation and significantly dependent upon on our level of success in driving the appropriate product mix as well by product cost reductions relative to the price reductions that we encounter. Accordingly, gross margin can be adversely affected by the level of pricing pressure and competition that we encounter in the market. In an effort to retain or secure customers, enter new markets or capture market share, we may agree to pricing or other unfavourable commercial terms that may result in lower or negative gross margins on a particular order or group of orders.

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, 2017 onwards. The transition from the prior applicable accounting standards, Indian GAAP to Ind AS may impact the levels of our revenues, expenses and profits.

For a discussion of the significant differences between Indian GAAP and Ind AS, see "Summary of Significant Differences between Indian GAAP and Ind AS" on page 326. See also, "Risk Factors – We are required to prepare financial statements under Ind AS with effect from April 1, 2017. The transition to Ind AS in India is very recent and we may be negatively affected by such transition" and "Statement of Reconciliation between Indian GAAP and Ind AS" on pages 33 and 323, respectively.

CRITICAL ACCOUNTING POLICIES

The preparation of our financial statements requires our management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods. The significant accounting policies are disclosed in Annexure V (A) to our Consolidated Restated Financial Statements from pages 265 to 270. The critical accounting policies that our management believes to be the most significant are disclosed below:

Revenue Recognition

Sale of Goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income from services

Revenues from contracts priced on a time-and-material basis are recognised when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time-bound fixed-price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable. Revenues from maintenance contracts are recognised pro-rata over the period of the contract. Income from royalties and commissions are accrued based on the terms of agreement entered into with the respective parties.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company and its India subsidiaries has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account factors such as the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Individual assets costing less than ₹25,000 are depreciated in full in the year of purchase.

The table below sets forth class wise details of useful life of tangible assets followed by us for the periods indicated:

	Useful life of tangible assets	
	From April 1, 2014	**From April 1, 2011 to March 31, 2014**
Lease hold improvements & Electric installation	Over the primary period of lease of underlying premises	Over the primary period of lease of underlying premises
Furniture & fixtures	10 years	6 years
Networking equipment	6 years	6 years
Computing equipment	3 years	3 years
Lab equipment	10 years	2 years
Office equipment	5 years	2 years
Vehicles	8 years	3 years
R&D Cards	4 years	4 years
Servers	6 years	3 years

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries has been provided for 3 years on a straight-line method for fixtures, furniture, equipment and software. Intangible assets are amortised over their estimated useful life for 24 months in relation to product development costs and over the license period for computer software. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each Fiscal Year and the amortisation method is revised to reflect the changed pattern.

Inventory

Inventory is valued at lower of cost (on a weighted average basis) and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realizable value is calculated based on the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Fixed Assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation or amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. We have adopted the provisions of paragraph 46 / 46A of AS 11, "*The Effects of Changes in Foreign Exchange Rates*", accordingly, exchange differences arising on restatement or settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase or completion is capitalised only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purposes are capitalised and depreciation thereon and included in the project cost till the project is ready for its intended use.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets under development

Expenditure on research and development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

Accounting for employee stock option plans

We have constituted employee stock option plans –"*Tejas Employee Stock Option Plan 2014*", "*Tejas Employee Stock Option Plan 2014-A*" and "*Tejas Employee Stock Option Plan 2016*" ("**the Plans**"), for the benefit of its employees. Employee Stock Options granted in terms of the Plans are accounted under the "*Intrinsic Value Method*" stated in the Guidance Note on Accounting for Employee Share Based Payment Plans issued by the Institute of Chartered Accountants of India. The difference between the fair price of the shares underlying the options granted on the date of the grant of option and the exercise price of the option (being the intrinsic value of the option) representing the stock compensation expenses is disclosed under the proforma disclosure in the notes attached to the financials. The consequent impact on earnings per share is also disclosed in the notes to the financials.

Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange rate differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction or development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

Taxes on Income

Current tax is determined on the basis of taxable income and tax credits computed for each of our entities in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located. Minimum Alternate Tax ("**MAT**") paid in accordance with the tax laws, gives us future economic benefits in the form of an adjustment to future income tax liability. It is considered as an asset if there is convincing evidence that we will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is highly probable that the future economic benefit associated with it will flow to us.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and a carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and we have a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

We offset deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the statement of profit and loss.

Research and development expenses

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are also charged to the statement of profit and loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for fixed assets.

Provisions, contingent liabilities and contingent assets

A provision is recognised when we have a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent assets are not recognised in the financial statements.

Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise – being typically up to three years.

As per the terms of the contracts, we provide post-contract services or warranty support to some of our customers. Our accounts for the post-contract support and provision for warranty are formed on the basis of the information available with the management duly taking into account the current and past technical estimates.

Operating Cycle

Based on the nature of our products and activities, and the normal time between acquisition of assets and their realisation in cash or cash equivalents, we have determined our operating cycle as 12 months for the purposes of classification of our assets and liabilities as current and non-current.

PRINCIPAL COMPONENTS OF INCOME AND EXPENSES

The following is a brief description of the principal line items that are included in the restated consolidated summary statement of profit and losses of the Restated Financial Information.

Revenue from operations

Our revenue from operations comprises revenue from the sale of products, sale of services and other operating revenues. Our revenue from operations (net) is net of excise duty.

Sale of products primarily comprises revenues from the sale of our manufactured goods to our customers. In addition, sale of products also comprises revenues from the sales of traded goods, i.e. components that we sell to our contract manufacturers.

The sale of services primarily consists of annual maintenance revenue from the maintenance services that we provide to our customers, installation and commissioning revenue and other services revenue.

Operating revenues comprise of the export incentives availed under applicable Government of India policies and schemes such as the "*Focus Product Scheme*".

The following table sets forth our revenue from operations from each of these sources for the periods indicated:

(₹ in millions)

	For Fiscal Year					
Particulars	**2017**	**% of revenue from operations (net)**	**2016**	**% of revenue from operations (net)**	**2015**	**% of revenue from operations (net)**
Sale of products						
Manufactured goods – Optical and Data Networking Products including Multiplexes	8,401.35	95.7%	6,300.11	100.4%	3,700.82	95.7%
Component sales	557.42	6.3%	123.24	2.0%	3.18	0.1%
Sale of products	**8,958.77**	**102.0%**	**6,423.35**	**102.4%**	**3,704.00**	**95.8%**
Sale of services						
Installation & commissioning revenue	45.08	0.5%	17.93	0.3%	33.96	0.9%
Annual maintenance revenue	284.77	3.2%	254.56	4.1%	185.78	4.8%
Other service revenue	32.39	0.4%	48.85	0.8%	109.43	2.8%
Sale of services	**362.24**	**4.1%**	**321.34**	**5.1%**	**329.17**	**8.5%**
Other operating revenues						
Export incentives	40.43	0.5%	0.25	0.0%	37.75	1.0%
Revenue from operations (gross)	**9,361.44**	**106.6%**	**6,744.94**	**107.5%**	**4,070.92**	**105.2%**
Less: Excise duty	579.48	6.6%	470.37	7.5%	202.66	5.2%
Revenue from operations (net)	**8,781.96**	**100.0%**	**6,274.57**	**100.0%**	**3,868.26**	**100.0%**

Cost of materials consumed

Cost of materials consumed (as reflected in our consolidated restated statement of profits and losses) comprises expenses paid to our electronics contract manufacturers, the cost of raw materials and components and the cost of bought out items such as cables, accessories and other third party products that we supply to our customers during the period.

We report function-wise classification of profits and losses (see "*Annexure XXXII: Restated Consolidated Summary Statement of Functionwise Profits and Losses*" to our Restated Consolidated Financial Statements) in addition to our consolidated, restated summary statement of profits and losses. As part of our function wise profits and losses, we report our total expenses in terms of total cost of goods sold and total operating expenses. Our total cost of goods sold comprises cost of materials consumed/sold, manufacturing expenses and service expenses. Our manufacturing expenses primarily include costs related to our employees in our manufacturing functions. Our service expenses include installation charges, travel expenses in connection with installation and other costs related to providing services. In addition, our cost of goods sold may include cost of excess and obsolete inventory as and when applicable. Our total operating expenses comprise research and development expenses, sales and marketing expenses and general and administration expenses.

The table below sets forth the reconciliation of our cost of materials consumed/sold, as reported in our consolidated statement of function wise profits and losses and our cost of materials consumed, as reported in our consolidated restated statement of profits and losses:

(₹ in millions)

	For financial years		
Particulars	**2017**	**2016**	**2015**
Cost of materials consumed (as set out under Annexure II: Consolidated Restated Summary Statement of Profits and Losses)	**5,140.53**	**3,506.55**	**1,981.30**
Other Processing Charges (as set out under Annexure XXIX: Consolidated Restated Statement of Other Expenses)	47.14	42.22	18.61
Freight and forwarding (as set out under Annexure XXIX: Consolidated Restated Statement of Other Expenses)	14.81	42.01	46.59
Other Processing Charges included above related to research and development(1) (as set out under Annexure XXIX: Consolidated Restated Statement of Other Expenses)	9.29	9.46	3.32
Elimination difference (2)	-	4.51	-
Cost of material consumed/sold (as set out under Annexure XXXII: Consolidated Restated Summary Statement of Functionwise Profits and Losses)	**5,193.19**	**3,576.81**	**2,043.18**

Notes:

(1) Other processing charges related to research and development are capitalised for the year and are included in the line item "Less: Capitalised during the year" in Annexure XXIX: Consolidated Restated Statement of Other Expenses.

(2) Elimination difference is on account of elimination of inter-company transactions.

Employee benefits expense

Employee benefits expense primarily comprises salaries and wages and also contributions to provident and other funds and staff welfare expenses. Our salary expenses consist of fixed salary as well as a variable portion that is linked to our performance as well as individual performance. We capitalise a portion of the employee benefit expenses of our research and development team, towards the manpower costs spent under product development expenses.

Other expenses

Other expenses consist of miscellaneous expenses relating to our operations and primarily comprise (i) installation and commissioning expenses, (ii) sales expenses, (iii) legal and professional expenses, (iv) rent (v) travelling and conveyance expenses, (vi) repairs and maintenance expenses and (vii) bad and doubtful trade receivable.

Installation expenses are the expenses incurred towards the installation and commissioning of our product installed at our customer's location either directly by us or by third parties engaged by us.

As regards bad and doubtful trade receivables, our policy is to provide for bad and doubtful trade receivable for 50% of the overdue trade receivable that is more than 2 years old and 100% of overdue amount that is more than 3 years old.

Legal and professional charges are primarily incurred towards getting the technical consultancy, certification charges and patent filing and related fees.

Finance Cost

Finance costs primarily comprise interest on borrowings, interest on delayed payments of taxes, other borrowing costs and net gain or loss on foreign currency transactions and translation.

Depreciation and Amortization

We depreciate our assets on a straight-line basis over the useful lives of the assets. Intangible assets are amortised over their estimated useful life for 24 months in relation to product development costs and over the license period for computer software.

Other Income

Other income primarily comprises interest from the bank on deposits, other non-operating income such as state grants or incentives and the profit on sale assets and dividend income from current investments.

Tax Expense

Our tax expense comprises current tax and deferred tax.

RESULTS OF OPERATIONS

The following table sets forth our restated consolidated income statement for the periods indicated.

(₹ in millions)

Particulars	For Fiscal Year					
	2017	% of revenue from operations (net)	2016	% of revenue from operations (net)	2015	% of revenue from operations (net)
INCOME						
Revenue from operations (gross)	9,361.44	106.6%	6,744.94	107.5%	4,070.92	105.2%
Less: Excise duty	579.48	6.6%	470.37	7.5%	202.66	5.2%
Revenue from operations (net) (A)	**8,781.96**	**100.0%**	**6,274.57**	**100.0%**	**3,868.26**	**100.0%**
EXPENSES						
Cost of materials consumed	5,140.53	58.6%	3,506.55	55.9%	1,981.30	51.2%
Employee benefits expense	763.23	8.7%	665.27	10.6%	495.11	12.8%
Other expenses	1135.91	12.9%	972.29	15.5%	706.64	18.3%
Total expenses (B)	**7,039.67**	**80.2%**	**5,144.11**	**82.0%**	**3,183.05**	**82.3%**
Restated Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (A - B)	**1,742.29**	**19.8%**	**1,130.46**	**18.0%**	**685.21**	**17.7%**
Finance Cost	(315.20)	(3.6%)	(493.15)	(7.9%)	(469.59)	(12.1%)
Depreciation and amortisation expense	(564.22)	(6.4%)	(382.43)	(6.1%)	(485.65)	(12.6%)
Other Income	86.80	1.0%	35.17	0.6%	91.37	2.4%
Restated Profit / (Loss) before exceptional items	**949.67**	**10.8%**	**290.05**	**4.6%**	**(178.66)**	**(4.6%)**
Exceptional items						
Intangible Assets in progress written off	(304.68)	(3.5%)	-	0.0%	-	0.0%
Restated Profit / (Loss) before tax	**644.99**	**7.3%**	**290.05**	**4.6%**	**(178.66)**	**(4.6%)**
Tax expense						
Current tax expense for current year	12.77	0.1%	-	0.0%	-	0.0%
Deferred tax	-	0.0%	-	0.0%	-	0.0%
Restated Profit / (Loss) for the year	**632.22**	**7.2%**	**290.05**	**4.6%**	**(178.66)**	**(4.6%)**

Segmental Reporting - geographic segmentation

Our revenue is generated from three main geographic markets: India, Americas and Others. The following table shows a breakdown of our revenue by geographic segment:

(₹ in millions)

Geographic Segment	For Fiscal Year					
	2017		2016		2015	
Revenues						
India	5,518.09	63%	4,390.85	70%	2,129.49	55%
Americas	1,222.59	14%	1,162.21	19%	756.53	20%
Others	2,041.28	23%	721.51	11%	982.24	25%
Revenue from operations (net)	**8,781.96**	**100%**	**6,274.57**	**100%**	**3,868.26**	**100%**

FY 2017 Compared to FY 2016

Revenue from operations

Our revenue from operations (net) increased by 39.96% from ₹6,274.57 million for FY 2016 to ₹8,781.96 million for FY 2017. This was primarily as a result of the increase by 33.35% in the sales of our manufactured goods, which increased from ₹6,300.11 million in FY 2016 to ₹8,401.35 million for FY 2017 and an increase by 12.73% in the sale of services from ₹321.34 million for FY 2016 to ₹362.24 million in FY 2017. In addition, we had an increase in component sales (to our contract manufacturers) from ₹123.24 million in the FY 2016 to ₹557.42 million in the FY 2017. We had changed our supply chain strategy in December 2015 from a consignee model to a turnkey model. Under the consignee model, we used to buy components and consign them to our contract manufacturers for use in the manufacturing of products supplied by them to us, while under the turnkey model that we followed during the last three months of FY 2016 and FY 2017, we sold components that were in our inventory to our contract manufacturers at our cost.

Sale of products

Our revenue from the sale of products increased by 39.47% from ₹6,423.35 million for FY 2016 to ₹8,958.77 million for FY 2017. Our revenue from the sale of manufactured goods increased by 33.35% from ₹6,300.11 million for FY 2016 to ₹8,401.35 million for FY 2017. This was attributable to higher sale of products across all our geographic segments, as discussed below. Our revenue from component sales increased by ₹434.18 million from ₹123.24 million for FY 2016 to ₹557.42 million for FY 2017 primarily due to change in our supply chain strategy from consignee model to turnkey model in December 2016.

Sale of services

Our revenue from the sale of services increased by 12.73% from ₹321.34 million for FY 2016 to ₹362.24 million for FY 2017. This was attributable primarily to increases in our installation and commissioning revenues which are related to higher sales of our products, as well as increase in annual maintenance revenues which was as a result of the increase in our installed base of products which were beyond the original warranty period.

Domestic sales

Our domestic sales increased by 25.67% from ₹4,390.85 million for FY 2016 to ₹5,518.09 million for FY 2017. This was primarily due to increase in sales of our newly launched GPON products to two PSU customers in India and due to larger repeat orders for optical transmission products from two private customers. During the FY 2017 and FY 2016 we generated 43.67% and 42.14% (respectively) of our consolidated revenue from operations (net) from our PSU customers and 19.17% and 27.84% of our consolidated revenue from operations (net) from our private customers in India. For further details, please see "Our Business – Customers" on page 156.

International sales

Our sales in Americas increased by 5.20% from ₹1,162.21 million for FY 2016 to ₹1,222.59 million for FY 2017. This was primarily due to the increase in sales to one of our OEM customers in Americas. Our sales in the rest of the world increased by 182.92% from ₹721.51 million for FY 2016 to ₹2,041.28 million for FY 2017. This was primarily due to increase in sales from our customers in Africa and South East Asia, in particular from a telecommunication infrastructure company in Malaysia. As we report our revenues in Indian Rupees, the greater depreciation in the Indian Rupee (primarily against the US dollar) for FY 2017 compared to the FY 2016 also contributed to the increase in our revenues from international sales for FY 2017 compared to the FY 2016.

Cost of materials consumed

Our cost of materials consumed increased by 46.60% from ₹3,506.55 million for FY 2016 to ₹5,140.53 million for FY 2017, in line with the increase in our revenues, which led to greater manufacturing expenses paid to our contract manufacturers and greater purchases of raw materials and components in the FY 2017, as compared to the FY 2016. Cost of materials consumed also includes components sold to our contract manufacturers which increased from ₹123.24 million for FY 2016 to ₹557.42 million for FY 2017, due to change in our supply chain strategy from consignee model for FY 2016 to turnkey model for FY 2017, resulting in higher cost of components sold to our contract manufacturers. Sales of such components were made by us on a pass through basis. Our cost of materials consumed, after adjusting sale of components on a pass through basis, increased by 35.46% from ₹3,383.31 million in FY 2016 to ₹4,583.11 million in FY 2017.

Function wise expenses

In addition to reporting our total expenses in our consolidated restated summary statement of profits and losses, we also report our total expenses in terms of total costs of goods sold and total operating expenses (see "*Annexure XXXII: Restated Consolidated Summary Statement of Function wise Profits and Losses to our Restated Consolidated Financial Statements*"). Set forth below is a discussion of the changes in our function-wise profits and losses for FY 2017 compared to the FY 2016:

- Our costs of materials consumed/sold increased by 45.19% from ₹3,576.81 million for FY 2016 to ₹5,193.19 million for FY 2017, in line with the increase in our revenues, which led to greater manufacturing expenses paid to our contract manufacturers and greater purchases of raw materials and components for FY 2017 as compared to the FY 2016.

- Our manufacturing expenses increased by 19.17% from ₹135.11 million for FY 2016 to ₹161.01 million for FY 2017 due to an increase in our employee headcount relating to our manufacturing functions.

- Our service expenses increased by 27.60% from ₹236.03 million for FY 2016 to ₹301.18 million for FY 2017 due to an increase in our employee headcount providing services, an increase in installation charges due to higher number of installations, as well as due to higher travel expenses related to installation.

- As a result of the foregoing, our gross profit increased by 34.38% from ₹2,326.62 million for FY 2016 to ₹3,126.58 million for FY 2017. Our gross profit margin (which is the ratio of gross profit to revenue from operations (net)) decreased from 37.08% for FY 2016 to 35.60% for FY 2017 due to a higher rate of growth in the cost of materials consumed/sold on account of a change in our supply change strategy from consignee model to turnkey model in December 2016.

- Our gross research and development expenses increased by 13.34% from ₹644.21 million for FY 2016 to ₹730.17 million for FY 2017 attributable to an increase in manpower costs for our research and development functions due to an increase in our research and development employee headcount. We capitalized a portion of the gross research and development expenses. Our net research and development expenses increased by 10.71% from ₹297.40 million for FY 2016 to ₹329.26 million for FY 2017.

- Our selling and marketing expenses increased by 8.21% from ₹659.44 million for FY 2016 to ₹713.58 million for FY 2017 due to an increase in employee cost on account of annual salary increases for our sales and marketing employees and an increase in travel expenses related to sales and marketing.

- Our general and administrative expenses increased by 30.92% from ₹224.88 million for FY 2016 to ₹294.42 million for FY 2017 due to an increase in write-offs of the incentive receivables relating to the Karnataka electronic System Design Manufacturing ("**KESDM**") Scheme amounting to ₹70.72 million as per our accounting policy, and increase in employee cost on account of our increase in head count.

Employee benefits expense

Our employee benefits expense increased by 14.72% from ₹665.27 million for FY 2016 to ₹763.23 million for FY 2017. This was primarily due to an increase in salaries and wages by ₹140.89 million or 15.32% from ₹919.72 million for FY 2016 to ₹1,060.61 million for FY 2017 due to increase in employee headcount (we added a net of 68 employees during FY 2017) as well as annual increase in salaries. The increase in salaries and wages was partially offset by an increase in capitalized employee benefit expenses by ₹54.27 million or 16.09% from ₹337.35 million for FY 2016 to ₹391.62 million for FY 2017.

Other Expenses

Our other expenses increased by 16.83% from ₹ 972.29 million for FY 2016 to ₹1,135.91 million for FY 2017. These were primarily due to (i) an increase in sales commissions from ₹24.86 million in FY 2016 to ₹187.15 million in FY 2017, which was due to the increase in sale of our products (ii) increase in travel and conveyance from ₹80.12 million in FY 2016 to ₹118.84 million in F Y2017 which was due to increased investment in international sales and marketing and (iii) write-off of KESDM incentive receivables of ₹70.72 million as per our accounting policy as this was overdue for more than two years.

Earnings before exceptional items, interest, tax, depreciation and amortization

As a result of the foregoing, our earnings before exceptional items, interest, tax, depreciation and amortization ("**EBITDA**") increased by 54.12% from ₹1,130.46 million for FY 2016 to ₹1,742.29 million for FY 2017.

Finance Costs

Our finance costs decreased by 36.08% from ₹493.15 million for FY 2016 to ₹315.20 million for FY 2017. This was primarily due to a decrease in interest expense on borrowings by 35.46% from ₹366.41 million to ₹236.49 million due to the decrease in our long term borrowing by ₹270.00 million, decrease in our cost of borrowing and decrease in loss on foreign currency transactions and translation by 42.06% from ₹34.40 million to ₹19.93

million due to foreign exchange transaction and foreign exchange translation as of the respective balance sheet dates.

Depreciation and amortization

Our depreciation and amortization costs increased by 47.54% from ₹382.43 million for FY 2016 to ₹564.22 million for FY 2017. This was attributable to increase in depreciation on intangible assets on account of product development.

Other income

Other income increased by 146.80% from ₹35.17 million for FY 2016 to ₹86.80 million for FY 2017. This was primarily due to an increase in miscellaneous income, on account of creditor write-offs as our component vendors and other suppliers who sell their products to us on credit failed to claim amounts due to them during the last three years. This resulted in a reversal of the costs initially incurred by us for purchasing the products and such costs were converted into miscellaneous income.

Restated profit before exceptional items and tax

As a result of the foregoing, our restated profit before exceptional items and tax increased by 227.42% from ₹290.05 million for FY 2016 to ₹949.67 million for FY 2017.

Exceptional items

During FY 2017, we have reassessed the marketability of our in-production intangible assets for the development costs of our wireless products and after considering various factors such as technological obsolescence, that require revision in the existing products, we have written off accumulated costs relating to past salaries of the wireless product development team, amounting to ₹304.68 million.

Restated profit before tax

As a result of the foregoing, our restated profit before tax increased by 122.37% from ₹290.05 million for FY 2016 to ₹644.99 million for FY 2017.

Tax expense

We paid minimum alternate tax of ₹12.77 million for FY 2017. We did not incur any tax expense for FY 2016 due to brought forward losses which are in the nature of business loss, unabsorbed depreciation and unabsorbed scientific research expenditure of previous years, as permissible under the applicable tax laws and regulations. Such business losses may be carried forward up to December 31, 2024 (unless set off earlier) and such unabsorbed depreciation and loss on scientific research may be carried forward indefinitely.

Restated profit

As a result of the foregoing, our restated profit increased by 117.97% from ₹290.05 million for FY 2016 to ₹632.22 million for FY 2017.

FY 2016 Compared to FY 2015

Revenue from operations

Our revenue from operations (net) increased by 62.21% from ₹3,868.26 million for FY 2015 to ₹6,274.57 million for FY 2016 primarily due to an increase in our sale of manufactured goods and also due to an increase in our sale of traded goods and annual maintenance revenue.

Sale of products

Our revenue from sale of products increased by 73.42% from ₹3,704.00 million for FY 2015 to ₹6,423.35 million for FY 2016. Our revenue from sale of manufactured goods increased by 70.24% from ₹3,700.82 million for FY 2015 to ₹6,300.11 million for FY 2016. This was primarily due to increase in sales in India and Americas, which was partially offset by decrease in revenue for other geographies sales in the rest of the world, as discussed below. Our revenue from component sales increased by ₹120.06 million from ₹3.18 million for FY

2015 to ₹123.24 million for FY 2016 primarily due to a change in supply chain strategy from consignee model to turnkey model in December 2015. Consequently, we followed the consignee model of supply chain strategy for the full year in FY 2015, as compared to a part of the year in FY 2016. Under the consignee model, we bought components and consigned them to our contract manufacturers, whereas, under the turnkey model, we bought components and sold them to our contract manufacturers at cost.

Sale of services

Our sale of services decreased by 2.38% from ₹329.17 million for FY 2015 to ₹321.34 million for FY 2016. This was primarily due to decrease in installation and commissioning revenue. The decrease was partially offset by an increase in annual maintenance charges.

Domestic sales

Our domestic sales increased by 106.19% from ₹2,129.49 million for FY 2015 to ₹4,390.85 million for FY 2016. This was primarily due to an increase in sales owing to (i) a large order in FY 2016 from one of our PSU customers for our products in their networks (ii) a repeat order from one of our large India private customers and (iii) an order from a new customer (a telecommunications company) in relation to the setting up of their pan India 4G network. During FY 2015 and 2016, we generated 30.54% and 42.14% of our consolidated revenue from operations (net) from our PSU customers and 29.74% and 27.84% of our consolidated revenue from operations (net) from our private customers in India. For further details, please see “Our Business – Customers” on page 156.

International sales

Our sales in Americas increased by 53.62% from ₹756.53 million for FY 2015 to ₹1,162.21 million for FY 2016. This was primarily due to an increase in sales to one of our OEM customers in Americas of our CPO product TJ1400. As we report our revenues in Indian Rupees, the greater depreciation in the Indian Rupee (against the US dollar) for FY 2016 compared to FY 2015 also contributed to the increase in our revenues from sales in Americas for FY 2016 compared to FY 2015. Our sales in the rest of the world decreased by 26.54% from ₹982.24 million for FY 2015 to ₹721.51 million for FY 2016 primarily due to decrease in sales from a customer in Africa.

Cost of materials consumed

Our costs of materials consumed increased by 76.98% from ₹1,981.30 million for FY 2015 to ₹3,506.55 million for FY 2016, in line with the increase in our revenues, which led to greater manufacturing expenses to our contract manufacturers and greater purchases of raw materials and components in FY 2016, as compared to FY 2015. Cost of materials consumed includes components sold to contract manufacturers which increased from ₹3.18 million for FY 2015 to ₹123.24 million for FY 2016 due to the change in our supply chain strategy from consignee model to turnkey model in December 2015.

Function wise expenses

We report our total expenses in terms of total costs of goods sold and total operating expenses (see Annexure XXXII: Restated Consolidated Summary Statement of Function wise Profits and Losses to our Restated Consolidated Financial Statements). Set forth below is a discussion of the changes in our function-wise profits and losses for FY 2016 compared to FY 2015:

- Our costs of materials consumed/sold increased by 75.06% from ₹2,043.18 million for FY 2015 to ₹3,576.81 million for FY 2016, in line with the increase in our revenues, which led to greater manufacturing expenses to our contract manufacturers and greater purchases of raw materials and components in FY 2016, as compared to FY 2015.

- Our manufacturing expenses decreased by 5.05% from ₹142.30 million for FY 2015 to ₹135.11 million for FY 2016 due to a decrease in rent paid with respect to closure of our manufacturing facility in Pondicherry.

- Our service expenses increased by 33.17% from ₹177.24 million for FY 2015 to ₹236.03 million for FY 2016 due to (i) an increase in our product installation charges on account of higher number of products installed, (ii) an increase in employee costs on account of annual salary increases for our services employees and (iii) an increase in rent paid with respect to our service centres.

- As a result of the foregoing, our gross profit increased by 54.54% from ₹1,505.54 million for FY 2015 to ₹2,326.64 million for FY 2016. However, our gross profit margin (the ratio of gross profit to revenue from operations (net)) decreased from 38.9% for FY 2015 to 37.1% for FY 2016 due to a higher rate of growth in cost of materials consumed/sold compared to the rate of growth in our revenue from operations (net) from FY 2015 to FY 2016. The higher rate of growth in cost of material consumed/sold was on account of an increased purchase of components for sale to our contract manufacturers, due to change in our supply chain strategy from consignee model to turnkey model in December 2015.

- Our gross research and development expenses increased by 31.58% from ₹489.58 million for FY 2015 to ₹644.21 million for FY 2016 primarily on account of annual salary increases for our employees in research and development functions, as well as due to an increase in the research and development employee headcount from 250 in FY 2015 to 274 in FY 2016. We capitalised a portion of the gross research and development expenses. Our net research and development expenses increased by 78.90% from ₹166.24 million for FY 2015 to ₹297.40 million for FY 2016.

- Our selling and marketing expenses increased by 46.52% from ₹450.06 million for FY 2015 to ₹659.44 million for FY 2016. This was primarily on account of liquidated damages paid to customers for delays in supplying products and network implementation and on account of annual salary increases for employees in our sales and marketing functions.

- Our general and administrative expenses increased by 35.71% from ₹165.71 million for FY 2015 to ₹224.88 million for FY 2016. This was primarily on account of taxes and penalty incurred on account of disputed CENVAT tax liability.

Employee benefits expense

Our employee benefits expense increased by 34.37% from ₹495.11 million for FY 2015 to ₹665.27 million for FY 2016. This was primarily due to an increase in salaries and wages by 23.75% from ₹743.21 million to ₹919.72 million primarily due to annual salary increases and due to an increase in employee headcount from 616 in FY 2015 to 670 in FY 2016. The increase in salaries and wages was partially offset by an increase in capitalised employee benefit expenses by ₹15.89 million or 4.94% from ₹321.46 million to ₹337.35 million.

Other expenses

Our other expenses increased by 37.59% from ₹706.64 million for FY 2015 to ₹ 972.29 million for FY 2016. These were primarily due to (i) an increase in legal and professional expenses by ₹53.68 million or 153.11% from ₹35.06 million to ₹88.74 million mainly attributable to patent and certification fees, (ii) an increase in sales expenses from ₹19.85 million to ₹93.08 million primarily due to liquidated damages paid to customers on account of delays in product delivery and network implementation, and (iii) an increase in rates and taxes from ₹25.67 million in FY 2015 to ₹46.13 million in FY 2016 primarily on account of taxes and penalty incurred in relation to disputed CENVAT tax liability.

Restated earnings before exceptional items, interest, tax, depreciation and amortization (EBITDA)

As a result of the foregoing, our earnings before exceptional items, interest, tax, depreciation and amortization (EBITDA) increased by 64.98% from ₹685.21 million for FY 2015 to ₹1,130.46 million for FY 2016.

Finance Costs

Our finance costs increased by 5.02% from ₹469.59 million for FY 2015 to ₹493.15 million for FY 2016. This was primarily due to an increase in other borrowing costs by 24.51% from ₹53.54 million to ₹66.66 million due to an increase in borrowings and an increase in additional interest outflow on account of delayed payment of taxes from ₹2.70 million to ₹25.68 million.

Depreciation and amortization expense

Our depreciation and amortization expense decreased by 21.25% from ₹485.65 million for FY 2015 to ₹382.43 million for FY 2016. This was primarily due to decrease in depreciation on intangible assets on account of product development.

Other Income

Until March 31, 2015, Government grants and subsidies were recognized when there was reasonable assurance that we had complied with the conditions attached to them and the grants / subsidies will be received subsequently. Effective April 1, 2015, Government grants and subsidies are recognized on a receipt basis. As a result of this, our other income decreased by 61.51% from ₹91.37 million for FY 2015 to ₹35.17 million for FY 2016, primarily due to the recognition of KESDM incentives on Inter State Sales amounting to ₹38.64 million in FY 2015.

Restated profit/ (loss) before exceptional items and tax

As a result of the foregoing, our restated profit/ (loss) after tax, before minority interest increased from a loss of ₹178.66 million for FY 2015 to a profit of ₹290.05 million for FY 2016.

Tax expense

We did not incur any tax expense for FY 2016 and FY 2015 due to brought forward losses which are in the nature of business loss, unabsorbed depreciation and unabsorbed scientific research expenditure of previous years, as permissible under the applicable tax laws and regulations. Such business losses may be carried forward up to December 31, 2024 (unless set off earlier) and such unabsorbed depreciation and loss on scientific research may be carried forward indefinitely.

Restated profit/ (loss) for the year

As a result of the foregoing, our restated profit/(loss) for the year increased from a loss of ₹178.66 million for FY 2015 to a profit of ₹290.05 million for FY 2016.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We finance our operations and capital requirements primarily through cash flows from operations and borrowings under credit facilities from banks and other financial institutions. We believe that our credit facilities, together with cash generated from our operations and a portion of the proceeds of the offering hereby will be sufficient to finance our working capital needs for the next 12 months. We expect that these sources will continue to be our principal sources of cash in the medium term.

Cash flows

Cash and bank balances primarily consist of balances in current accounts and deposit accounts with banks.

The following table sets forth a consolidated summary of our statement of cash flows for the periods indicated.

(₹ in million)

Cash Flow Data	For Fiscal Year		
	2017	2016	2015
Net cash generated / (used in) operating activities	828.92	1,268.11	759.77
Net cash generated / (used in) investing activities	(1,414.63)	(503.77)	(285.82)
Net cash generated / (used in) financing activities	404.80	(405.40)	(395.57)
Net increase / (decrease) in cash and cash equivalents	(180.91)	358.94	78.38
Cash and cash equivalents at the beginning of the year	490.23	125.09	48.66
Cash and cash equivalents at the end of the year /	**310.44**	**490.23**	**125.09**

Net Cash Flow from Operating Activities

FY 2017

Net cash generated by operating activities for FY 2017 was ₹828.92 million. Our restated profit before tax was ₹644.99 million, which was adjusted for non-cash and other items in a net amount of ₹1,195.68 million, resulting in an operating profit before working capital changes of ₹1,840.67 million.

Our restated profit before tax was adjusted mainly for depreciation and amortization amounting to ₹564.22 million and finance costs amounting to ₹315.20 million and intangible assets written off amounting to ₹304.68 million on account of past salaries of the wireless product development team.

Operating profit before working capital changes was adjusted mainly for trade payables amounting to ₹614.36 million, trade receivables amounting to ₹1,105.64 million and inventories amounting to ₹499.70 million.

The cash generated from our operations for FY 2017 before taxes was ₹ 893.08 million and we paid ₹64.16 million in income taxes (which were deducted by our customers while paying receivables).

FY 2016

Net cash generated by operating activities for FY 2016 was ₹1,268.11 million. Our restated profit before tax was ₹290.05 million, which was adjusted for non-cash and other items in a net amount of ₹989.95 million, resulting in an operating profit before working capital changes of ₹1,280.00 million.

Our restated profit before tax was adjusted mainly for bad trade and other receivables, loans and advances written off amounting to ₹503.00 million, finance costs amounting to ₹493.15 million, provision for doubtful trade and other receivables, loans and advances released amounting to ₹402.00 million and depreciation and amortization amounting to ₹382.43 million.

Operating profit before working capital changes was adjusted mainly for trade payables amounting to ₹611.03 million, trade receivables amounting to ₹353.37 million, other non-current assets amounting to ₹285.93 million and inventories amounting to ₹107.72 million.

The cash generated from our operations for FY 2016 was ₹1,290.21 million and we paid income taxes of ₹22.10 million (which were deducted by our customers while paying receivables).

FY 2015

Net cash generated by operating activities for FY 2015 was ₹759.77 million. Our restated loss before tax was ₹178.66 million, which was adjusted for non-cash and other items in a net amount of ₹1,097.57 million, resulting in an operating profit before working capital changes of ₹918.91 million.

Our restated loss before tax was adjusted mainly for depreciation and amortization amounting to ₹485.65 million, finance costs amounting to ₹469.59 million and provision for receivables amounting to ₹182.87 million.

Operating profit before working capital changes was adjusted mainly for other non-current assets amounting to ₹309.82 million, trade receivables amounting to ₹264.12 million and inventories amounting to ₹123.50 million.

The cash generated from our operations for FY 2015 was ₹783.33 million and we paid income taxes of ₹23.56 million (which were deducted by our customers while paying receivables).

Net Cash Flow from Investing Activities

Our net cash flow used in investing activities for FY 2017 was ₹1,414.63 million, primarily due to write-off of intangible assets amounting to ₹304.68 million on account of past salaries of the wireless product development team (which was recognised as part of the line item purchase of fixed assets and change in CWIP), deposits in bank (not considered as cash and cash equivalents) amounting to ₹939.20 million and purchase of fixed assets and change in capital work-in-progress in connection with development of products which are yet to be commercialized amounting to ₹514.99 million.

Our net cash flow used in investing activities for FY 2016 was ₹503.77 million, primarily due to purchase of fixed assets and change in capital work-in-progress in connection with development of products which are yet to be commercialised, amounting to ₹456.67 million.

Our net cash flow used in investing activities for FY 2015 was ₹285.82 million, primarily due to purchase of fixed assets and change in capital work-in-progress in connection with development of products which are yet to be commercialised, amounting to ₹389.69 million.

Net Cash Flow from Financing Activities

Our net cash flow generated from financing activities for FY 2017 was ₹404.80 million, primarily due to finance costs amounting to ₹315.99 million, which were partially offset by proceeds from issue of shares amounting to ₹771.87 million.

Our net cash flow used in financing activities for FY 2016 was ₹405.40 million, primarily due to finance costs amounting to ₹490.50 million, which was partially offset by net proceeds from long-term borrowings amounting to ₹88.50 million.

Our net cash flow used in financing activities for FY 2015 was ₹395.57 million, primarily due to finance costs amounting to ₹476.77 million and net proceeds from long-term borrowings amounting to ₹164.32 million, which were partially offset by proceeds from issue of shares amounting to ₹245.52 million.

BORROWINGS

The following table presents a breakdown of our borrowings as of March 31, 2017. For details of our borrowings as of April 30, 2017, see "Financial Indebtedness" on page 356.

(₹ in million)

Particulars	As at March 31, 2017
Long-term borrowings	20.00
Short-term borrowings	2259.18
Bill Discounting	263.81
Other current maturities of long-term debt	270.00
Total	**2,812.99**
Secured Loan	2,772.99
Unsecured Loan	40.00
Total	**2,812.99**

As of March 31, 2017, ₹2,772.99 million of our borrowings were floating-rate borrowings. Our floating-rate borrowings are typically benchmarked against LIBOR. See "*—Market Risks—Interest Rate Risk*" below.

CAPITAL EXPENDITURES AND CAPITAL INVESTMENTS

Historical Capital Expenditures

The following table shows our capital expenditures for each of the periods indicated:

(in ₹ millions, except percentages)

	For Fiscal Year					
	2017	**% of net revenue**	**2016**	**% of net revenue**	**2015**	**% of net revenue**
Tangible Assets						
Leasehold Improvements	-	0.0%	-	0.0%	-	0.0%
Electrical Installations	9.60	0.1%	5.20	0.1%	11.01	0.3%
Furniture and Fixtures	5.88	0.1%	1.98	0.0%	0.55	0.0%
Networking Equipment	0.79	0.0%	0.19	0.0%	-	0.0%
Computing Equipment	10.13	0.1%	11.56	0.2%	1.23	0.0%
Servers	4.84	0.1%	-	0.0%	-	0.0%
Laboratory Equipment	48.03	0.5%	26.58	0.4%	16.99	0.4%
Office Equipment	1.82	0.0%	0.56	0.0%	1.73	0.0%
Vehicles	-	0.0%	-	0.0%	-	0.0%
R&D Cards	-	0.0%	50.74	0.8%	-	0.0%
Total	**81.09**	**0.9%**	**96.81**	**1.5%**	**31.51**	**0.8%**
Intangible Assets						
Computer software	32.98	0.4%	14.27	0.2%	22.59	0.6%
Product development	428.04	4.9%	705.53	11.2%	294.62	7.6%
Total	**461.02**	**5.2%**	**719.80**	**11.5%'**	**317.21**	**8.2%**

In FY 2017, we primarily incurred capital expenditures for capitalization of ₹48.03 million of laboratory equipment and in electrical installations and furnitures and fixtures to enhance our manufacturing facilities.

In FY 2016, we primarily incurred capital expenditures for capitalization of ₹26.58 million of laboratory equipment. In FY 2015, we primarily incurred capital expenditures for capitalization of ₹16.99 million of laboratory equipment and ₹50.74 million of addition to the research and development cards, which is required for research and development and customer support services.

Planned Capital Expenditure

We currently expect to incur capital expenditure for tangible assets of ₹13.92 million for FY 2018, only to the extent of amounts which have been contracted but not provided for as disclosed in the preceding section.

Our actual capital expenditures may differ from the amounts set out above due to various factors, including our future cash flows, results of operations and financial condition, changes in the local economy in India, the availability of financing on terms acceptable to us, problems in relation to possible construction/development delays, defects or cost overrun, delays in obtaining or receipt of governmental approval, changes in the legislative and regulatory environment and other factors that are beyond our control.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table summarizes our contractual obligations as of March 31, 2017:

(₹ in million)

	Payments Due by Period					
	Within One Year	**After One Year but within Three Years**	**After Three Years but within Five Years**	**More than Five Years**	**Maturity Unidentified**	**Total**
Current maturities of long term debt	270.00	-	-	-	-	270.00
Short-term borrowings	2,259.18	–	–	–	–	2,259.18
Long-term Borrowings	–	20.00	–	–	–	20.00
Bill Discounting	263.81	–	–	–	–	263.81
Trade Payables	1,399.50	–	–	–	–	1,399.50
Capital Commitments	13.92	–	–	–	–	13.92
Total	**4,206.41**	**20.00**	**–**	**–**	**–**	**4,226.41**

OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENT LIABILITIES

We do not have any material off-balance sheet arrangements.

CONTINGENT LIABILITIES AND COMMITMENTS

Set forth below are details on our contingent liabilities and commitments as at March 31, 2017:

(₹ in million)

Particulars	**As at March 31, 2017**
Contingent liabilities	
Bills Discounted	263.81
Disputed Central Excise Demands	137.90
Disputed Income Tax Demands	467.76
Disputed CST Demand	3.88
Commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	13.92

MARKET RISKS

We are exposed to interest rate risk, foreign exchange risk, credit risk and liquidity risk among others. Our risk management approach seeks to minimize the potential material adverse effects from these exposures. We have implemented risk management policies and guidelines that set out our tolerance for risk and our general risk management philosophy. Accordingly, we have established a framework and process to monitor the exposures to implement appropriate measures in a timely and effective manner. We do not have a fixed hedging policy.

Interest Rate Risk

Interest rate risk is the risk that movements in interest rates will affect our income or the amounts payable on our borrowings. We are exposed to the effects of fluctuations in the prevailing levels of market rates on our financial position and cash flows, which primarily arises out of fluctuations on the rate that we pay on our borrowings. In the long term, the rate that we pay on our borrowings is primarily affected by interest rates set by Indian banks, the interest rates on Indian government securities and the condition of India's financial markets. Given that we have very significant levels of short-term and long-term borrowings, our exposure to long-term fluctuations in interest rates payable on borrowings is material, and we expect that any changes in such rates would have a material impact on our financial condition and results of operations.

Foreign Exchange Risk

Although our reporting currency is in Rupees, we transact a significant portion of our business in several other currencies. 37%. 28% and 43% of our revenue from operations (net) for FY 2017, FY 2016 and FY 2015, respectively, were derived from sales outside of India. Significantly all of our non-Indian sales income is denominated in foreign currencies, primarily in USD. We incur expenses in USD primarily relating to the import of components and accessories required for the manufacture of our products and to meet our international sales expenses.

Therefore, our exchange rate risk primarily arises from the difference between our foreign currency revenues and our outflows for our expenses as well as from the timing differences of receipt and payment of foreign currency.

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 one year. 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. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the operations may be adversely affected as the rupee appreciates/ depreciates against these currencies.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers and these trade receivables are typically unsecured. 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, 2017, our gross trade receivables were ₹3,843.76 million. Our average debtor cycle based on gross revenues was 150 days, 200 days and 252 days and average debtor cycle based on net revenues was 160 days, 215 days and 265 days, in the FY 2017, FY 2016 and FY 2015 respectively.

Liquidity risk

The principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. We borrow short term and long term loans from banks and financial institutions to meet our working capital requirements. As of 31 March 2017 we have outstanding borrowings of ₹2,509.18 million from banks and financial institutions. In addition, as of 31 March 2017, we have outstanding bill discounting of ₹263.81 million. We largely depend on the banks and financial institutions for working capital financing. We may be expose to liquidity risk if we do not generate enough cash flow from operations, and do not repay the loans from the banks and financial institutions or pay off our trade payables as per the agreed contractual terms.

Inflation Risk

We do not consider our exposure to inflation risk to be material.

RECENT ACCOUNTING PRONOUNCEMENTS

We currently prepare our annual financial statements under Indian GAAP. Certain companies in India, including ours, will be required to prepare financial statements under Ind AS, which are largely converged with International Financial Reporting Standards. We will be required to implement Ind AS in the Fiscal Year commencing on April 1, 2017, and to provide comparative figures for the corresponding period in our prior Fiscal Year. Given that Ind AS is different in many respects from Indian GAAP, under which we currently prepare our financial statements, the transition to Ind AS may have a significant impact on our financial results and position. For more information, see "Summary of Significant Differences between Indian GAAP and Ind AS" and "Statement of Reconciliation Between Indian GAAP and Ind-AS" on pages 326 and 323, respectively.

KNOWN TRENDS AND 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 Financial Condition" and the uncertainties described in "Risk Factors" beginning on pages 335 and 19, respectively. To our knowledge, except as we have described in this 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 Red Herring Prospectus, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

FUTURE CHANGES IN RELATIONSHIP BETWEEN COST AND REVENUE

Other than as described in the section "Risk Factors" on page 19, there are no known factors that might affect the future relationship between cost and revenue.

SEASONALITY

Our results of operations are also subject to seasonal fluctuations as we realise a significant portion of our revenues in the second half of the Fiscal Year.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

In the opinion of our Directors, other than as disclosed in this Red Herring Prospectus, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially and adversely affects or is likely to affect the our trading or profitability, taken as a whole, or the value of our consolidated assets or our ability to pay our liabilities over the next twelve months.

CHANGES IN ACCOUNTING POLICIES

There has been no change in our accounting policies in the last three years.

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries avail loans in the ordinary course of business for the purposes of working capital requirements. For the Offer, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company.

Pursuant to a special resolution of our Shareholders passed at the extraordinary general meeting held on July 25, 2016, our Board has been authorized to borrow, from time to time, such sums of money as our Board may deem fit for the purpose of the business of our Company, whether secured or unsecured, notwithstanding that the monies to be borrowed, together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), would exceed the aggregate of the paid-up capital and free reserves of our Company provided that the total amount which may be borrowed by our Board, and outstanding at any time, shall not exceed ₹4,000 million over and above the aggregate of the paid up share capital and free reserves as prevailing from time to time, exclusive of interest and other charges.

As on the date of filing of this Red Herring Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

As on April 30, 2017, our Subsidiaries did not have any outstanding borrowings. Set forth below is a brief summary of our aggregate borrowings as of April 30, 2017, as certified by Manian & Rao, Chartered Accountants on May 22, 2017:

(₹ in million)

Category of borrowing	Total Sanctioned (Fund and Non-fund based)	Fund Based Outstanding excluding Bills discounted as on April 30, 2017 as per books of acounts	Non-Fund Based Outstanding as on April 30, 2017
Our Company			
From banks and financial institutions			
Working capital facility			
- Long term loan	250.00	250	-
- Other working capital facilities	4,178.95	1,628.65	1,540.70
Project / order specific facility (short term)	900.00	597.88	-
Treasury	6.50	-	-
From others			
Unsecured financial support under TDDP of DSIR (Note 6)	55.00	40.00	-
Total	**5,390.45**	**2,516.53**	**1,540.70**

Notes:

(1) The rate of conversion of USD has been taken as ₹64.2450 wherever the limits/outstanding are in USD (FEDAI reference rate as on April 28, 2017)

(2) The rate of conversion of Euro has been taken as ₹70.2475 wherever the limits/outstanding are in Euro (FEDAI reference rate as on April 28, 2017)

(3) Total outstanding fund based facilities consists of amount availed in USD to the tune of USD 24,94,985.60 converted at the above mentioned rate which comes to ₹160.29 million

(4) Total outstanding non-fund based facilities consists of amount availed in USD to the tune of USD 6,90,480.84 and Euro to the tune of Euro 1,00,000 converted at the above mentioned rate which comes to ₹ 51.38 million

(5) Total fund based outstanding of ₹2,516.53 million excludes bills discounted to the tune of ₹273.79 million as our Company has a policy of netting off the same with the trade receivables and considering it as contingent liability

(6) Unsecured financial support under TDDP of DSIR:

a. It is a financial support for the project of our Company on Development of LTE Macro eNodeB Base Stations under TDDP by the DSIR

b. Our Company has to pay to National Research Development Corporation, who will receive the same on behalf of DSIR, annual royalty/lumpsum @26% of the monies actually disbursed by DSIR for a period of 5 years (i.e. a total 1.3 times the monies actually disbursed by DSIR) from the start of captive use of the product by our Company, if any, and/or commercial sale of the "Product" produced in their pilot/commercial or a new producing plant installed on the basis of result of the TDDP project, whichever is earlier

c. Termination of the project:

i. *DSIR will have the right to terminate the Agreement based on recommendation of the project review committee at any stage, if it is satisfied that:*
   - *the moneys released have not been properly utilized; or*
   - *appropriate progress on the project is not being made; or*
   - *the project is not being carried out as per the terms and conditions and/or as per the nature and scope of work as defined in the approved project proposal.*

ii. *DSIR have the right to recover from our Company at any time the moneys disbursed by DSIR for the project along with 12% simple interest, if our Company abandons the project on its own without approval of DSIR or if the project is terminated as above*

iii. *If the project is abandoned for any techno-economic and other reasons, other than the above, based on the recommendations of the project review committee and as directed by DSIR, our Company shall pay back all unspent DSIR grants released for the project and interest accrued thereon and any amounts recoverable by way of disposal of assets procured out of DSIR funds*

(7) Long term loan of ₹250 million has been classified as other current liabilities in the Restated Financial Information examined by the Statutory Auditor of our Company as the same is due for repayment within the next 12 months

(8) Out of ₹40 million of unsecured financial support under Technology Development and Demonstration Programme (TDDP) of DSIR, an amount of ₹20 million has been classified as other current liabilities in the Restated Financial Information examined by the Statutory Auditor of our Company as the same is due for repayment within the next 12 months

Principal terms of the borrowings availed by us:

1. ***Interest and commissions:*** In terms of the loans availed by us, the interest rate is either the base rate of a specified lender and spread per annum, subject to a minimum interest rate or at rates which are mutually decided between the lender and us at the time of disbursement. The spread varies among different loans. In case of bank guarantees, overdraft facilities and letters of credit, we are required to pay a certain commission to the lender.

2. ***Tenor:*** The tenor of the facilities availed by us typically ranges from one day to three years.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

   a) create a *pari passu* charge on all existing and future inventories, receivables and/or current assets of our Company;

   b) create a *pari passu* charge on moveable assets and/or moveable fixed assets of our Company;

   c) provide a counter indemnity;

   d) provide documents of title to goods duly endorsed in favour of the relevant bank;

   e) provide a demand promissory note and letter of continuity;

   f) execute a standby letter of credit for a specified amount in the form approved by the relevant bank; and

   g) execute an undertaking cum indemnity and other miscellaneous security documents in the form approved by the lender.

   This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Re-payment:*** The tenor of the term loan and the working capital facilities (depending on the nature of the facility) ranges from one day to three years, while some are repayable on demand.

5. ***Events of Default:*** Borrowing arrangements entered into by our Company, as the case may be, contain standard events of default, including:

   a) non-payment of instalment/interest as and when the same becomes due and payable;

   b) occurrence of any event or condition, which in the lender's opinion constitutes or could constitute a material adverse effect;

c) entering into any arrangement or composition with its creditors or committing any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of our Company;

d) any representation made is found to be false at any time or misleading as of the date on which the same was made or deemed to be made;

e) ceasing or threatening to cease to carry on business or giving or threatening to give notice of intention to do so;

f) if an event of default has occurred under any other agreement entered into by our Company with any other person or entity;

g) non-creation of the required security as required under the loan agreement entered into between our Company and the lender within the stipulated time; and

h) all or part of the facility is not used for the purpose for which it was sanctioned.

This is an indicative list and there may be additional terms and conditions that may amount to an event of default under the various borrowing arrangements entered into by us. Our Company is required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by our Company, for the purpose of availing of loans, are not triggered.

6. ***Pre-payment conditions:*** Our Company is generally required to obtain the consent of the banks before pre-paying any facility and are liable to pay pre-payment charges at such rates as may be determined by the lenders.

7. ***Declaration of dividend:*** The borrowing arrangements entered into by our Company, generally impose restrictions on payment or declaration of dividend or distribution of profit, in the event our Company fails to pay the amounts due under the facilities regularly.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) tax proceedings; (iv) material litigation, in each case, involving our Company, our Subsidiaries, or our Directors; (v) any litigation involving our Company, our Subsidiaries, our Directors or any other person whose outcome could have a material adverse effect on the position of our Company; (vi) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company and our Subsidiaries in the preceding five years from the date of this Red Herring Prospectus; (vii) pending proceedings initiated against our Company for economic offences; (viii) material frauds committed against our Company in the preceding five years from the date of this Red Herring Prospectus; (ix) defaults for non-payment of statutory dues; (x) fines imposed or compounding of offences against our Company or our Subsidiaries in the preceding five years from the date of this Red Herring Prospectus; (xi) matters involving our Company and our Subsidiaries pertaining to violations of securities law; and (xii) outstanding dues to material creditors and small scale undertakings.

The details of the outstanding litigation or proceedings involving our Company, Subsidiaries and our Directors are described in this section in the manner as set forth below. Pursuant to SEBI ICDR Regulations, for the purposes of disclosure,our Board on April 17, 2017 has considered all other pending litigations involving our Company, Subsidiaries and our Directors, other than criminal proceedings, statutory or regulatory actions, as 'material' if the monetary amount of claim by or against the entity or person in any such pending matter exceeds one per cent of the net worth of our Company as per the Consolidated Restated Financial Information as on March 31, 2017(i.e. ₹5,006.64 million). Further, pre-litigation notices received by our Company, Directors and Subsidiaries (excluding those notices issued by statutory, regulatory or tax authorities), unless otherwise decided by the Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum. Accordingly, we have only disclosed all outstanding civil litigations and tax proceedings involving our Company and Subsidiaries where the aggregate amount involved exceeds ₹50.07 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a bearing on the operations or performance of our Company.

Litigation involving our Company

Civil Litigation by our Company

1. Our Company and our Subsidiary, Tejas Communication Pte. Limited, filed a petition before the City Civil Judge, Bengaluru against Smile Electronics Limited and its directors for recovery of the outstanding amount along with interest and legal notice charges for an aggregate amount of ₹149.52 million. Our Company and our Subsidiary also made an application for the attachment of property of Smile Electronics Limited which was granted by the Additional City Civil and Sessions Judge, Mayo Hall Unit, Bengaluru. Thereafter, the High Court of Karnataka through an interim order dated August 17, 2016 granted an interim relief of stay on the attachment of property order of the Additional City Civil and Sessions Judge, Mayo Hall Unit, Bengaluru until the next date of hearing. The matter is currently pending.

2. Our Company filed a petition before the High Court of Madras under Sections 433(e), 433(f), 434(1)(a) and 439 of the Companies Act, 1956 read with the Company (Court) Rules, 1959, for winding up of Flextronics Technologies (India) Private Limited due to the non-repayment of outstanding dues of ₹49.96 million, which was owed to our Company. Our Company also filed a petition under Section 237 of the Companies Act, 1956 for directing an investigation into the affairs of Flextronics Technologies (India) Private Limited. The High Court of Madras through a common order dated March 18, 2013 dismissed both our petitions. Our Company filed two separate appeals before the High Court of Madras against its order dated March 18, 2013 dismissing our Company's petitions against Flextronics Technologies (India) Private Limited. The matters are currently pending.

3. Our Company filed a petition before the Director General of Anti-Dumping and Allied Duties, Ministry of Commerce who through its preliminary findings dated September 7, 2009 and final findings dated October 19, 2010 imposed anti-dumping duty on Huawei Technologies Co. Ltd. and others for export of

certain Synchronous Digital Hierarchy ("**SDH**") transmission equipment from China and Israel to India. Huawei Technologies Co. Ltd. filed an appeal against the final findings of the Director General of Anti-Dumping and Allied Duties before the CESTAT. The CESTAT through its order dated August 11, 2011 remanded the matter back to the Director General of Anti-Dumping and Allied Duties. Huawei Technologies Co. Ltd. thereafter filed a special leave petition before the Supreme Court against the Director General of Anti-Dumping and Allied Duties challenging the CESTAT order dated August 11, 2011 and the matter is currently pending. Pursuant to the CESTAT order dated August 11, 2011, the Director General of Anti-Dumping and Allied Duties granted an opportunity of hearing to all parties and issued its second final findings dated February 10, 2012 affirming its earlier findings. Huawei Technologies Co. Ltd. filed an appeal against the second final findings of the Director General of Anti-Dumping and Allied Duties before CESTAT. Huawei Technologies Co. Ltd. also filed a stay application before CESTAT which was dismissed by CESTAT through its order dated October 30, 2014. Thereafter, the CESTAT through its order dated February 24, 2016 upheld the final findings and second final findings of the Director General of Anti-Dumping and Allied Duties. Huawei Technologies Co. Ltd filed two special leave petitions before the Supreme Court against the CESTAT orders dated October 30, 2014 and February 24, 2016, respectively. All three matters are currently pending before the Supreme Court.

In relation to the same subject matter, the Directorate of Revenue, a wing of the Department of Revenue, Ministry of Finance, Union of India, initiated an investigation in order to ascertain whether the imported goods and their assemblies/sub-assemblies were that of the SDH transmission equipments and forwarded details of the imported goods to our Company, for our expert opinion. Huawei Technologies Co. Ltd. filed a suit before the High Court of Delhi against the Department of Revenue, Ministry of Finance, Union of India and our Company for *inter alia* permanent and mandatory injunction against the Department of Revenue, Ministry of Finance, Union of India from sharing any technical details/information of imported goods manufactured by Huawei Technologies Co. Ltd with any third party including our Company. The matter has been transferred to Patiala District Court, New Delhi for hearing on July 1, 2017 and is currently pending.

Litigation involving our Subsidiaries

Civil litigation by our Subsidiary, Tejas Communication Pte. Limited

1. Our Subsidiary, Tejas Communication Pte. Limited along with our Company has filed a petition against Smile Electronics Limited before the City Civil Judge, Bengaluru. For further details see "Outstanding Litigation and Material Developments – Litigation involving our Company – Civil litigation by our Company" on page 359.

Tax Proceedings

There are no outstanding tax proceedings against, our Subsidiaries or our Directors. Except as disclosed below, there are no tax proceedings involving our Company:

Nature of Tax Proceedings	Number of cases	Amount involved^ (₹ in million)
Direct Tax		
Income Tax	10	491.47#
Indirect Tax		
Excise Duty	16*	538.85**
KVAT	3	29.57***
Central Sales Tax	6	491.34****
WBVAT	1	0.74
Puducherry VAT	2	22.91
Customs Duty	2	7.07

^includes interest and penalty in cases where they have been quantified
#includes a sum of ₹1.24 million that has been set off against refund due in favour of our Company
**includes two cases wherein our Company has made a rebate claim of ₹23.53 million and ₹2.19 million, respectively*
***includes a sum of ₹8.04 million that our Company has paid under protest and ₹0.20 million that our Company has deposited at the time of appeal*
**** includes an amount of ₹6.49 million for FY 2012-13 and ₹9.13 million for FY 2013-14. Our Company received assessment orders dated May 26, 2017 and May 27, 2017, respectively, which provide for a refund of ₹2.40 million for the FY 2012-13 and and a reduction in demand to ₹1.71 million for FY 2013-14. However, the original amount mentioned in the prescription notice for FY 2012-13 and FY 2013-14 has been retained as our Company intends to file an appeal against the final assessment orders.*
*****includes ₹5.91 million that our Company has deposited at the time of appeal*

Tax proceedings against our Company above materiality threshold approved by our Board

1. A show cause notice dated November 1, 2007 was issued by the Commissioner of Central Excise, Puducherry to our Company demanding differential excise duty of ₹59.16 million (including education cess) under proviso to Section 11A(1) of the Central Excise Act, 1944 along with interest and penalty. According to the Commissioner of Central Excise, the demand for differential excise duty was made since our Company had not included the value of TEJNES software which was loaded in the STM N equipments and which should have been considered as embedded in the equipment at the time of computation of excise duty. The show cause notice was adjudicated by the Commissioner of Central Excise through its order dated April 25, 2008 which sustained the demand for the differential excise duty and imposed a penalty of ₹59.16 million on our Company. Further, a personal penalty of ₹0.20 million each was imposed on the office manager and manager-finance of our Company under Rule 26 of the Central Excise Rules, 2002. Five additional show cause notices dated February 6, 2008, March 5, 2008, April 3, 2008, January 6, 2009 and December 16, 2009 were also issued to our Company by the Commissioner of Central Excise, Puducherry, demanding differential excise duty of ₹248.74 million for the period from January 2007 to September 2009 in relation to the same subject matter. Our Company preferred an appeal before the CESTAT, which remanded the matter back to the Commissioner of Central Excise, Puducherry. Thereafter, the Commissioner of Central Excise held that TEJNES software is not embedded in the equipment and the proceedings were dropped. Upon examination, the Committee of Chief Commissioners, Chennai Zone decided that the findings of the Commissioner of Central Excise dropping the proceedings were not legal and proper and directed the Commissioner of Central Excise, Puducherry to file an appeal before the CESTAT. Accordingly, an appeal was filed before the CESTAT in relation to each of the six show cause notices and the matter is currently pending. Further, our Company has received four show cause notices dated May 4, 2011, April 20, 2012, February 1, 2013 and October 24, 2013 in relation to the same subject matter for differential excise duty amounting to ₹30.14 million along with interest and penalty. Our Company has filed its replies to each of the show cause notices on June 2, 2011, May 9, 2012, February 15, 2013 and December 21, 2013, respectively. The matters are currently pending at various forums.

2. Our Company received a demand letter dated October 26, 2016 from the Office of the Commissioner of Central Excise & Service Tax, LTU Unit, Bengaluru Circle for non-payment of special additional duty of customs on clearance of multiplexer and its parts from the EHTP unit to the DTA unit. Our Company has filed its reply before the Assistant Commissioner of Audit. Thereafter, our Company received a show cause notice dated February 2, 2017 from the Office of the Commissioner of Central Excise & Service Tax, Large Taxpayer Unit (Audit), New Delhi in relation to a demand of excise duty equivalent to additional duty of customs of ₹81.17 million along with interest and penalty. Our Company filed its response to the show cause notice on March 8, 2017 and the matter is currently pending.

3. Our Company received two notices dated February 8, 2017 under Section 9(2) of the Central Sales Tax Act, 1956 from the Office of the Deputy Commissioner of Commercial Taxes (Audit), Bengaluru, Commercial Tax Department, Government of Karnataka in relation to non-filing of requisite forms at the time of effecting interstate sales in the period 2014-2015 and 2015-2016. The notices have levied an additional central sales tax of ₹153.58 million and ₹295.87 million for the period 2014-2015 and 2015-2016, respectively. Our Company has filed its replies to the notices on February 14, 2017 and March 3, 2017 and the matter is currently pending.

4. The Additional Commissioner of Income Tax, Range 12, Bengaluru through its order dated December 28, 2011 directed our Company to pay an additional amount of ₹146.95 million as income tax for the assessment year 2008-2009 and issued a penalty show cause notice. Our Company filed an appeal before the Commissioner of Income-Tax (Appeals) – III, Bengaluru, who through its order dated October 26, 2012, partly upheld the decision of the Additional Commissioner of Income Tax, Range 12, Bengaluru. Both our Company and Additional Commissioner of Income Tax, Range 12, Bengaluru filed appeals before the Income Tax Appellate Tribunal, Bengaluru against the order of the Commissioner of Income Tax (Appeals) – III, Bengaluru. The Income Tax Appellate Tribunal through its order dated December 31, 2014 partly allowed our Company’s appeal and remanded the matter back to the assessing officer, where the matter is currently pending. The total amount involved in the matter is ₹81.36 million.

5. The Deputy Commissioner of Income Tax, Circle 12(4), Bengaluru through its final order dated January 31, 2014 directed our Company to pay an additional amount of ₹178.66 million as income tax for the assessment year 2009-2010. The Deputy Commissioner of Income Tax also issued a penalty show cause

notice on January 31, 2014. Our Company filed its reply to the notice on February 28, 2014. Further, our Company filed an appeal before the Income Tax Appellate Tribunal, Bengaluru against the decision of the Deputy Commissioner of Income Tax, Circle 12(4), Bengaluru and the directions of the Dispute Resolution Panel, Bengaluru, which is currently pending. Our Company also filed a writ petition before the High Court of Karnataka against the disallowance of deductions under Section 35(2AB) by the Deputy Commissioner of Income Tax through its order dated January 31, 2014. The High Court of Karnataka through its order dated April 24, 2015 quashed the order of the Deputy Commissioner of Income Tax dated January 31, 2014 to the extent of disallowance of deduction claimed under Section 35(2AB). The total amount involved in the matter is ₹178.66 million.

6. The Assistant Commissioner of Income Tax, Large Tax Payers Unit, Circle-1, Bengaluru, through its final assessment order dated January 30, 2015, directed our Company to pay an additional amount of ₹41.86 million as income tax for the assessment year 2010-2011. The Assistant Commissioner of Income Tax also issued a penalty show cause notice on January 30, 2015. Our Company filed its reply to the notice on February 12, 2015. The Office of the Deputy Commissioner of Income Tax, Large Tax Payers Unit, Circle-1, Bengaluru issued a revised demand order dated June 22, 2015, directing our Company to pay ₹64.21 million as income tax. Our Company filed an appeal before the Income Tax Appellate Tribunal, Bengaluru against the decision of the Assistant Commissioner of Income Tax, Large Tax Payers Unit, Circle-1, Bengaluru and the directions of the Dispute Resolution Panel, Bengaluru, which is currently pending. The total amount involved in the matter is ₹64.21 million.

7. The Assistant Commissioner of Income-Tax, Large Tax Payers Unit, Circle-1, Bengaluru, through its assessment order dated December 20, 2016, directed our Company to pay a sum of ₹136.69 million as income tax for the assessment year 2014-2015. The Assistant Commissioner of Income Tax also issued a penalty show cause notice on December 20, 2016. Our Company has filed an application for rectification of mistake in the assessment order dated December 20, 2016. Our Company has filed an appeal before the Commissioner of Income Tax (Appeals) - VII against the assessment order dated December 20, 2016 and the matter is currently pending.

Material frauds committed against our Company

There have been no instances of material frauds committed against our Company in the preceding five years from the date of this Red Herring Prospectus.

Inquiries, inspections or investigations under the Companies Act

Except the matter in relation to non-compliance with the requirement to appoint one woman director on the Board within the time limits prescribed under the Companies Act, 2013, which is as disclosed herein below, there are no inquiries, inspections or investigations conducted under the Companies Act or any previous company law against our Company or Subsidiaries in the past five years.

Fines imposed or compounding of offences

Compounding of Offences

Except as disclosed below, there are no fines imposed or compounding applications which have been filed by our Company or our Subsidiaries:

1. Our Company had granted an interest free loan to TEWT which was used by the trust to purchase partly paid up Equity Shares of our Company, for the benefit of the employees of our Company. However, under Section 77 of the Companies Act, 1956, our Company is permitted to grant loans to the trust only for purchase of fully-paid up shares of our Company, for the benefit of the employees. Accordingly, our Company filed an application dated December 15, 2016 under Section 441 of the Companies Act, 2013 for compounding the offence under Section 77 of the Companies Act, 1956 before the Regional Director, South East Region, Hyderabad, Ministry of Corporate Affairs. The contravention was compounded by levying a fee of ₹7,000 on each of the applicants which has been paid by the applicants.

2. A show cause notice dated July 6, 2015 was issued by the RoC to our Company, our Managing Director, Sanjay Nayak, Murali R. (our former Chief Financial Officer) and our Company Secretary, Krishnakanth G. V. seeking an explanation for non-compliance with the requirement to appoint one woman director on

the Board within one year from the date of commencement of Section 149 of the Companies Act, 2013 (i.e. April 1, 2014). While our Company had replied to the said show cause notice pursuant to letter dated July 15, 2015, the RoC had instituted a prosecution against our Company and our aforementioned officers before the Special Court of Economic Offence, Bengaluru. Thereafter, our Company appointed a woman director on the Board on February 16, 2016 and with the permission of the Special Court of Economic Offence, Bengaluru filed an application for compounding the offence under Section 149(1) before the Company Law Board, Chennai Bench. The compounding application was thereafter transferred to the National Company Law Tribunal, Bengaluru Bench. The National Company Law Tribunal, Bengaluru Bench through its order dated November 22, 2016 allowed the compounding application and imposed a compounding fee of ₹0.10 million on our Company and ₹0.08 million each on our Managing Director, Murali R. and our Company Secretary. Our Company and the directors paid the compounding fees. Further, the Special Court of Economic Offence, Bengaluru pursuant to its order dated January 4, 2017 disposed the criminal prosecution filed against our Company and its aforesaid officers.

3. Our Company has not complied with the timelines prescribed by the Reserve Bank of India in respect of (i) reporting foreign inward remittances received in multiple tranches for subscribing to equity and preference shares of our Company and (ii) filing Form FC-GPR for shares issued to non-residents. Further, there was also delay in the payment of the full consideration by one of the non-residents. Accordingly, our Company has filed an application dated April 10, 2017 before the General Manager, Reserve Bank of India for compounding these non-compliances. The application is currently pending. Our Company has also received several letters dated April 18, 2017 from the Reserve Bank of India acknowledging the filing of Form FC-GPR for shares issued to non-residents, subject to compounding. Further, the Reserve Bank of India took on record the Form FC-GPR and issued URN that may be quoted in all future correspondences. The Reserve Bank of India has also clarified that in the event, our Company fails to undergo the compounding process in respect of these non-compliances or fails to comply with the compounding order, the contraventions will survive and our Company will be subject to appropriate action by the Directorate of Enforcement.

Proceedings initiated against our Company for economic offences

There are no pending proceedings initiated against our Company for any economic offences.

Defaults and non-payment of statutory dues

Our Company has no outstanding defaults in relation to statutory dues, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financials institution (including interest).

Outstanding litigation involving our Company, Subsidiaries, Directors or any other person whose outcome could have a material adverse effect on our Company

Except as disclosed above, there is no outstanding litigation involving our Company, Subsidiaries, Directors or any other person whose outcome could have a material adverse effect on our Company.

Material developments since March 31, 2017

Other than as disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 334, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of our consolidated assets or our ability to pay our liabilities over the next 12 months.

Outstanding dues to Creditors

Our Board has, pursuant to its resolution dated April 17, 2017, approved that all creditors of our Company to whom the amount due by our Company exceeds ₹69.98 million, i.e. 5% of trade payables of our Company as of March 31, 2017 as per the Consolidated Restated Financial Information of our Company shall be considered “material” creditors of our Company.

The outstanding dues owed to small scale undertakings and other creditors, separately, giving details of number of cases and amounts for all dues where each of the dues exceeds ₹69.98 million as on March 31, 2017, is set out below:

Material Creditors	Number of cases	Amount involved (₹ in million)
Small scale undertakings	Nil	Nil
Other creditors	3	548.45

The details pertaining to outstanding dues towards our creditors are available on the website of our Company at http://www.tejasnetworks.com/wp-content/uploads/2017/05/Creditor-Listing-15-May-2017.xlsx. It is clarified that such details available on our website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company’s website, http://www.tejasnetworks.com, would be doing so at their own risk.

GOVERNMENT AND OTHER APPROVALS

Our Company and our Subsidiaries have received the material consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/ or regulatory authorities required for carrying out our respective business activities and except as mentioned below, no further material approvals are required for carrying on our respective business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Red Herring Prospectus and in case of licenses and approvals which have expired, we have either made an application for renewal or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see "Regulations and Policies" on page 161.

The approvals required to be obtained by us include the following:

I. Approvals in relation to the Offer

For details, see "Other Regulatory and Statutory Disclosures - Authority for the Offer" on page 368.

II. Incorporation details of our Company

1. Certificate of incorporation dated April 24, 2000 issued by the RoC to our Company in our former name, being Tejas Networks India Private Limited.

2. Fresh certificate of incorporation dated October 23, 2002 issued by the RoC to our Company consequent upon conversion to a public company in the name of Tejas Networks India Limited.

3. Fresh certificate of incorporation dated March 18, 2008 issued by the RoC to our Company consequent upon change of name to Tejas Networks Limited.

4. Our Company was allotted a corporate identity number U72900KA2000PLC026980.

III. Approvals in relation to investments in our Company

1. Approval of the FIPB dated May 21, 2010 and August 12, 2010 issued to the Company for the allotment of 1,180,142 Equity Shares to the shareholders of Tejas Israel Limited in lieu of the acquisition by the Company of 900,000 shares, (representing 100% of the share capital) of Tejas Israel Limited.

IV. Approvals in relation to our business operations

1. *Shops and establishments legislations*

We are required to obtain a registration certificate of establishment issued by the Department of Labour of the respective state governments where the corporate office and branch offices of our Company and our Subsidiary in India are located under the provisions of the relevant state specific legislation on shops and establishments. We have obtained the relevant shops and establishments registrations under the applicable provisions of the shops and establishments legislations of the relevant state for our corporate office and branch offices in India.

2. *Employment related laws*

We have obtained the relevant registrations under the Employees' State Insurance Act, 1948, the Payment of Gratuity Act, 1972 and the Contract Labour (Regulation and Abolition) Act, 1970. We have also been allotted a code under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Our production facility in Sriranga Tech Park, Bengaluru has also been registered under the Factories Act, 1948.

3. *Environmental regulations*

We have obtained the relevant consents from the Karnataka State Pollution Control Board for the establishment and operations of our production facility in Sriranga Tech Park, Bengaluru under the Water

Act and Air Act.

4. ***Approvals under tax legislations***

We are required to register under various national tax legislations and state specific tax legislations such as the Income Tax Act, 1961, the Central Sales Tax Act, 1956, state specific sales tax, excise and value added tax legislations. We are also required to pay service tax and state specific professional tax. We have also obtained the importer exporter code for our operations. We have obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax legislations.

5. ***Other approvals***

Our Company is registered under the Micro, Small and Medium Enterprises Development Act, 2006 as a small manufacturing enterprise. Our production facility in Sriranga Tech Park, Bengaluru has been registered as a small scale industry unit by the National Small Industries Corporation Limited and has been extended all facilities and privileges admissible under the EHTP scheme. Further, our Company is registered as a Karnataka Electronics Systems Design Manufacturing (K-ESDM) Company with the Department of Information Technology & Biotechnology, Government of Karnataka.

V. Intellectual Property Rights

1. ***Trademarks***

Our Company has registered the following trademarks:

Sl. No	Trade mark	Trademark No.	Class	Status
1.	Tejas Networks Future Ready	1969179	38	Registered
2.	Tejas Networks Future Ready	1969180	16	Registered
3.	Tejas Networks Future Ready	1969181	9	Registered
4.	Tejas Networks Future Ready. Today	1969186	38	Registered
5.	Tejas Networks Future Ready. Today	1969187	9	Registered
6.	Tejas Networks Future Proof Transport Architecture	1969189	38	Registered
7.	Tejas Networks FPTA	1969190	9	Registered
8.	FPTA	1969192	16	Registered
9.	Tejas Networks FPTA	1969196	38	Registered
10.	FPTA	1969197	38	Registered
11.	FPTA	1969199	9	Registered
12.	TEJAS XTN	2121114	42	Registered
13.	TEJAS XTN 1400	2121113	42	Registered
14.	TEJAS 1600	2121116	42	Registered
15.	TEJAS XTN	2121109	16	Registered
16.	TEJAS XTN 1400	2121111	16	Registered

Our Company has applied for the registration of following trademarks:

Sl. No	Trade mark	Temporary trade mark no. for pending applications	Class	Status
1.	Tejas Networks Future Ready. Today	1969185	16	Accepted and advertised
2.	Tejas Networks FPTA	1969191	16	Accepted and advertised
3.	Software Defined Hardware	3386443	9	Objection complied
4.	Software Defined Hardware	3386444	42	Objection complied
5.	Software Defined Networking Hardware	3386445	9	Objection complied
6.	Software Defined Networking Hardware	3386446	42	Objection complied
7.	TEJAS	2121108	9	Review

Sl. No	Trade mark	Temporary trade mark no. for pending applications	Class	Status
8.	TEJAS XTN	2121110	9	Review
9.	TEJAS XTN 1400	2121112	9	Objections complied
10.	TEJAS 1600	2121117	9	Objections complied
11.	TEJAS	2128818	42	Objections complied
12.	TEJAS 1600	2121115	16	Review

2. ***Patents***

Our Company has registered 38 patents in United States, six patents in Europe and 12 patents in India. Further, our Company has made 51 applications for registration of patents in United States and 191 applications for registration of patents in India. Our Company has also filed 35 international patent applications under Patent Cooperation Treaty.

VI. Approvals in relation to our Subsidiaries and branch offices outside India

We currently have subsidiaries in India, Nigeria, Singapore and Israel and branch offices in United States of America, United Arab Emirates, Malaysia, South Africa and Kenya. We are in the process of closing our branch office in Bangladesh and Tejas Singapore's branch office in Makati. In order to carry out our operations through our branch offices and Subsidiaries, we require various approvals and/or licenses under various laws, rules and regulations of each jurisdiction in which our Subsidiaries operate. As on the date of this Red Herring Prospectus, we have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to conduct our operations in such jurisdictions.

For incorporation details of our Subsidiaries, see "History and Certain Corporate Matters – Our Subsidiaries" on page 168.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on September 23, 2016 and our Shareholders have approved the Offer pursuant to a special resolution passed at the EGM held on November 19, 2016 under Section 62(1)(c) of the Companies Act, 2013.

For details on the authorisations of the Selling Shareholders in relation to the Offer, see "The Offer" on page 62.

Each Selling Shareholder has confirmed that it is the legal and beneficial owner of the Equity Shares being offered by it under the Offer for Sale.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated March 2, 2017 and March 6, 2017, respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Directors and the Selling Shareholders have not been prohibited 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 Directors are or were associated as promoters, directors or persons in control have not been prohibited or debarred from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except for Balakrishnan V. and Shirish Saraf, none of our Directors are associated with the securities market in any manner.

There has been no action taken by SEBI against our Directors or any of the entities with which our Directors are associated.

Prohibition by RBI

Neither our Company, our Directors or the Selling Shareholders have been identified as Wilful Defaulters. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(2) of the SEBI ICDR Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net issue to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers"*

We are an unlisted company, not satisfying the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and are therefore required to Allot at least 75% of the Offer to QIBs. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Hence, we are eligible for the Offer under Regulation 26(2) of the SEBI ICDR Regulations.

Further, in accordance with Regulation 26(4) of SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which the entire application monies shall be refunded forthwith in terms of the Companies Act 2013, SEBI ICDR Regulations and any other applicable laws.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR 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 BRLMS, AXIS CAPITAL LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, AND EACH SELLING SHAREHOLDER IS RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF THE EQUITY SHARES OFFERED BY IT IN THE OFFER FOR SALE, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 10, 2017 WHICH READS AS FOLLOWS:

WE, THE BRLMS 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 SAID 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 SHAREHOLDERS, 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, THE SECURITIES AND EXCHANGE BOARD OF INDIA

(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR 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 REGISTRATION IS 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 PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS. – NOT APPLICABLE

6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' 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. – NOT APPLICABLE

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' 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 PROMOTERS' 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 HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 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 ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE SELLING SHAREHOLDERS AND THE COMPANY 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. - <u>NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY.</u>

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR 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 SEBI FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – <u>NOTED FOR COMPLIANCE</u>

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, PROMOTERS' EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR 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 STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR.

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – <u>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, AS CERTIFIED BY MANIAN & RAO, CHARTERED ACCOUNTANTS PURSUANT TO THEIR CERTIFICATE DATED FEBRUARY 9, 2017.</u>

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 ICDR REGULATIONS (IF APPLICABLE) - <u>NOT APPLICABLE</u>.

The filing of this Red Herring Prospectus does not, however, absolve our Company and any person who has authorised the issue of this Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013, or from the requirement of obtaining such statutory and/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 Red Herring Prospectus.

The filing of this Red Herring Prospectus does not absolve each Selling Shareholder from any liability to the extent of the statements specifically confirmed or undertaken by such Selling Sharehlders in respect of the Equity Shares offered by such Selling Shareholder under the Offer for Sale, under Section 34 and 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of this 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 Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this 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.tejasnetworks.com or the respective websites of our Subsidiaries would be doing so at his or her own risk. Each Selling Shareholder, its directors, affiliates, associates and officers accepts/undertakes no responsibility for any statements made other than those statements specifically confirmed or undertaken by such Selling Shareholder in relation to itself and to the Equity Shares offered by it, by way of the Offer for Sale in the Offer.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the BRLMs and the Selling Shareholders (through our Company and the BRLMs) to the public and investors at large and no selective or additional information would be made available by our Company, Selling Shareholders or the BRLMs for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company, the Selling Shareholders nor any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, 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 Shareholders, 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 Shareholders and their respective subsidiaries, affiliates, 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 our Company, the Selling Shareholders and their respective subsidiaries, affiliates, associates or third parties, for which they have received, and may in the future receive customary compensation.

Disclaimer in respect of Jurisdiction

The 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, permitted insurance companies 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 eligible non-residents including Eligible NRIs and Eligible FPIs (including FIIs). This Red Herring Prospectus does not, however, constitute an invitation to purchase 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 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 Bengaluru only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this 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 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, our Subsidiaries or the Selling Shareholders from 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 Securities Act, or any state securities laws in the United States, and, unless so registered, 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 Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs"), in reliance on Rule 144A under the Securities Act or another available exemption from the registration requirements of the Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of BSE

BSE Limited ("the Exchange") has given vide its letter dated March 2, 2017, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforsesaid permission to this Company. The Exchange does not in any manner:

(a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

(b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

(c) take any responsibility for the financial soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or committed to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/106307 dated March 06, 2017 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or inconnection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No. C4-A, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

A copy of this 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 ‘E’ Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bengaluru 560 034, Karnataka, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. BSE 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 will forthwith repay, without interest, all monies received from the Bidders in pursuance of this Red Herring Prospectus and each Selling Shareholder will be liable severally and not jointly to reimburse our Company for such repayment of monies, on its behalf, with respect to the Equity Shares offered by it in the Offer for Sale. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent such delay has been caused solely by such Selling Shareholder and to the extent of the Equity Shares being offered by the Selling Shareholders in the Offer for Sale.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid/Offer Closing Date.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from the Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Each Selling Shareholder, severally and not jointly, undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company and the BRLMs, in relation to the Equity Shares offered by it in the Offer for Sale to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid / Offer Closing Date.

Price information of past issues handled by the BRLMs

A. Axis

1. Price information of past issues handled by Axis

Sr. No.	Issue Name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 calendar days from listing
1.	S Chand And Company Limited	7,286	670.00	May 9, 2017	700.00	-		
2.	Avenue Supermarts Limited	18,700	299	March 21, 2017	600.00	+145.08%,[-0.20%]		
3.	BSE Limited	12,434.32	806	February 3, 2017	1,085.00	+17.52%,[+2.55%]	+24.41%,[+6.53%]	-
4.	Varun Beverages Limited	11,250.00	445	November 8, 2016	430.00	-7.72%,[-5.17%]	-9.36%,[+3.01%]	+10.60%,[+9.02%]
5.	Endurance Technologies Limited	11,617.35	472	October 19, 2016	572.00	+16.06%,[-6.69%]	+ 23.78%,[-2.84%]	+73.98%,[+5.55%]
6.	RBL Bank Limited	12,129.67	225	August 31,2016	274.20	+27.07%,[-2.22%]	+56.98%,[-7.50%]	+107.91%,[+1.26%]
7.	Dilip Buildcon Limited	6,539.77	219	August 11, 2016	240.00	+5.11%,[+3.20%]	+1.53%,[-0.57%]	+22.12%,[+2.43%]
8.	Advanced Enzyme Technologies Limited	4,114.88	8,96[2]	August 1, 2016	1,210.00	+56.24%,[+1.23%]	+145.97%,[-0.12%]	+101.14%,[0.05%]
9.	Quess Corp Limited	4,000.00	317	July 12, 2016	500.00	+73.60%,[+0.64%]	+94.59%,[+2.20%]	+110.36%,[-3.34%]
10.	Ujjivan Financial Services Limited	8,824.96[1]	210	May 10, 2016	231.90	+72.38%,[+4.88%]	+115.38%,[+10.44%]	+103.93%,[+7.72%]

Source: www.nseindia.com

1 Company has undertaken a pre-IPO placement aggregating to ₹2,918.39 Million. The size of the fresh issue as disclosed in the draft red herring prospectus dated December 31, 2015, being ₹6,500 Million, has been reduced accordingly

2 Price for eligible employees was ₹810.00 per equity share

Notes:

1. *The CNX NIFTY is considered as the Benchmark Index*
2. *Price on NSE is considered for all of the above calculations*
3. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered*
4. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available*

2. Summary statement of price information of past issues handled by Axis:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount - 30 calendar days from listing			No. of IPOs trading at premium - 30 calendar days from listing			No. of IPOs trading at discount - 180 calendar days from listing			No. of IPOs trading at premium - 180 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%
2017-2018*	1	7,286	-	-	-	-	-	-	-	-	-	-	-	-
2016-2017	10	1,11,377.80	-	-	1	4	2	3	-	-	-	6	-	2
2015-2016	8	60,375.66	0	0	3	0	4	1	0	0	3	1	2	2

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available

B. Citi

1. Price information of past issues handled by Citi:

Sr. No.	Issue Name	Issue size (₹in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 calendar days from listing
1.	Laurus Labs Limited	13,305.1	428.00	December 19, 2016	489.90	+ 11.44%,[+3.62%]	+23.97%,[+13.03%]	NA
2.	Endurance Technologies Limited	11,617.4	472.00	October 19, 2016	572.00	+ 16.06%,[(-) 6.69%]	+ 23.78%,[(-) 2.84%]	+76.32%,[+5.68%]
3.	RBL Bank Limited	12,129.7	225.00	August 31, 2016	274.20	+ 27.07%,[(-) 2.22%]	+ 56.98%,[(-) 7.50%]	+103.07%,[+1.74%]
4.	L&T Infotech Ltd	12,363.8	710.00	July 21, 2016	667.00	(-) 6.39%,[+1.84%]	(-) 12.44%,[+1.97%]	(-) 4.21%,[(-) 1.14%]
5.	Mahanagar Gas Ltd.	10,388.8	421.00	July 1, 2016	540.00	+20.86%,[+3.72%]	+57.15%,[+5.00%]	+83.71%,[(-) 3.55%]
6.	Dr. Lal Pathlabs Limited	6,319.1	550.00	December 23, 2015	720.00	+32.54%,[(-)7.49%]	+66.95%,[(-)2.06%]	+63.13%,[(+)3.87%]
7.	InterGlobe Aviation Limited	30,085.0	765.00	November 10, 2015	855.80	+32.39%,[(-)2.20%]	+9.41%,[(-)3.78%]	+40.59%,[(-)0.64%]
8.	Coffee Day Enterprise Limited	11,500.0	328.00	November 2, 2015	317.00	(-) 21.42%,[(-)1.19%]	(-) 20.76%,[(-)6.15%]	(-) 20.98%,[(-)2.50%]

Sr. No.	Issue Name	Issue size (₹in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 calendar days from listing
9.	UFO Moviez India Ltd.	6,000.0	625.00	May 14, 2015	600.00	(-)11.68%,[(-)2.93 %]	(-) 3.18%,[+2.90%]	(-) 18.27%,[(-)3.76%]

Source: www.nseindia.com

Notes:

1. Nifty is considered as the benchmark index.

2. In case 30th/ 90th/180th day is not a trading day, closing price on the NSE of a trading day immediately prior to the 30th/ 90th/180th day, is considered

3. Since the listing date of RBL Bank Limited. was August 31, 2016, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available

4. Since the listing date of Endurance Technologies Limited. was October 19, 2016, information relating to closing prices and benchmark index as on the 180th calendar day from listing date is not available

5. Since the listing date of Laurus Labs Limited was December 19, 2016, information relating to closing prices and benchmark index as on 90th/180th calendar day from listing date is not available

2. Summary statement of price information of past issues handled by Citi:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount - 30 calendar days from listing			No. of IPOs trading at premium - 30 calendar days from listing			No. of IPOs trading at discount - 180 calendar days from listing			No. of IPOs trading at premium - 180 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%
2017-18*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016-17	5	59,804.8	-	-	1	-	1	3	-	-	1	3	-	-
2015-16	4	53,904.1	-	-	2	-	2	-	-	-	2	1	1	-

** The information is as on the date of this Red Herring Prospectus*

Notes:

1. Since the listing date of RBL Bank Limited was August 31, 2016, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available

2. Since the listing date of Endurance Technologies Limited. was October 19, 2016, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available

3. Since the listing date of Laurus Labs Limited. was December 19, 2016, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available

C. Edelweiss

1. Price information of past issues handled by Edelweiss:

Sr. No.	Issue Name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 calendar days from listing
1.	Avenue Supermarts Limited	18,700.00	299.00	March 21, 2017	600.00	145.08%; [-0.20%]	Not applicable	Not applicable
2.	BSE Limited	12,434.32	806.00	February 3, 2017	1085.00	17.52%; [2.55%]	24.41%; [6.53%]	Not applicable
3.	Sheela Foam Limited	5,100.00	730.00	December 9, 2016	860.00	30.23%; [-0.31%]	48.39% [8.02%]	Not applicable
4.	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	330.00	-7.60%;[0.54%]	11.54%;[-6.50%]	12.31%; [5.28%]
5.	Thyrocare Technologies Limited	4,792.14	446.00	May 9, 2016	665.00	36.85%;[5.09%]	22.57%;[10.75%]	39.09%;[7.22%]
6.	Equitas Holdings Limited	21,766.85	110.00	April 21, 2016	145.10	34.64%;[-2.05%]	57.91%;[7.79%]	63.77%;[7.69%]
7.	Healthcare Global Enterprises Limited	6,496.40	218.00	March 30, 2016	210.20	-15.30%;[1.45%]	-19.98%;[4.65%]	-1.28%;[12.77%]
8.	Alkem Laboratories Limited@	13,477.64	1,050.00	December 23, 2015	1,380.00	30.34%;[-7.49%]	28.60%;[-2.06%]	31.91%;[4.74%]
9.	Coffee Day Enterprises Limited	11,500.00	328.00	November 2, 2015	317.00	-21.42%;[-1.19%]	-20.76%;[-6.15%]	-20.98%;[-2.50%]
10.	Prabhat Dairy Limited^	3,561.88	115.00	September 21, 2015	113.00	11.78%;[3.57%]	30.83%;[-1.79%]	-5.48%;[-4.67%]

Source: www.nseindia.com
@Alkem Laboratories Limited - Discount of ₹100 per equity share offered to eligible employees. All calculations are based on offer price of ₹1,050.00 per equity share
^Prabhat Dairy Ltd - Discount of ₹5 per equity share offered to retail investors. All calculations are based on issue price of ₹115.00 per equity share

Notes:
1) *Based on date of listing*
2) *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day*
3) *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered*
4) *The Nifty 50 index is considered as the Benchmark Index*
5) *Not Applicable. – Period not completed*
6) *Disclosure in Table-1 restricted to10 issues*

2. Summary statement of price information of past issues handled by Edelweiss:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount - 30 calendar days from listing			No. of IPOs trading at premium - 30 calendar days from listing			No. of IPOs trading at discount - 180 calendar days from listing			No. of IPOs trading at premium - 180 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%
2017-18^	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016 – 17	6	123,361.22	-	-	1	1	3	1	-	-	-	1	1	1
2015 – 16	7	56,157.83	-	-	3	-	2	2	-	-	4	-	1	2

^The information is as on the date of this Red Herring Prospectus
1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
3. *The Nifty 50 index is considered as the Benchmark Index*

For the financial year 2016-17 – total 6 issues were completed out of which 3 issues have completed 180 days
For the financial year 2015-16 – total 7 issues were completed. However, disclosure under Table-1 is restricted to latest 10 issues

D. Nomura

1. Price information of past issues handled by Nomura:

Sr. No.	Issue Name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 calendar days from listing
1.	Housing and Urban Development Corporation Limited[1]	12,097.77	60	May 19, 2017	73	Not applicable	Not applicable	Not applicable
2.	BSE Limited	12,434.32	806	February 3, 2017	1,085	+17.52%, [+2.55%]	+24.41%, [+6.53%]	Not applicable
3.	Alkem Laboratories Limited[2]	13,477.64	1,050	December 23, 2015	1,380	+30.34%, [-7.49%]	+28.60%, [-2.06%]	+31.91%, [4.74%]

Source: www.nseindia.com
1. *Price for retail individual bidders bidding in the retail portion and to eligible employees was ₹58.00 per equity share*
2. *Price for eligible employees was ₹950.00 per equity share*

Notes:
1. *The CNX NIFTY has been considered as the Benchmark Index*
2. *Price on NSE is considered for all of the above calculations*
3. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered*
4. *Not applicable – Period not completed*

2. Summary statement of price information of past issues handled by Nomura:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30 calendar days from listing			No. of IPOs trading at discount - 180 calendar days from listing			No. of IPOs trading at premium - 180 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%
2017-2018*	1	12,097.77	-	-	-	-	-	-	-	-	-	-	-	-
2016-2017	1	12,434.32	-	-	-	-	-	1	-	-	-	-	-	-
2015-2016	1	13,477.64	-	-	-	-	1	-	-	-	-	-	1	-

** The information is as on the date of this Red Herring Prospectus*
The information for each of the financial years is based on issues listed during such financial year
One issue was completed in the financial year 2016-2017. However, this issue has not completed 180 days.
One issue was completed in the financial year 2017-2018. However, this issue has not completed 30 and 180 days.

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 the SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	Axis	http://www.axiscapital.co.in
2.	Citi	http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
3.	Edelweiss	www.edelweissfin.com
4.	Nomura	www.nomuraholdings.com/company/group/asia/india/index.html

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditor, Indian legal counsel to our Company, Indian legal counsel to the BRLMs and international legal counsel to the BRLMs, bankers/lenders to our Company, the BRLMs, the Syndicate Member, the Escrow Collection Bank, the Public Offer Account Bank, the Refund Bank, the Monitoring Agency and the Registrar to the Offer to act in their respective capacities, has been obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

Our Company has received written consents from Ovum (a trading division of Informa Telecoms & Media Limited) and TechSci Research, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the report published by Ovum and the publication by TechSci, respectively and included in Draft Red Herring Prospectus, and such consents have not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" and the consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Expert to the Offer

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

Our Company has received written consent from the Deloitte Haskins & Sells LLP and the Statutory Auditor namely, Deloitte Haskins & Sells, Chartered Accountants, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the statement of tax benefits dated January 24, 2017 and reports of the Statutory Auditor on the Standalone Restated Financial Information and Consolidated Restated Financial Information each dated May 17, 2017, respectively and which are included in this Red Herring Prospectus, and such consents have not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" and the consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consents from Ovum (a trading division of Informa Telecoms & Media Limited) and TechSci Research, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the report published by Ovum and the publication by TechSci, respectively and included in this Red Herring Prospectus, and such consents have not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Offer Expenses

The expenses of the Offer include, among others, brokerage and selling commission, printing and stationery expenses, fees of the Monitoring Agency, legal fees, advertising and marketing expenses, registrar and depository fees and listing fees. For further details of Offer expenses, see "Objects of the Offer" on page 110.

All the fees and expenses relating to the Offer other than listing fees (which shall be borne by our Company) shall be shared between our Company and the Selling Shareholders, upon successful completion of the Offer in proportion to the Equity Shares sold in the Offer, in accordance with applicable law. The Selling Shareholders shall reimburse our Company for all expenses incurred by our Company in relation to the Offer for Sale on each of their behalf.

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 Syndicate Agreement, a copy of which will be available at the Corporate Office of our Company. For details of the fees payable to the Syndicate see "Objects of the Offer – Offer Expenses" on page 110.

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 110.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, and preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the Registrar Agreement, a copy of which is available for inspection at the Corporate Office of our Company.

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/under certificate of posting.

For details of the fees payable to the Registrar to the Offer, see "Objects of the Offer" on page 110.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the "Capital Structure" on page 71, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

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 the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Subsidiaries

None of our Subsidiaries are listed and they have not undertaken any public or rights or composite issue in the last three years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Subsidiaries

Our Company has not undertaken any previous public or rights issue. There has been no shortfall in terms of performance *vis-a-vis* objects for any of the previous issues of our Company.

None of our Subsidiaries have undertaken any public or rights issue in the last ten years preceding the date of the Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Except the employee stock options granted under the ESOP 2014, ESOP 2014A and ESOP 2016, our Company does not have any outstanding preference shares or other convertible instruments, as on date of this Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this 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.

Mechanism for 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 and demat credit 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 to 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 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.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB, 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 appointed a Stakeholders' Relationship Committee comprising of Balakrishnan V., Sanjay Nayak and Leela Krishnamurthy Ponappa as members. For details, see "Our Management" on page 172. As on the date of this Red Herring Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of the Draft Red Herring Prospectus.

Our Company has also appointed Krishnakanth G V, Company Secretary of our Company as the Compliance Officer for the Offer. For details, see "General Information" on page 64.

Disposal of Investor Grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956

There are no listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.

Changes in Auditors

There has been no change in the Auditors during 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

Our Company has not revalued its assets at any time in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA and AoA, the terms of this Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN/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 issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, 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 the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Offer Expenses

The Offer comprises the Fresh Issue and the Offer for Sale. For further details in relation to Offer expenses, see "Objects of the Offer" and "Other Regulatory and Statutory Disclosures" on pages 105 and 368, respectively.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of 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 Articles of Association" on page 436.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the MoA and AoA and provisions of the SEBI Listing Regulations. For further details, in relation to dividends, see "Dividend Policy" and "Main Provisions of the Articles of Association" on pages 188 and 436, respectively. In relation to the Offer for Sale, the dividend for the entire financial year shall be payable to the transferees.

Face Value and Offer Price

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLMs and advertised in all editions of the English national newspaper The Financial Express, all editions of the Hindi national newspaper Jansatta and the Bengaluru edition of the Kannada newspaper Vishwavani, each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

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 the 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 SEBI Listing Regulations and the AoA of our Company.

For a detailed description of the main provisions of the AoA of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "Main Provisions of Articles of Association" on page 436.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated January 18, 2008 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated July 17, 2008 amongst 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 the 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/transfer/alienation 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 and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys 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 dematerialized mode, 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 want to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

Our Company and the Selling Shareholders, severally and not jointly, in consultation with the BRLMs, reserve the right not to proceed with the Fresh Issue and/ or Offer for Sale, in whole or part thereof, at anytime including after the Bid/Offer Opening Date but before the Allotment. In the event our Company in consultation with the BRLMs decide not to proceed with the Offer, our Company would 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 Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders and the BRLMs shall notify the Escrow Collection bank to release the Bid Amounts of the Anchor Investors 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 Equity Shares are proposed to be listed. If the Offer is withdrawn after the Designated Date, amounts that have been credited to the Public Offer Account shall be transferred to the Refund Account.

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 withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/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	June 14, 2017[(1)]
BID/OFFER CLOSES ON	June 16, 2017

(1) Our Company 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 ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	June 16, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about June 21, 2017
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about June 22, 2017
Credit of Equity Shares to demat accounts of Allottees	On or about June 23, 2017
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about June 27, 2017

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company 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 of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, 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. Each Selling Shareholder confirms that it shall extend reasonable 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, solely with respect to the Equity Shares being offered by such Selling Shareholder in the Offer for Sale.

The Equity Shares have not been and will not be registered under the Securities Act, or any state securities laws in the United States, and, unless so registered, 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 Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs"), in reliance on Rule 144A under the Securities Act or another available exemption from the registration requirements of the Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 will be granted by Stock Exchanges only for uploading Bids received from 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.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid File received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

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 3.00 p.m. IST on Bid/Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. 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 during Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders 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.

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by

notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Member.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) minimum Allotment as specified under Rule 19(2)(b)(i) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, 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.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company and the Anchor Investor lock-in as provided in "Capital Structure" on page 71 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details see "Main Provisions of the Articles of Association" on page 436.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Initial Public Offering of up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Shares) aggregating up to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating to ₹4,500 million by our Company and an Offer for Sale of up to 12,711,605 Equity Shares aggregating to ₹[●] by the Selling Shareholders. The Offer shall constitute [●]% of the post-Offer issued 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)	At least [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Bidders	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	At least 75% of the Offer shall be available for allocation to QIBs. However, 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not more than 15% of the Offer	Not more than 10% of the Offer
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	Proportionate, subject to minimum Bid Lot. For details see, "Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs" on page 423
Mode of Bidding	ASBA only (3)	ASBA only	ASBA only
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply(4)	Public financial	Resident Indian individuals,	Resident Indian individuals,

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
	institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies	Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors	Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form[3][5]		

**Assuming full subscription in the Offer*

(1) Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion 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 Structure" on page 389

(2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b)(i) of the SCRR and under the SEBI ICDR Regulations

(3) Anchor Investors are not permitted to use the ASBA process

(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders

(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. For details of terms of payment applicable to Anchor Investors, please see "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" on page 423

Under-subscription, if any, in any category, except the QIB Portion, can be met with spill-over from the other categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange in a proportionate basis. However, under-subscription, if any, in the QIB portion will not be allowed to be met with spill-over from other categories or combination of categories.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to subscribe or acquire the Equity Shares.

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") 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 ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations to the extent applicable to a public issue but has not been updated to reflect the commercial considerations between our Company and the Selling Shareholders with respect to the Offer. 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 Shareholders 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 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 Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein at least 75% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR 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. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net 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 more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. However, the value of Allotment to any Retail Bidder shall not exceed ₹200,000.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders 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 the Bidding Centers, and 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.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only 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. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

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 under the QIB Portion), FPI or FVCIs or FPIs, 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 the respective SCSBs, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Participation by the BRLMs, the Syndicate Member and persons related to them

The BRLMs and the Syndicate Member shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Member may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs) can 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 reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII who 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 the 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% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits for an FII (or sub account)/ FPI in our Company are 10% and 49% 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, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to 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 in the event (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 further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the 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% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than

1/3rd of its investible funds 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 VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

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 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 reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

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 reserves 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, 2016 as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company belongs to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in the 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 reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in its absolute discretion, reserves 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 Shareholders 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 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 Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of this 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 you have mentioned the correct ASBA Account number in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

7. 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;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. Ensure that 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;

10. 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;

11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

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 a 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 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;

14. Ensure that the category and the investor status is indicated;

15. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

16. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

17. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in the Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

18. 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 at the time of submission of the Bid; and

19. Ensure that the Demographic Details are updated, true and correct in all respects.

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 for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not withdraw your Bid or lower the size of your Bid (in terms of number of Equity Shares or Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

8. Do not submit the Bid for an amount more than funds available in your ASBA account.

9. 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;

10. 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;

11. 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);

12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;

13. Do not submit more than five Bid cum Application Forms per ASBA Account;

14. Anchor Investors should not bid through the ASBA process;

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; and

16. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price.

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 in consultation with the BRLMs, in its absolute discretion, 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: "Tejas Networks Limited Escrow Account Anchor Investor R"

(b) In case of Non-Resident Anchor Investors: "Tejas Networks Limited Escrow Account Anchor Investor NR"

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of English national newspaper The Financial Express; (ii) all editions of Hindi national newspaper Jansatta; and (iii) Bengaluru edition of Kannada newspaper Vishwavani (Kannada being the regional language of Karnataka, where the Registered Office is situated), each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date and the QIB Bid Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Underwriters 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:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;

- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;

- 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;

- if 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, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

- 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;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, 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 the securities/refund orders to Eligible NRIs shall be despatched within specified time; and
- other than Equity Shares issued pursuant to exercise of options granted under ESOP 2014, ESOP 2014A or the ESOP 2016, no further issue of the Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The statements and undertakings set out below, in relation to each Selling Shareholder, are statements which are specifically confirmed or undertaken by such Selling Shareholder. All other statements and/or undertakings in this DRHP in relation to any of the Selling Shareholders shall be statements made by our Company, even if the same relates to any of the Selling Shareholders. Each of the Selling Shareholders hereby severally and not jointly undertake and/or confirm the following:

- the Equity Shares offered by it have been held by it for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations;
- it is the legal and beneficial owner of the Equity Shares offered by it, and that such Equity Shares are fully paid-up and shall be transferred in the Offer, free from liens, charges and encumbrances of any kind whatsoever;
- it shall not have recourse to the proceeds from the Offer which shall be held in escrow in its favour until the final listing and trading approvals from all the Stock Exchanges have been obtained;
- it shall reimburse our Company for expenses incurred in relation to the Offer on its behalf, to the extent of the Equity Shares offered by it, in the manner agreed to amongst the Selling Shareholders and our Company, and in accordance with applicable law;
- it shall take all such steps as may be required to ensure that the Equity Shares offered by it in the Offer are available for transfer in the Offer within the time specified under applicable law;
- to the extent of the Equity Shares offered by it, funds required for making refunds to unsuccessful applicants, to the extent applicable, as per the mode(s) disclosed in this Red Herring Prospectus, shall be made available to the Registrar to the Offer by it in a timely manner in accordance with applicable law; and
- it shall comply with all applicable laws, including but not limited to, the SEBI ICDR Regulations and the Companies Act, 2013, and the rules and regulations made thereunder, each as amended, in each case, in relation to the Offer.

Utilisation of Offer Proceeds

The Board of Directors certify that:

- all monies received out of the Fresh Issue 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;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

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 Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read this Red Herring Prospectus/Prospectus before investing in the Offer.

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 Offers. 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 Offer 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 Offer and the relevant information about the Issuer undertaking the Offer 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 Offer. 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 Offer 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 Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**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/Offer 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 Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Offer 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/Offer Period. Details of Bid/Offer 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/Offer Period for QIBs one Working Day prior to the Bid/Offer 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/Offer 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.

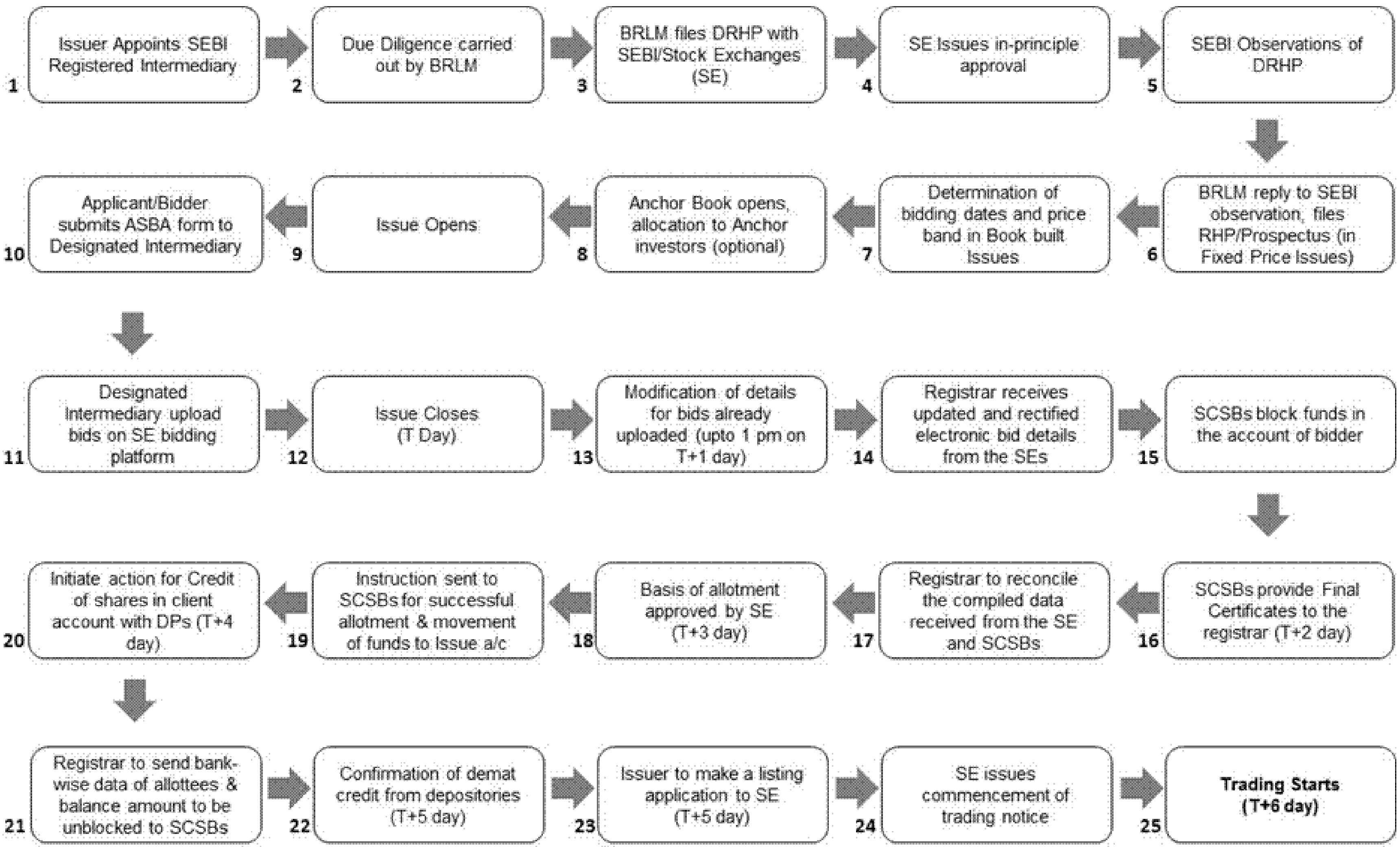
2.6 FLOWCHART OF TIMELINES

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 Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  i. Step 7 : Determination of Offer Date and Price

  ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits ASBA form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 Issue Closes (T Day)
13 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
14 Registrar receives updated and rectified electronic bid details from the SEs
15 SCSBs block funds in the account of bidder
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

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 Offer 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;
- 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 only under the Non Institutional Bidder ("**NIBs**") 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 NIBs category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- 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 Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, Overseas Corporate Bodies are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the book running lead managers, the Designated Intermediaries at the Bidding centres 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/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders 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 Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance 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 and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEJAS® NETWORKS

TEAR HERE

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

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
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	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")

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)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

** HUF should apply only through Karta (Application by HUF would be treated on par with individual)*

7. PAYMENT DETAILS | PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

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 ABRIDGED 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.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	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 Issue	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :	1) 2) 3)	

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

TEJAS® NETWORKS

TEAR HERE

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

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**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")

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)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✔ tick)
Option 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	FII or Sub-account not a Corporate/Foreign Individual
FIISA	FII Sub-account Corporate/Individual
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investors
OTH	Others (Please Specify)_______

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

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 ABRIDGED 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.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : __________	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No.

Bank & Branch

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

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 Offer only for correspondence(s) related to an Offer 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:*

(d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(e) 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

(f) 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 dematerialized 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 DP.

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 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/Applications 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/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/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/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/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, 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 other correspondence(s) related to an Offer.

(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/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.

(b) The Bidders 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 may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).

(c) **Cut-Off Price:** Retail Individual Bidders 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 Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs 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 RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may 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 may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders 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 does not exceed ₹200,000.

(b) Bids by Employees must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by such Bidder does not exceed ₹500,000. However, Allotment to the Employees under the Employees Reservation Portion may exceed ₹200,000 (which will be less Employee Discount) only in the event of an under-subscription in the Employees Reservation Portion and such unsubscribed portion may be allotted on a proportionate basis to Employees Bidding in the Employees Reservation Portion, for a value in excess of ₹200,000, subject to total Allotment to an Employee not exceeding ₹500,000 (which will be less the Employee Discount).

(c) In case the Bid Amount exceeds ₹200,000, except Bids by Employees under the Employees Reservation Portion, 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 then such Bid may be rejected if it is at the Cut-off Price.

(d) 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.

(e) Bids by QIBs and NIBs 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. NIBs and QIBs are not allowed to Bid at Cut-off Price.

(f) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(g) 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/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(h) A Bid cannot be submitted for more than the Offer size.

(i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer 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 may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder 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 are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder 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, 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 Offer 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**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, NIBs 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 Offer Price. For details regarding allocation to Anchor Investors, Bidders 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 Offer, 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 in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer 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 Offer 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/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants 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/Applicants 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 Discount is applicable in the Offer, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the 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. 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) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Offer 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 direct credit, RTGS 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**

(a) Bidders 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 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, demand draft, cheque, 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 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 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 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 bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form 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 Bid cum Application 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 Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer 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 Offer 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 Offer, 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 Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.7.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer 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, or more than five lakh Rupees in case of Employees Bidding under the Employees Reservation Portion, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ 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/Applicant, 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 Bid cum Application Form/Application 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 Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgment 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 Offer may be addressed to the Registrar to the Offer 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.

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/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

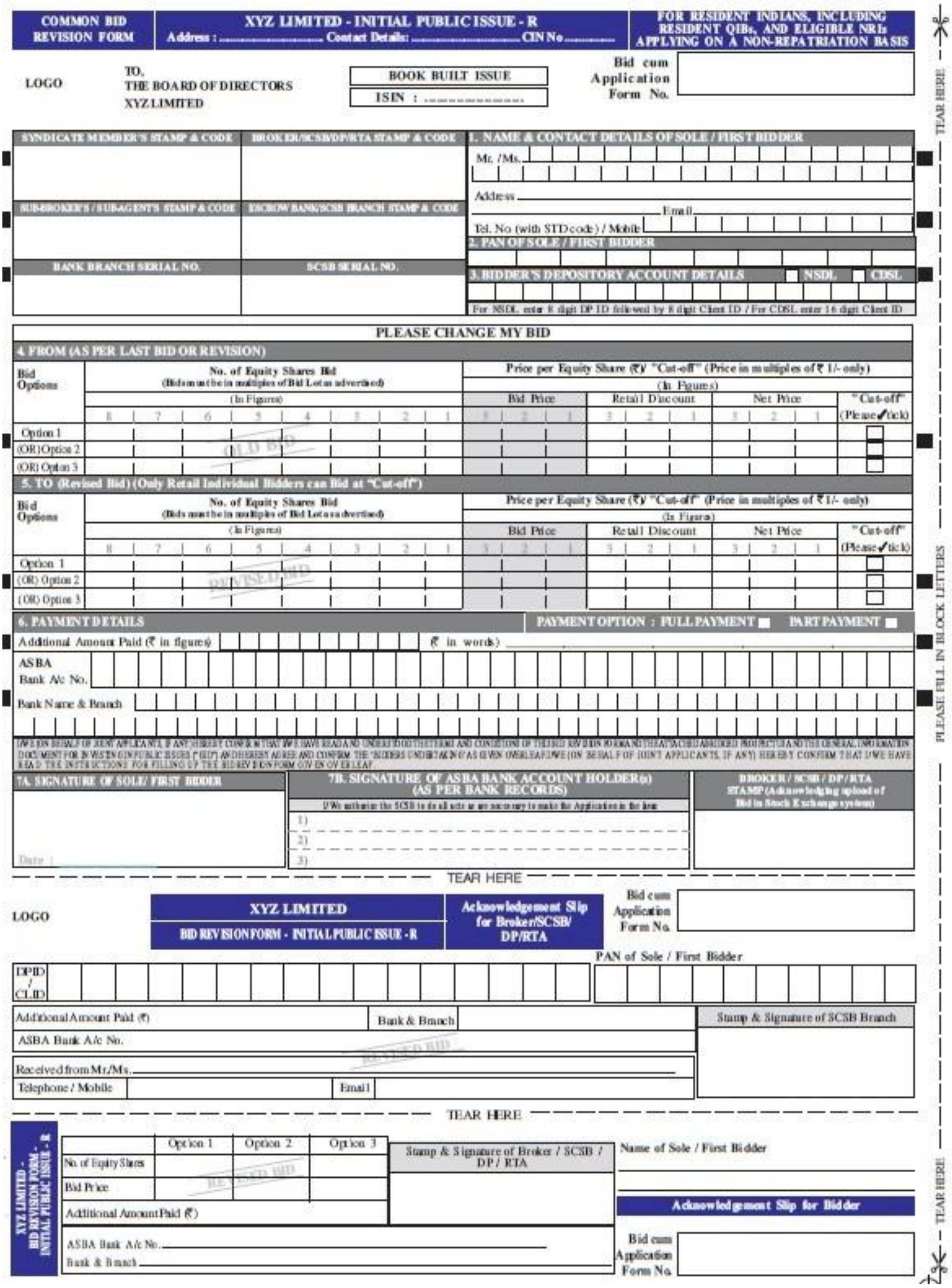
(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids till the Bid/Offer 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/Applicant can make this revision any number of times during the Bid/Offer 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/Applicant 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

Email

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

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 (Bids 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) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1	OLD BID				
(OR) Option 2					
(OR) Option 3					

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1	REVISED BID				
(OR) Option 2					
(OR) Option 3					

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional 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 REVISION FORM AND THE ATTACHED ABRIDGED 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 REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

7B. 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 Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

Date :

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

Additional Amount Paid (₹)

Bank & Branch

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
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

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/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

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/Applicant 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/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant 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 RIBs and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case of revision of Bids by Employees under Employees Reservation Portion, such Employees should ensure that the Bid Amount, subsequent to revision does not exceed ₹500,000. In the event of an under-subscription in the Employees Reservation Portion, the unsubscribed portion may be allotted on a proportionate basis for a value in excess of ₹200,000, subject to total allotment to an Employee not exceeding ₹500,000. In case the Bid Amount exceeds ₹200,000, except Bids by Employees under the Employees Reservation Portion, 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 RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer 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, except Bids by Employees under the Employees Reservation Portion, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs 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 that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants 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/Applicants 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/Applicant 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, except Bids by Employees under the Employees Reservation Portion, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants 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/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

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 Manager 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 RIBs**,** 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, except for Bids by Employees Bidding in the Employees Reservation Portion wherein the application amount payable should not exceed ₹500,000.

(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 Offer 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 Offer 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, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications 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 Offer 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 Offer are RIBs, individual applicants other than RIB'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 Offer, 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 Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer 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 of ASBA for applying in the Issue

(b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

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/APPLICATION FORM/REVISION FORM

4.4.1 **Bidders/Applicants 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 Investors 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 DP at the Designated DP 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 Offer 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 Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Offer 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, NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants 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/Offer 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 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer 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/Offer 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 centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer 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 Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalization of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate Member, as the case may be, may reject Bids if all 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, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Member (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/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, which have been detailed at various places in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs;

(c) In case of partnership firms, Bid/Application 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/Applications 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/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications 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/Application Forms except for Bids/Applications 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/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(k) Bids/Applications at Cut-off Price by NIBs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Submission of more than five ASBA Forms/Application Forms per ASBA Account;

(o) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;

(p) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(q) Bids not uploaded in the Stock Exchanges bidding system.

(r) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;

(s) Where no confirmation is received from SCSB for blocking of funds;

(t) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(u) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;

(v) Bids/Applications 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/Application Form.

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 Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer 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/Applicant may refer to the RHP/Prospectus.

(b) Under-subscription in any category (except QIB Portion) 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 Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. 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 should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders 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, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
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, will 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/Offer 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 with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders 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, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder 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 Offer. As the Offer Price is mentioned in the Fixed Price Offer 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/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; 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 Bidders 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 Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder 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 Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer 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 Offer Price, full Allotment may be made to the RIBs 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 Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

(a) In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs 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 RIBs 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 RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (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 NIBS

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs 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 Offer 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 Offer 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 Offer 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 Offer 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 Offer 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 Offer Price will be at the discretion of the issuer in consultation with 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 of 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 at least ₹100 million in the Offer.

(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 Offer Price is higher than the Anchor Investor Allocation 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 Offer Price and the Anchor Investor Allocation 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 Offer Price is lower than the Anchor Investor Allocation 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), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer 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 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 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 may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder 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, the Allotment may be made as follows: the successful Bidders out of the total Bidders 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 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 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 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 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 in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders 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 Banker to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders 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 Offer.

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 Offer.

(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/Offer 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/Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Offer 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 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 Offer (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/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer involving a Fresh Issue and an 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, 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 Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer 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/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In the event of the Issue failing after the Designated Date, amounts that have been credited to the Public Issue Account from Bidders shall be transferred to the Refund Account.

(d) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' 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 Offer, 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 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) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

(b) **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 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 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;

(c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

(d) **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;

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 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 Allotment is not made and the 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 15 days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer 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 Offer 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 ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB

Term	Description
Application Supported by Blocked Amount Form /ASBA Form	An 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 ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer 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 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 cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer 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 Offer, 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/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, 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/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer 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/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application 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/Applicants 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 Offer 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.

Term	Description
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer 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 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer 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	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, 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 Bidder~~/Applicant~~'s address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders 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 respective websites of the 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	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where 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 respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer 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/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(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 Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer 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
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The 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.
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
NECS	National Electronic Clearing Service
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 Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares

Term	Description
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non Institutional Bidders or NIBs	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 Offer being such number of Equity Shares available for allocation to NIBs 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
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
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 Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer 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 Offer 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/Offer 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	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer 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

Term	Description
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 Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer 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	The account opened with Refund Bank, from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank	Refund bank 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 Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders/ RIBs	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 Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders 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
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Member
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date

Term	Description
Working Day	“Working Day” means 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, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” 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 of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. 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 Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), issued the consolidated FDI Policy by way of circular D/o IPP F. No. 5(1)/2016-FC-1 dated June 7, 2016 ("**FDI Policy 2016**"), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy 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 2016 will be valid until the DIPP issues an updated circular.

Subject to certain conditions, the transfer of shares by way of sale 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 FDI Policy 2016 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 2016; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

The Equity Shares have not been and will not be registered under the Securities Act, or any state securities laws in the United States, and, unless so registered, 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 Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs"), in reliance on Rule 144A under the Securities Act or another available exemption from the registration requirements of the Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders 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 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

The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part A and Part B, the provisions of Part B shall be applicable. However, Part B shall automatically terminate and cease to have any force and effect from the date of listing of shares of our Company on a stock exchange in India subsequent to an initial public offering of the Equity Shares of our Company without any further action by our Company or by the shareholders.

PART A

1. CONSTITUTION OF THE COMPANY

a) *The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*

b) *The regulations for the management of the company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

a. "**Act**" means the Companies Act, 1956 as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the notified sections of the Companies Act, 2013) and the notified sections of the Companies Act, 2013 and includes the Rules made thereunder.

b. "**ADRs**" shall mean American Depository Receipts representing ADSs.

c. "**Annual General Meeting**" shall mean a General Meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.

d. **"ADR Facility"** shall mean an ADR facility established by the company with a depository bank to hold any equity shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.

e. **"ADSs"** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.

f. **"Articles"** shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

g. **"Auditors"** shall mean and include those persons appointed as such for the time being by the company.

h. **"Board"** shall mean the board of directors of the company, as constituted from time to time, in accordance with law and the provisions of these Articles.

i. **"Board Meeting"** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

j. **"Beneficial Owner"** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.

k. **"Business Day"** shall mean a day on which scheduled commercial banks are open for business in Bangalore, Mumbai and Mauritius;

l. **"Capital" or "share capital"** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.

m. **"Chairman"** shall mean such person as is nominated or appointed in accordance with Article 37 herein below.

n. **"Companies Act, 1956"** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.

o. **"Company" or "this company"** shall mean **TEJAS NETWORKS LIMITED.**

p. **"Committees"** shall mean a committee constituted in accordance with Article 74.

q. **"Debenture"** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.

r. **"Depositories Act"** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

s. **"Depository"** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.

t. **"Director"** shall mean any director of the company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.

u. **"Dividend"** shall include interim dividends.

v. "**Equity Share Capital**" shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.

w. "**Equity Shares**" shall mean fully paid-up equity shares of the Company having a par value of INR 10/- (Rupees Ten) per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.

x. **"Executor"** or **"Administrator"** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

y. **"Extraordinary General Meeting"** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;

z. "**Financial Year**" shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

z. "**Fully Diluted Basis**" shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.

aa. **"GDRs"** shall mean the registered Global Depositary Receipts, representing GDSs.

bb. **“GDSs**” shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.

cc. **“General Meeting”** shall mean a meeting of holders of Equity Shares and any adjournment thereof.

dd. “**Independent Director**” shall mean an independent director as defined under the Act and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ee. **“India”** shall mean the Republic of India.

ff. **“Law”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) generally accepted accounting principles.

gg. “**Managing Director**” shall have the meaning assigned to it under the Act.

hh. “**MCA**” shall mean the Ministry of Corporate Affairs, Government of India.

ii. “**Memorandum**” shall mean the memorandum of association of the Company, as amended from time to time.

jj. **“Office”** shall mean the registered office for the time being of the Company.

kk. **“Officer”** shall have the meaning assigned thereto by Section 2(59) of the Act.

ll. **“Ordinary Resolution**” shall have the meaning assigned thereto by Section 114 of the Act.

mm. “**Paid up**” shall include the amount credited as paid up.

nn. “**Person**” shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

oo. “**Register of Members**” shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.

pp. “**Registrar**” shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.

qq. “**Rules**” shall mean the rules made under the Act and notified from time to time.

rr. “**Seal**” shall mean the common seal(s) for the time being of the Company.

ss. “**SEBI**” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

tt. “**SEBI Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

uu. **“Secretary”** shall mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.

vv. “**Securities**” shall mean any Equity Shares or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.

ww. **“Share Equivalents”** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

xx. “**Shareholder**” shall mean any shareholder of the Company, from time to time.

yy. “**Shareholders’ Meeting**” shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.

aaa. **“Special Resolution”** shall have the meaning assigned to it under Section 114 of the Act.

bbb. **“Transfer”** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word “**Transferred**” shall be construed accordingly.

ccc. “**Tribunal**” shall mean the National Company Law Tribunal constitutes under Section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

(i) References to a Party shall, where the context permits, include such Party’s respective successors, legal heirs and permitted assigns.

(ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(iii) References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.

(iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.

(vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

(vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.

(viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

(ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.

(xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.

(xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

(a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.

(b) The Paid up Share Capital shall be at all times a minimum of ₹5,00,000/- (Rupees Five Lakhs only) or such higher amount as may be required under the Act.

(c) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital.

(d) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

(e) Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

(f) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

(g) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.

(h) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(i) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(j) All of the provisions of these Articles shall apply to the Shareholders.

(k) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.

(l) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

6. PREFERENCE SHARES

(a) **Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) **Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

7. PROVISIONS IN CASE OF PREFERENCE SHARES.

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

(a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

(b) No such shares shall be redeemed unless they are fully paid;

(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;

(d) Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

(e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;

(f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and

(g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

8. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

9. ADRS/GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

10. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

(a) increase its Share Capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

(c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination

(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

11. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

12. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

13. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

(a) The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act

(i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

(ii) A register of Debenture holders; and

(iii) A register of any other security holders.

(b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

(c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

(a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(b) A duplicate certificate of shares may be issued, if such certificate:

i. is proved to have been lost or destroyed; or

ii. has been defaced, mutilated or torn and is surrendered to the Company.

(c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.

(e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law including the rules or regulations or requirements of any stock exchange and the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.

(f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

(g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

(h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.

(i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.

(k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

(l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the

Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.

(n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 54 of the Act) and at such time as they may, from time to time, think fit and with the sanction of the Company in the General Meeting, give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid-up shares. Provided that option or right to call shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

(b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

(c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(d) In accordance with Section 56 and other applicable provisions of the Act and the Rules:

(i) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.

(ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in the form and manner as specified in Article 15 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the one or several joint holders shall be sufficient delivery to all such holders.

(iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

(iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. UNDERWRITING AND BROKERAGE

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

18. CALLS

(a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

(b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

(g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time 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 or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

(j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

(l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

i. On shares:

(a) The Company shall have a first and paramount lien:

(i) on every share (not being a fully paid-up share), registered in the name of each shareholder (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and except as provided in Article 19(i)((b);

(ii) on all shares (not being fully paid-up shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

(c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.

(d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. 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.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 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.

The net proceeds of any such 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.

(e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

(a) The Company shall have a first and paramount lien:

(i) on every Debenture (not being a fully paid-up Debenture), registered in the name of each debenture holder (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

(ii) on all Debentures (not being fully paid-up Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

(c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

(d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 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 Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such 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 Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

(e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. FORFEITURE OF SHARES

(a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

(d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

(f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

(g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

(h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles 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 shares.

(i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of 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 the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

(k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.

(b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

(d) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

22. TRANSFER AND TRANSMISSION OF SHARES

(a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

(b) Every instrument of transfer of shares shall be in writing and all the provisions of Section 56 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 the registration thereof. 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 shall apply.

(c) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(f) Subject to the provisions of Sections 58 and 59 of the Act, the Rules, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company or debentures of the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, 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.

(g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

(h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

(i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

(j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

(k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

(l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

(m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

(n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

(p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(r) There shall be a common form of transfer in accordance with the Act and Rules.

(s) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

(c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles.

(d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.

c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

(a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(i) accept or renew deposits from Shareholders;

(ii) borrow money by way of issuance of Debentures;

(iii) borrow money otherwise than on Debentures;

(iv) accept deposits from Shareholders either in advance of calls or otherwise; and

(v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

(d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

(e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

(f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

(g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

(a) The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Companies Act, 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

(b) (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.

(ii) Not more than one person shall be recognised as depositor of the share warrant.

(iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.

(c) (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.

(ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.

(d) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

(e) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

(a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account 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 privileges or advantages, (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.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

(a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

34. NOTICE OF GENERAL MEETINGS

(a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

(a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,

(b) Auditor or Auditors of the Company, and

(c) all Directors.

(b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

(c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

(d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

(e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

(f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

(g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

(a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

(b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

(d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

(e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

(f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

(g) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

36. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

37. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

38. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

39. QUESTIONS AT GENERAL MEETING HOW DECIDED

(a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

(b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

(c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

(e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

(f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

(h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

41. VOTES OF MEMBERS

(a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

(b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

(c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

(d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

(e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

(f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

(g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

(h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

(i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

(j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

(k) A Shareholder present by proxy shall be entitled to vote only on a poll.

(l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.

(m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.

(n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

(p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

(q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

(i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

(vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(vii) Any such Minutes shall be evidence of the proceedings recorded therein.

(viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(ix) The Company shall cause minutes to be duly entered in books provided for the purpose of:

a) the names of the Directors and Alternate Directors present at each General Meeting;

b) all Resolutions and proceedings of General Meeting.

(r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.

(s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

(t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

(u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

(v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

(w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

42. DIRECTORS

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

43. CHAIRMAN OF THE BOARD OF DIRECTORS

(a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

(b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

44. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "**the Original Director**") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42**.** Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

(a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

(b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

(c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

(d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

(a) Subject to relevant provisions of Sections 167 and 188 of the Act, the office of a Director, shall *ipso facto* be vacated if:

(i) he is found to be of unsound mind by a court of competent jurisdiction; or

(ii) he applies to be adjudicated an insolvent; or

(iii) he is adjudged an insolvent; or

(iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or

(v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or

(vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 3 (three) months, whichever is longer, without obtaining leave of absence from the Board; or

(vii) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 185 of the Act; or

(viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or

(ix) he acts in contravention of Section 184 of the Act; or

(x) he becomes disqualified by an order of the court under Section 203 of the Companies Act, 1956; or

(xi) he is removed in pursuance of Section 169 of the Act; or

(xii) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

(a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to: :

i. sale, purchase or supply of any goods or materials;

ii. selling or otherwise disposing of, or buying, property of any kind;

iii. leasing of property of any kind;

iv. availing or rendering of any services;

v. appointment of any agent for purchase or sale of goods, materials, services or property;

vi. such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

vii. underwriting the subscription of any securities or derivatives thereof, of the company:

without the consent of the Shareholders by way of a Resolution in accordance with Section 188 of the Act.

(b) no Shareholder of the Company shall vote on such Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

(c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis

(d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

(e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.

(f) The term 'related party' shall have the same meaning as ascribed to it under the Act.

(g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-

(i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,

1. in his being –

    I. a director of such company, and

    II. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or

2. in his being a member holding not more than 2 (two) per cent of its Paid-up Share Capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

(c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

(d) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director, or the Directors appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

(a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment; or

(iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC

(a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

(b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

65. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager(s) in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

(a) to make calls on Shareholders in respect of money unpaid on their shares;

(b) to authorise buy-back of securities under Section 68 of the Act;

(c) to issue securities, including debentures, whether in or outside India;

(d) to borrow money(ies);

(e) to invest the funds of the Company;

(f) to grant loans or give guarantee or provide security in respect of loans;

(g) to approve financial statements and the Board’s report;

(h) to diversify the business of the Company;

(i) to approve amalgamation, merger or reconstruction;

(j) to take over a company or acquire a controlling or substantial stake in another company;

(k) fees/ compensation payable to non-executive directors including independent directors of the Company; and

(l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the

Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

(a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

(b) to borrow money; and

(c) any such other matter as may be prescribed under the Act, the SEBI Listing Regulations and other applicable provisions of Law.

68. PROCEEDINGS OF THE BOARD OF DIRECTORS

(a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.

(b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

(c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

(d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.

(e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

(f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

69. QUORUM FOR BOARD MEETING

(a) <u>Quorum for Board Meetings</u>

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

(b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

70. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

(a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

(b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

71. ELECTION OF CHAIRMAN OF BOARD

(a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

(b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

72. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

(a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.

(b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

(c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term ‘undertaking’ and the expression ‘substantially the whole of the undertaking’ shall have the meaning ascribed to them under the provisions of Section 180 of the Act;

ii. Remit, or give time for repayment of, any debt due by a Director;

iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

iv. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

73. COMMITTEES AND DELEGATION BY THE BOARD

(a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

(b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

(c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

(d) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the SEBI Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

74. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

75. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

76. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

(a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

(b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.

(c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -

(i) all appointments of Officers;

(ii) the names of the Directors present at each meeting of the Board;

(iii) all resolutions and proceedings of the meetings of the Board;

(iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.

(f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -

(i) is or could reasonably be regarded as defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company.

(g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.

(h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

(i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 3 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

77. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

78. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

79. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

80. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

81. OFFICERS

(a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

(b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.

(c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.

(d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.

(e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

82. THE SECRETARY

(a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

(b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

83. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

(a) on terms approved by the Board;

(b) which includes each Director as a policyholder;

(c) is from an internationally recognised insurer approved by the Board; and

(d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

84. SEAL

(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.

(b) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Companies Act, 1956, for use in any territory, district or place outside India.

(c) Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by any one of the Directors or the Secretary of the Company under an authority of a resolution.

85. ACCOUNTS

(a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

(b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.

(c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.

(d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

(e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.

(f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:

i. the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;

ii. number of meetings of the Board;

iii. Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;

iv. a statement on declaration given by Independent Directors under sub-section (6) of Section

149 of the Act;

v. in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act;

vi. explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-

1. by the auditor in his report; and

2. by the company secretary in practice in his secretarial audit report;

vii. particulars of loans, guarantees or investments under Section 186 of the Act;

viii. particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;

ix. the state of the company's affairs;

x. the amounts, if any, which it proposes to carry to any reserves;

xi. the amount, if any, which it recommends should be paid by way of Dividends;

xii. material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

xiii. the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;

xiv. a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;

xv. the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

xvi. in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and

xvii. such other matters as may be prescribed under the Law, from time to time.

(g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

86. AUDIT AND AUDITORS

(a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.

(b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

(c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.

(e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.

(f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.

(g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

(i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

(j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

87. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

88. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

89. DOCUMENTS AND NOTICES

(a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.

(b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

(c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.

(d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.

(e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

(f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

(g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

90. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

91. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

92. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

93. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

(i) To the Shareholders of the Company as provided by these Articles.

(ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.

(iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

94. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

95. DIVIDEND POLICY

(a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

(b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

(c) (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Actor out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -

1. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and

2. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Actor against both.

(ii) The declaration of the Board as to the amount of the net profits shall be conclusive.

(d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.

(e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

(f) (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

(ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.

(iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

(g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

(h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

(i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

(j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

(k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.

(l) No unpaid Dividend shall bear interest as against the Company.

(m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.

(n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

(o) The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Act.

96. UNPAID OR UNCLAIMED DIVIDEND

(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remained so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid

Dividend Account".

(b) Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investor Education and Protection Fund".

(c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

97. CAPITALIZATION OF PROFITS

The Company in General Meeting may, upon the 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 Company's profit and loss account or otherwise, as available for distribution, and

(b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

(c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

(ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

(iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

(d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

98. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

(a) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.

(b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and

(ii) generally do all acts and things required to give effect thereto.

(c) The Board shall have full power:

i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and

ii. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(d) Any agreement made under such authority shall be effective and binding on all such shareholders.

99. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

(a) If the company shall be wound up, the Liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, 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 shareholders or different classes of shareholders.

100. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims.

101. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the company.

102. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the board and shareholders shall be kept at the office of the company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

103. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

(a) The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.

(b) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.

(c) The Articles of the company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

104. SECRECY

No shareholder shall be entitled to inspect the company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the company to communicate to the public.

105. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the company's affair.

PART B

1. The Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013, shall apply to this Company in the same manner as if all such Regulations of Table 'F' are specifically contained in the Articles, subject to the modifications herein contained.

2. Definitions

(a) "**Act**" shall mean the Companies Act, 2013, or the Companies Act, 1956 (as in force) and any amendment thereto or any other succeeding enactment for the time being in force;

(b) "**Affiliates**" shall mean, with respect to any Person, any company, corporation, association or other Person, which, directly or indirectly, Controls, is Controlled by or is under common Control with the first named Person (including, in the case of venture capital funds, affiliated entities of such venture capital funds). If such Person is an individual, the term "Affiliate" shall include a Relative of such individual or any entity which is Controlled by or under the common Control of such Person or Relative;

(c) "**Agreement**" shall mean the shareholders agreement dated August 02, 2016 entered into by and between the Company, the Management Group, Cascade Capital Management Mauritius, Mayfield XII, Mauritius, Osher LP, USA, Mr. Balakrishnan V and Samena Spectrum Co., as amended;

(d) "**Bala Series G Subscription Amount**" shall have the meaning assigned to it in the Agreement;

(e) "**Board**" shall mean the board of directors of the Company in office at the relevant time, appointed in accordance with the Agreement, these Articles and applicable Law;

(f) "**Business**" shall mean the current business of design, development, manufacturing, sale, service and support of equipment and software used for optical and packet transmission & switching and broadband wireless access. It shall also include other related business in future that have been undertaken by the Company;

(g) "**Business Day**" shall mean a day on which scheduled commercial banks are open for business in Bangalore, Mumbai and Mauritius;

(h) "**Cause**" shall have the meaning as set out in the respective employments agreements of the members of the Management Group;

(i) "**Charter Documents**" shall mean, with respect to a Person, the articles of association and memorandum of association, certificate of incorporation or similar organizational or incorporation documents, of such Person;

(j) "**Closing Date**" shall have the meaning as set out in the Share Subscription Agreement;

(k) "**Company Group**" means collectively, the Company and its Subsidiaries;

(l) "**Competitive Entities**" shall have the meaning assigned to it in the Agreement;

(m) "**Conforming of Rights**" shall have the meaning as set out in Article 49(x);

(n) "**Consents**" shall mean any approval, consent, waiver, notice or other authorization of or from or to any Third Party, including scheduled banks and financial institutions (other than a Governmental Approval) that may be required for (i) the execution of the Agreement, (ii) the consummation of the transactions contemplated under the Agreement, and (iii) carrying on the Business in accordance with applicable Law;

(o) "**Contract**", with respect to a Person, shall mean any agreement, contract, obligation, promise, undertaking, subcontract, lease, understanding, instrument, note, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any nature (whether written or oral or express or implied) entered into by such Person;

(p) "**Control**" (including with correlative meaning, the terms, "Controlling", "Controlled by" and "under common Control with"), with respect to a Person, shall mean the acquisition or control of more than 50% (fifty per cent) of the voting rights or of the issued share capital of such Person or the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body of such Person, the power to direct or cause the direction of the management, to manage and exercise significant influence on the management or policies of such Person, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, through Contract or otherwise;

(q) "**Co-Sale Shares**" shall have the meaning as set out in Article 39(a);

(r) "**Cut Off Date**" shall mean 30 June 2019;

(s) "**Deed of Adherence**" shall mean the deed of adherence in the form as specified in the Agreement;

(t) "**Director**" shall mean a director of the Company appointed in accordance with the articles of association and the Act;

(u) "**Distribution Amount**" shall have the meaning as set out in Article 41;

(v) "**DRHP**" shall have the meaning as set out in Article 49(x)(a)(A);

(w) "**Eligible Shareholder**" shall have the meaning as set out in Article 39(a);

(x) "**Encumbrance**" shall mean any mortgage, pledge, non-disposal undertaking, escrow, power of attorney (by whatever name called) charge, lien or other security interest securing any obligation of any Person or any other agreement or arrangement having a similar effect, option, pre-emptive right, adverse claim, title retention agreement, conditional sale agreement, co-sale agreement, trust (other title exception of whatsoever nature) or other encumbrance of any kind, or a Contract to give or refrain from giving any of the foregoing, including any restriction imposed under applicable Law or Contract on the Transferability of Shares or the operation of the Business, and the term "Encumber" shall be construed accordingly;

(y) "**Equity Shares**" shall mean equity shares of face value of Rs. 10 (Indian Rupees Ten only) each in the Share Capital or any other equity shares of whatsoever denominations that may be issued by the Company from time to time;

(z) "**Existing Investors**" shall mean all the Persons listed in SCHEDULE I of the Agreement;

(aa) "**Fifth Distribution Amount**" shall have the meaning as set out in Article 41(v);

(bb) "**Final Strategic Sale Notice**" shall have the meaning as set out in Article 49 (ii);

(cc) "**Financial Investor**" shall mean:

(i) Any private equity fund, hedge fund, venture capital fund; or
(ii) Any fund, division within an investment bank, banks, financial institutions or sovereign wealth funds that is engaged in the business of making private equity, hedge, venture or other financial or proprietary investments, but makes such investments without any intention of entering into a strategic affiliation, joint venture, partnership, alliance, cooperation or similar commercial arrangement;

and shall exclude any Financial Investor which in the opinion of the Board is an Affiliate of any of the Competitive Entities;

(dd) "**Financial Statements**" shall mean the consolidated balance sheet, profit and loss account statements and cash flows (audited or unaudited, as the case may be) of the Company;

(ee) "**Financial Year**" shall mean the period commencing from April 1 of one year and ending on March 31 of the immediately succeeding year, or such other period that may be decided by the Company to be the financial year of the Company and notified to the Investors;

(ff) "**Fourth Distribution Amount**" shall have the meaning as set out in Article 41(iv);

(gg) "**Fully Diluted Basis**", with respect to any Share, security, note, option, warrant or instrument convertible into Shares, shall mean the deemed conversion of such Share, security, note, option, warrant or convertible instrument into Equity Shares in the Company in accordance with applicable Law and the terms of issue of such Share, security, note, option, warrant or convertible instrument as of the relevant date of determination of the Share Capital of the Company;

(hh) "**Fully Diluted Share Capital**" shall mean the issued, paid-up and subscribed Share Capital calculated on a Fully Diluted Basis;

(ii) "**Indian GAAP**" in relation to any company, the general accepted accounting principles, standards and practices as applicable in India;

(jj) "**Governmental Approvals**" shall mean any permission, approval, consent, license, permit, Order, authorization, registration, filing, notification, exemption or ruling to, from or with any Governmental Authority;

(kk) "**Governmental Authority**" shall mean any national, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency, any statutory body or commission or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Law or any court, tribunal, arbitral or judicial body;

(ll) “**ICDR Regulations**” means the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time;

(mm) “**Initial Cut Off Date**” shall mean 30 November 2017;

(nn) “**Initial Distribution Amount**” shall have the meaning as set out in Article 41(i);

(oo) “**Investors**” shall mean collectively, the Series G Investors and the Existing Investors;

(pp) “**Investment Cost**” shall mean the cost of investment in the Company’s Shares prior to the date hereof by the Senior Series F Investors and Junior Series F Investors as specified in Schedule VIII(C)8 of the Agreement.

(qq) “**IPO**” shall mean the initial public offering of shares or other securities (including depository receipts), on the Recognized Stock Exchange chosen by the Board in consultation with the Majority Investors, that includes an offer for sale by Shareholders of the Company, in accordance with Article 49;

(rr) “**Junior Series F Investors**” shall mean the Persons listed in SCHEDULE IV of the Agreement;

(ss) “**Law**” shall mean any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, government approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of the Agreement or thereafter;

(tt) “**Liquidation Event**”, with respect to the Company, shall mean any of the following:

(i) The appointment of a receiver, administrator or provisional or official liquidator or similar officer by an appropriate court in relation to the Company, its assets and/or undertaking, under any applicable Law in any proceeding for insolvency, winding up or bankruptcy or similar proceeding initiated by a Third Party;

(ii) The commencement of:

(a) Any voluntary winding up, dissolution, rehabilitation or other proceedings; or

(b) Any involuntary liquidation, dissolution or winding up; or

(c) A merger or consolidation in which the Company is a constituent party or

(d) The sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, of at least 50% of the assets of the Company or substantially all the assets of the Company as a whole, or

(iii) Any change in Control of the Company or Strategic Sale of the Company;

(uu) “**Listing Date**” shall have the meaning as set out in Article 49(x)(a)(A);

(vv) “**Majority Investors**” shall mean, from amongst the Schedule II Investors, those who collectively hold at least 50.1% (Fifty point one per cent) of the Shares of the Company on Fully Diluted Basis;

(ww) “**New Shares**” shall have the meaning as set out in Article 21;

(xx) “**Non-Subscribing Shareholders**” shall have the meaning as set out in Article 24;

(yy) “**Offer Notice**” shall have the meaning as set out in Article 38(b);

(zz) “**Offer Period**” shall have the meaning as set out in Article 38(b);

(aaa) “**Offer Price**” shall have the meaning as set out in Article 38(b);

(bbb) “**Order**” shall mean any order, injunction, judgment, decree, ruling, writ, assessment or award of a court, arbitration body or panel or other Governmental Authority;

(ccc) “**Osher Series G Subscription Amount**” shall have the meaning assigned to it in the Agreement;

(ddd) “**Person**” shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable Law;

(eee) “**Pre-Emptive Offer Period**” shall have the meaning as set out in Article 23;

(fff) “**Purchaser**” shall have the meaning as set out in Article 39(b);

(ggg) “**Qualified Offer Sale Notice**” shall have the meaning as set out in Article 52(iii);

(hhh) “**Qualified Offer Notice**” shall have the meaning as set out in Article 52(iii);

(iii) “**Qualified Offer Period**” shall have the meaning as set out in Article 51(iii);

(jjj) “**Qualified Offer Price**” shall have the meaning as set out in Article 51(iii);

(kkk) “**Recognized Stock Exchange**” shall mean the National Stock Exchange of India Limited, the Bombay Stock Exchange Limited or any other national or international stock exchange that is approved in writing by the Majority Investors;

(lll) “**Related Party**”, with respect to the Company, shall have the meaning ascribed to it in the Act;

(mmm) “**Relative**” shall have the meaning as set out in Section 2(77) of the Act, and shall include the meaning ascribed to it under Accounting Standard 18 prescribed by the Institute of Chartered Accountants of India;

(nnn) “**Relevant Offeror**” shall have the meaning as set out in Article 38(a);

(ooo) “**Relevant Shares**” shall have the meaning as set out in Article 38(a);

(ppp) “**Reserved Matter**” shall have the meaning as set out in Article 70;

(qqq) “**Residual Amount**” shall have the meaning as set out in Article 41 (vii);

(rrr) “**Sale Notice**” shall have the meaning as set out in Article 39(b);

(sss) “**Schedule II Investors**” shall mean the Investors listed in Schedule II of the Agreement;

(ttt) “**SEBI**” shall have the meaning as set out in Article 50(vi)(a);

(uuu) “**Second Distribution Amount**” shall have the meaning as set out in Article 41(ii)(B);

(vvv) “**Senior Series F Investors**” shall mean the Persons listed in SCHEDULE V of the Agreement;

(www) “**Series F Subscription Amount**” shall have the meaning assigned to it in the Agreement;

(xxx) “**Series F-bis Subscription Amount**” shall have the meaning assigned to it in the Agreement;

(yyy) “**Series G Transaction Agreements**” means the Agreement, the Share Subscription Agreement and each other agreement, document, instrument or certificate to be executed by the Parties in connection with the consummation of the transactions contemplated hereby or thereby;

(zzz) “**Share Capital**” shall mean the share capital of the Company;

(aaaa) “**Share Subscription Agreement**” shall mean the share subscription agreement dated 27 July 2016 entered into between the Company, Spectrum and the Management Group;

(bbbb) “**Shareholders**” shall mean any Person who holds the Shares of the Company;

(cccc) “**Shares**” shall mean all classes of shares of the Company including without limitation preference shares, equity shares, convertible securities or instruments of any kind of the Company, whether now or hereafter authorized or issued and rights, options, warrants to purchase equity shares or preference shares of the Company, and securities of any type whatsoever that are, or may become convertible into or exchangeable directly or indirectly for equity shares, preference shares or otherwise having equity characteristics;

(dddd) “**Spectrum**” shall mean Samena Spectrum Co;

(eeee) “**Spectrum Drag Amount**” shall have the meaning assigned to it in the Agreement;

(ffff) “**Spectrum Liquidation Preference Amount 1**” shall have the meaning assigned to it in the Agreement;

(gggg) “**Spectrum Liquidation Preference Amount 2**” shall have the meaning assigned to it in the Agreement;

(hhhh) “**Spectrum Liquidation Preference Amount 3**” shall have the meaning assigned to it in the Agreement;

(iiii) “**Spectrum Liquidation Preference Amount 4**” shall have the meaning assigned to it in the Agreement;

(jjjj) “**Spectrum OFS Amount**” shall have the meaning assigned to it in the Agreement;

(kkkk) “**Spectrum Other Shares**” shall have the meaning assigned to it in the Agreement;

(llll) “**Spectrum Series G Subscription Shares**” shall have the meaning assigned to it in the Agreement;

(mmmm) “**Spectrum Series G Subscription Amount**” shall have the meaning assigned to it in the Agreement;

(nnnn) “**Spectrum Shares**” shall mean collectively the Spectrum Series G Subscription Shares, the Spectrum Other Shares and shall include any additional Shares that may be acquired by Spectrum in the future;

(oooo) “**Strategic Sale**” shall have the meaning as set out in Article 49(i);

(pppp) “**Strategic Sale Merchant Banker**” shall have the meaning as set out in Article 49 (ii);

(qqqq) “**Strategic Sale Notice**” shall have the meaning as set out in Article 49(i);

(rrrr) “**Strategic Sale Terms**” shall have the meaning as set out in Article 49(ii);

(ssss) “**Strategic Sale Purchaser**” shall have the meaning as set out in Article 49(i);

(tttt) “**Subscribing Shareholders**” shall have the meaning as set out in Article 24;

(uuuu) “**Subsidiary**” shall have the meaning given to the term under the Act;

(vvvv) “**Tag-Along Right**” shall have the meaning as set out in Article 39(a);

(wwww) “**Tag-Along Shares**” shall have the meaning as set out in Article 39(a);

(xxxx) “**Tag-Along Trigger Percentage**” shall have the meaning as set out in Article 39(a);

(yyyy) “**Tax**” or “**Taxes**” shall include all taxes, including income tax, withholding tax, dividend distribution tax, capital gains tax, fringe benefit tax, sales tax, customs duty, wealth tax, gift tax, gains, franchise, property, sales, use, employment, license, excise duty, service tax, payroll tax, occupation tax, recording, value added or transfer taxes, governmental charges, fees, levies or assessments or other taxes, levies, fees, stamp duties, statutory gratuity and provident fund payments or other employment benefit plan contributions, withholding obligations and similar charges, of any jurisdiction and shall include any interest, fines, and penalties related thereto and, with respect to such taxes, any estimated tax, interest and penalties or additions to tax and interest on such penalties and additions to tax;

(zzzz) "**Third Distribution Amount**" shall have the meaning as set out in Article 41(iii);

(aaaaa) "**Third Party**" shall mean a Person who is not a Party;

(bbbbb) "**Third Party Offer**" shall have the meaning set out in Article 38(f);

(ccccc) "**Transfer**" (including with correlative meaning, the terms "Transferred by" and "Transferability") shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way, subject to any Encumbrance or dispose of, whether or not voluntarily;

(ddddd) "**Transfer Notice**" shall have the meaning as set out in Article 38(a);

(eeeee) "**Transferring Shareholder**" shall have the meaning as set out in Article 37(e).

3. The headings shall not be deemed to restrict the meaning of clauses to which they are attached but may be used merely as concise index or a guide to the contents of these clauses. Words importing singular number shall include the plural number and vice versa. Words importing persons include corporations.

SHARES

4. Subject to the provisions of Section 61 of the Act, the Company in General meeting may from time to time, sub-divide or consolidate its shares, or any of them.

5. Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose off the same or any of them to such persons at a premium or at par, in such proportion and on such terms and conditions and at such time as the Board may think fit with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. 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 the General Meeting.

6. The Board shall have the powers to make calls, upon the members in respect of any moneys unpaid on their shares, in excess of 1/4th of the nominal value of the shares by overruling the provisions contained in Article 13 of Table F of Schedule I of the Companies Act, 2103.

7. The Board may allot fully paid-up shares to minors represented by their guardians, if it so decides.

8. Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in the name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all share holders.

9. Members shall not have an option of making payments on partly paid shares until a call has been made in accordance with these Articles.

10. The Company shall have a first and paramount lien upon all the shares / debentures (other that fully paid up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares / debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Articles is to have full effect and such lien shall extend to all dividends, bonuses and interest from time to time declared in respect of such shares / debentures. Unless otherwise agreed, the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any, on such shares / debentures. The Directors may at any time declare any shares / debentures wholly or in part to be exempt from provisions of this Article.

PREFERENCE SHARES & DEBENTURES

11. Subject to the provisions of Section 55 and 71 of the Act, the Company shall have the power to issue preference shares and debentures, which at the option of the Company are liable to be redeemed. The resolution authorising such issue shall prescribe the manner, terms and conditions of conversion & redemption. The terms and conditions governing any preference shares issued by the Company shall be as set out in the share certificate issued to such Shareholder.

12. Any debentures, debenture-stock or other securities 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 condition as to redemption, surrender, drawing, with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a special resolution.

13. If any certificate be worn out, defaced, mutilated, or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf. The provision of this Article shall mutatis mutandis apply to debentures of the company.

BUY BACK OF SHARES

14. Subject to provisions of the Act, these Articles and other applicable statutory regulations, the Company may purchase its own shares or other specified securities from time to time.

STOCK OPTION SCHEME

15. In accordance with the provisions of the Act, (including any statutory modification(s) or re-enactment thereof) and such other statutory approvals, permissions and sanction, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board or any committee thereof for the time being exercising the powers conferred on the Board or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the Board may, if and when thought fit, and subject to the approval of the Shareholders, create, offer, issue, allocate or allot in one or more tranches, to such persons who are, in the sole discretion of the Board, in the permanent employment of the Company, consultants and to the executive /managing/whole time directors of the Company, such number of ordinary shares of the Company of the face value of Rs.10/- including ordinary shares in the form of fully or partly convertible debentures, bonds, warrants or other securities as may be permitted by the law, from time to time not exceeding such percentage of the capital of the Company as may be permitted by the law, as the Board may, subject to approval of the Shareholders, deem fit, for subscription for cash or allocated as an option to subscribe, on such terms and at such price as may be fixed and determined by the Board prior to the issue and offer thereof in accordance with the applicable guidelines, regulations and provisions of law and otherwise ranking pari passu with the ordinary shares of the Company as then issued and in existence and on such other terms and conditions and at such time or times as the Board may, in its absolute discretion deem fit ("ESOP").

16. Notwithstanding anything contained in these Articles, options linked to any partly paid shares shall not be granted to the employees, unless the same are fully paid.

FURTHER ISSUE OF SHARES

17. Subject to the provisions of Article 21, Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:

(i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
(ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the shareholders and the company;

18. To employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or.

19. Subject to Article 21, to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in Article 17 and 18, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer.

20. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the company:

(i) To convert such debentures or loans into shares in the company; or

(ii) To subscribe for shares in the company

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

PRE-EMPTIVE RIGHTS

21. In any future issuance of equity or equity linked instruments by the Company (other than through an IPO), the Schedule II Investors shall be offered the opportunity, but not the obligation, to purchase such number of additional Shares for subscription ("New Shares"), as per the following calculation:

$X = (A/B) * C$

Where:

X = pro-rata entitlement amount of a Schedule II Investor;

A = pre-financing number of Shares held (as converted) by such Schedule II Investor;

B = total fully-diluted shares less Shares held by employees, directors, consultants and stock options (as converted); and

C = amount of new financing raise.

22. The Company shall provide each of the Schedule II Investors with 10 Business days advanced notice of such proposed issuance which shall indicate the opportunity to such Schedule II Investor to subscribe to the number of New Shares as indicated by the formula above.

23. Failure by any Schedule II Investor to respond to such notice and accept the offer to purchase its pro rata share of the New Shares within 10 (ten) Business days of receipt of such notice from the Company ("Pre-Emptive Offer Period") shall be deemed a waiver by such Schedule II Investor of its rights under these Articles with respect to such proposed issuance.

24. If any of the New Shares are not subscribed to by any of the Schedule II Investors pursuant to these Articles ("Non-Subscribing Shareholder"), the Schedule II Investors who have elected to purchase their respective New Shares ("Subscribing Shareholder") shall, subject to applicable Law, have the option (and not the obligation) to subscribe to such New Shares not subscribed to by any Non-Subscribing Shareholder (the "Unsubscribed Shares Entitlement") in proportion to their inter-se shareholding in the Company, calculated on a Fully Diluted Basis. For this purpose, in the event any Non-Subscribing Shareholder notifies the Company of the waiver or rejection of its rights under Article 21 or does not notify the Company of its election to purchase its pro rata share of the New Shares within the Pre-Emptive Offer Period, then the Company shall notify the Subscribing Shareholders of such non-subscription and of the number of New Shares available for subscription pursuant to this Article 22. The Subscribing Shareholders shall be granted an additional period of 5 (five) Business Days, within which period, the Subscribing Shareholders shall notify the Company of their election to subscribe to the Unsubscribed Shares Entitlement.

25. In the event that any of the New Shares are not subscribed to by the Subscribing Shareholders, then the Company may, at its election following the expiration of the Pre-Emptive Offer Period, sell and issue the New Shares or the remaining New Shares to any Person, provided that in each case such Person shall execute a Shareholders Agreement as approved by the Majority Investors and the Board. In the event the Company has not issued the New Shares to such Person within 3 (three) months from the expiry of Pre-Emptive Offer Period, the Company shall not thereafter issue any Shares to such Person without first offering such securities to the Schedule II Investors in the manner provided in Article 21 above. Failure by the Schedule II Investors to exercise their option to subscribe for securities with respect to one offering and issuance of the Shares shall not affect their option to subscribe for Shares in any subsequent offering, sale and purchase.

26. Nothing in Articles 21 to 25 shall apply to any issuance or proposed issuance of any Equity Shares:

(i) pursuant to the terms of an employee stock option plan approved by the Board; and
(ii) pursuant to any IPO approved and undertaken in accordance with Article 48 read with Articles 50 or a pre-IPO placement by the Company ;
(iii) pursuant to any stock split, sub-division, reclassification or recapitalization of the Company (subject to Article 88 (Reserved Matters) of the Agreement).

DIVIDENDS

27. Where the company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of Tejas Networks Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the fund known as Investor Education and Protection Fund established under Section 125 of the Act.

28. The Company shall not forfeit unclaimed dividends.

29. Partly paid shares shall not be entitled to any dividend.

TRANSFER OF SHARES

30. Subject to the provisions of Section 53 of the Act, these Articles, other applicable provisions of the Act or any other law from the time being in force, the Directors may, refuse, whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in shares or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer or intimation of such transmission as the case may be was delivered to the Company, send notice of the refusal to the transferee and transferor or to the person giving intimation of such transmission as the case may be, giving reasons for such refusals. Provided that the registration of 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 when the Company has a lien on the shares.

31. Transfer of shares / debentures shall not be refused on the ground that the number of shares sought to be transferred are not in a particular number or lot.

32. Fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;

33. The Board may also suspend the registration of transfer during seven days immediately preceding the Annual General Meeting in each year.

34. The Board may also decline to recognize any instrument of transfer unless 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. If the Board refuses to register a transfer of any shares they shall within one month after the date on which transfer was lodged, send to the transferee and the transferor notice of the refusal.

35. Notwithstanding anything contained in these Articles, the Board shall decline to recognize any instrument of transfer of partially paid shares. In other words, for clarification of doubts, partially paid shares shall not be transferred.

36. Any share of a deceased member may subject to the restrictions set forth in these presents be transferred by his executors or administrators to any person to whom such deceased member may have specifically bequeathed the same, such person being a related to such deceased member as his/her widow, widower, son, daughter, father, mother, grandson, grand-daughter, brother, sister, nephew, niece or the wife or husband of any of the aforementioned relations of the deceased member.

37. Miscellaneous

(a) The Management Group shall not, for a period of 2 (two) years commencing on the Closing Date, Transfer any of their Shares in the Company to any Person (other than their respective Affiliates), other than in an IPO, except with the prior written approval of the Board. Provided further that on or immediately prior to such Affiliate ceasing to remain an Affiliate of the relevant member of the Management Group, such Shares shall be transferred back to relevant member of the Management Group. Any Transfer of Shares by any member of the Management Group whether before or after the expiry of 2 (two) years from the Closing Date, shall notwithstanding what is stated hereinabove, be subject to the provisions of Article 38 and Article 39.

(b) The Company shall not register any Transfer of Shares in violation of the provisions of the Agreement, and shall not recognize as a shareholder or owner of Shares, nor accord any rights (whether relating to payment of dividend or voting) to the purported transferee of any Shares in violation of the provisions of the Agreement. Any Transfer of Shares in violation of the provisions of the Agreement shall be null and void ab initio, and shall not be binding on the Company and the Company shall not permit any such Transfer on its books.

(c) Notwithstanding anything mentioned elsewhere in the Agreement, no Shareholder can, except with the prior consent of the Board, Transfer any Shares or securities of the Company to any Person which is a Competitive Entity at the time of such Transfer, provided however that in case of a Strategic Sale pursuant to Article 49 or in case of a Drag Along Sale pursuant to Article 54, Transfer of Shares or securities of the Company to any Competitive Entity is permissible without the requirement of obtaining such prior consent.

(d) Subject to the provisions of Article 37(f) and Article 37(g), in the event of any sale of Shares by a Shareholder (a "Transferring Shareholder") in accordance with the Agreement, all the rights attached to such Shares shall stand transferred to the transferee only in the event such Transfer of Shares results in the transferee acquiring 100% (one hundred per cent) in the aggregate of such Transferring Shareholder's shareholding as on the Closing Date. For the avoidance of doubt, any such transferee obtaining 100% (one hundred per cent) in aggregate of the Transferring Shareholder's shareholding shall be entitled to the rights of such Transferring Shareholder provided such transferee becomes a party to the Agreement by executing the Deed of Adherence.

(e) Notwithstanding the provisions of Article 37(e), in the event the number of Shares acquired by the transferee from the relevant Transferring Shareholder constitute at least 50% (fifty per cent) of the number of Shares held by the relevant Transferring Shareholder as on the Closing Date, then:

(f) the rights and obligations contained in Article 49 (Strategic Sale), Article 50 (IPO) (except the right contained in Article 50 (v) and 50 (ix), Article 38 (Right of First Offer), Article 41 (Liquidation Preference pro-rata to the extent of Shares transferred), and Article 39 (Co-Sale/ Tag-Along Rights) can be assigned to the transferee and both the Transferring Shareholder and the transferee would be entitled to exercise such rights independently, in accordance with the terms of the Agreement;

(g) where Spectrum is the Transferring Shareholder, its right in relation to the appointment of a director on the Board, shall be exercised, in accordance with the terms of the Agreement, by either (x) Spectrum or (y) the transferee to whom Spectrum Transfers its Shares; or (z) both of them jointly and collectively. For the avoidance of doubt, it is clarified that such right shall not be exercised by Spectrum and such transferee severally and Spectrum shall inform the Company whether such right will be exercised by itself, or by the transferee; or by Spectrum and such transferee jointly; and

(h) both the Transferring Shareholder and the transferee shall severally be bound by the obligations of the relevant transferring Investor in terms of the Agreement.

(i) Notwithstanding the provisions of Article 37(e) and Article 37(h), in the event (a) the number of Shares acquired by the transferee from the relevant Transferring Shareholder constitute less than 50% (fifty per cent) of the number of Shares held by the relevant Transferring

Shareholder as on the Closing Date and (b) the number of transferees to whom such Shares have been Transferred does not exceed 3 (three), then the rights of the Transferring Shareholder under Article 41 (Liquidation Preference pro-rata to the extent of Shares transferred) can be assigned to the transferee and both the Transferring Shareholder and the transferee would be entitled to exercise such rights independently, in accordance with the terms of the Agreement. It is clarified that both the Transferring Shareholder and the transferee shall severally be bound by the obligations of the relevant transferring Investor in terms of the Agreement. It is clarified that under no circumstances, will the total aggregate amount to be distributed as per Article 41, to the Transferring Shareholder as well as Transferee Shareholder as result of such Transfer, shall exceed the total amount that would have been paid to the Transferring Shareholder, had it retained 100% of its Shareholding.

(j) Notwithstanding the provisions of Article 37(e) and 37(f), in the event the relevant Transferring Shareholder Transfers any of its Shares in the Company, the rights of the Transferring Shareholder under Article 37 (Transfer of Shares) and Article 21 (Pre-Emptive Rights) can be assigned to the transferee and both the Transferring Shareholder and the transferee would be entitled to exercise such rights independently, in accordance with the terms of the Agreement. It is clarified that both the Transferring Shareholder and the transferee shall severally be bound by the obligations of the relevant transferring Investor in terms of the Agreement.

(k) Subject to the applicable Law, the Company undertakes to do all such acts and deeds as may be necessary to give effect to the provisions of these Articles 30 to 40, including rendering all assistance necessary to expeditiously complete a Transfer of Shares, obtaining all Consents and Government Approvals etc.

(l) A copy of all notices required to be given under these Articles 30 to 40 shall be delivered concurrently to the Company.

(m) Subject to applicable Laws and the execution of confidentiality agreements (as are customary in such transactions), the Company agrees and undertakes to provide all reasonably necessary assistance to enable any Person identified by any Investor, to whom such Investor intends to Transfer, all or part of its Shares, to carry out a due diligence review of the Company and the Subsidiary as may be generally required or reasonably requested by any such Person, provided that the Shares which are proposed to be Transferred constitute at least 7.5% of the shareholding of the Company calculated on a Fully Diluted Basis.

38. Right of First Offer

(a) If any Shareholder intends to Transfer any of the Shares held by it to a third party, then such Shareholder (“Relevant Offeror”) shall first give written notice (“Transfer Notice”) of such intention to the Company and each of the Schedule II Investors and state the number of Shares it intends to Transfer (“Relevant Shares”).

(b) Each of the Schedule II Investors shall have the right to offer to purchase all (but not less than all) of the Relevant Shares within a total period of 30 (thirty) days from the Transfer Notice (“Offer Period”) by giving to the Relevant Offeror and the Company a written notice (“Offer Notice”) offering to purchase all (but not less than all) of the Relevant Shares and the terms (including price) (“Offer Price”) and conditions on the basis of which such Schedule II Investor offers to purchase the Relevant Shares from the Relevant Offeror.

(c) The Relevant Offeror shall be entitled to accept any of the Offer Notices in writing and sell the Relevant Shares to the Schedule II Investor who has delivered the Offer Notice so accepted.

(d) For the avoidance of doubt, the Relevant Offeror shall not be entitled to exercise a partial acceptance of any Offer Notice. If there are 2 (two) or more Schedule II Investors offering to purchase all of the Relevant Shares at the same price and on the same terms, then, if one of their Offer Notices is accepted by the Relevant Offeror, all such Offer Notices shall be deemed to be accepted and the Relevant Shares shall be shared or allocated among such Schedule II Investors pro rata on the basis of their respective shareholdings in the Company, but provided that no Schedule II Investor shall be required to purchase less than all of the Relevant Shares if it objects to purchasing a pro rata portion of the Relevant Shares.

(e) The Relevant Offeror is entitled, in its absolute discretion, to reject any Offer Notice made by any Schedule II Investor for any reason, and thereby exercise its right to sell the Relevant Shares to any third party, subject to the Co-Sale / Tag - along rights in Article 39.

(f) If the Relevant Offeror does not receive any Offer Notices on or prior to the expiry of the Offer Period or if the Relevant Offeror does not accept any of the Offer Notices received pursuant to Article 38(b), the Relevant Offeror shall have a period of 90 (ninety) days from the expiry of the Offer Period within which to receive an offer from any third party for the Relevant Shares at a price that is not lower than the highest price reasonably set forth in any Offer Notice or at any price if no Offer Notices were delivered to the Relevant Offeror and containing terms which are not materially better for the third party than those contained in the Offer Notice not accepted by the Relevant Offeror or on any terms if no Offer Notices were delivered to the Relevant Offeror (the "Third Party Offer"). On receipt of such Third Party Offer, the Relevant Offeror shall complete the sale of the Relevant Shares to the third party within 30 (thirty) days from the date of receipt of the Third Party Offer.

(g) For the avoidance of doubt, to the extent that the Relevant Offeror is unable to complete the sale of its Relevant Shares to a third party within the 30 (thirty) days time period stated in Article 38(e) above, the Relevant Offeror shall not be entitled to sell the Relevant Shares to any third party without again following procedures specified in this Article 38.

(h) The provisions of this Article 38 shall not apply in respect of any proposed Transfer by the Schedule II Investors of any of their Shares:

i. to their Affiliates;

ii. pursuant to any IPO or offer for sale by the Company; or

iii. pursuant to Articles 49, 51 or 35.

39. Co-Sale / Tag-Along Rights

(a) If the Relevant Shares proposed to be Transferred to a third party by the Relevant Offeror or Relevant Offerors acting in concert (as may be determined by the Board) (the "Co-Sale Shares"), constitute at least 50% or more of the aggregate Share Capital in the Company calculated on a Fully Diluted Basis ("Tag-Along Trigger Percentage"), then each of the Schedule II Investors (each an "Eligible Shareholder") shall have a pro-rata co-sale right ("Tag-Along Right"), but no obligation, to co-sell with such Relevant Offeror(s), as applicable and transfer the Shares to such purchasing third party at the same price and on identical terms and conditions at which such Relevant Offeror(s) intends to transfer its Co-Sale Shares. For the avoidance of doubt, no Eligible Shareholder shall have a Tag-Along Right nor shall any Relevant Offeror(s) be subject to the Tag-Along Right, if the Co-Sale Shares are below the Tag-Along Trigger Percentage.

(b) After the Relevant Offeror(s) have rejected the Offer Notice(s) received pursuant to Article 38(b), the Relevant Offeror(s) shall notify the Eligible Shareholders in writing the name of the third party (the "Purchaser") that desires to acquire the Co-Sale Shares from the Relevant Offeror(s) setting out the following details in relation to the third party's offer (the "Sale Notice"): (i) price per Co-Sale Share; (ii) number of Co-Sale Shares proposed to be Transferred; (iii) identity and material particulars regarding the Purchaser; and (iv) material terms and conditions for the proposed Transfer. The written notice by the Relevant Offeror(s) shall contain the unconditional offer on behalf of the proposed Purchaser to purchase a pro rata portion of each Eligible Shareholder's Shares. Such Eligible Shareholder shall, within a period of 30 (thirty) days from the date of receipt of the Sale Notice, be entitled to exercise its Tag Along Rights by accepting the Sale Notice in writing and offering the Shares held by it pro-rata (the "Tag-Along Shares") to the Co-Sale Shares proposed to be Transferred to the

Purchaser. The Transfer of the Co-Sale Shares to the Purchaser shall be conditional upon such Purchaser acquiring the Tag-Along Shares offered by any such Eligible Shareholder in the exercise of its Tag-Along Rights on terms no less favorable than those offered by the Purchaser and the sale shall be effected on the same terms and conditions as the sale by the Offeror to the Purchaser.

(c) If the Purchaser is unwilling to acquire all the Co-Sale Shares proposed to be sold by the Offeror and the Tag-Along Shares, then (i) the number of Shares to be sold by the Relevant Offeror(s) and any such Eligible Shareholder to the Purchaser shall be reduced proportionately or (ii) if any Eligible Shareholder objects to selling such reduced number of its Shares it may refuse to do so and its Tag-Along Shares sale proportion shall be distributed among the remaining participating Eligible Shareholders pro- rata, or (iii) between or among the Eligible Shareholders participating in the transaction in the amounts agreed between or amongst themselves and notified to the Relevant Offeror(s).

(d) The Relevant Offeror(s) shall not complete the sale of any of its Co-Sale Shares and the Company shall not register the Purchaser as a shareholder in the register of members of the Company unless the Purchaser has purchased the Tag-Along Shares, if any, and the Purchaser has executed a Deed of Adherence.

(e) Notwithstanding anything contained in Articles 30 to 40, except in case of IPO, if any member of the Management Group is proposing to sell, assign, or transfer his equity stake in one or more tranches to a third party (other than an Affiliate), in a single transaction or a series of related transactions, which has the effect of reducing the number of Shares held by him in the Company as on the date of the Agreement by more than 50% on a Fully Diluted Basis, then Spectrum, at its option, shall have the right to Tag-Along and sell along all or part of the Spectrum Shares in the Company on the same terms as such member of the Management Group proposes to sell his Shares and the Management Group shall ensure that the proposed Purchaser also purchases the Shares held by Spectrum in the Company.

40. Facilitation for Transfer of Shares

Upon request by any Investor holding at least 3% of the Share Capital on Fully Diluted basis from time to time in connection with the sale or contemplated sale or transfer of any Shares then held by such Investor, the Company shall, at its own expense, exercise best efforts to facilitate such sale or transfer in a timely manner, such efforts to include, as applicable, (i) promptly instructing the Company’s transfer agent to remove legends from any certificates representing said Shares, and (ii) if depository receipts representing shares of the Company are then listed or traded on any exchange or inter-dealer quotation system, (A) promptly instructing the Company’s share registrar and depository agent to issue depository receipts against deposit of the Shares and to cause such depository receipts to be deposited in such Investor’s brokerage account(s), and (B) promptly paying all fees and expenses related to such depositary facility, including all applicable conversion fees and maintenance fees. The Company acknowledges that time is of the essence with respect to its obligations under this Article 40.

LIQUIDATION PREFERENCE

41. Upon occurrence of a Liquidation Event, that has not triggered due to the exercise of Article 54 (Drag Along Right) each of the Parties hereto undertake that, the proceeds legally available to the Company for distribution (“Distribution Amount”) shall be distributed amongst the Shareholders (on an as converted, Fully Diluted Basis) in the following order of priority:

(i) First, Spectrum shall receive the Spectrum Liquidation Preference Amount 1, Bala shall receive the Bala Series G Subscription Amount and Osher shall receive the Osher Series G Subscription Amount, plus any declared but unpaid dividends or accrued dividends thereon (“Initial Distribution Amount”). If however, the proceeds are insufficient to distribute the entire Initial Distribution Amount, then the available proceeds shall be distributed among the Series G Investors pro-rata to the Spectrum Liquidation Preference Amount 1, the Bala Series G Subscription Amount and the Osher Series G Subscription Amount.

(ii) Then, the proceeds in excess of the Initial Distribution Amount shall be distributed, pari passu, without any inter se priority in the following manner:

(A) to Spectrum, such that Spectrum receives the Spectrum Liquidation Preference Amount 2; and

(B) to the Senior Series F Investor(s), such that they receive an amount equal to Series F-bis Subscription Amount as mentioned in SCHEDULE V of the Agreement against each of their names, plus any declared but unpaid or accrued dividends thereon.

(the amounts referred to in Article 41(ii)(A) and (B) shall be collectively referred to as the "Second Distribution Amount")

If, however, the available proceeds after distributing the Initial Distribution Amount are insufficient to distribute the entire Second Distribution Amount, then the available proceeds shall be distributed among Spectrum and the Senior Series F Investors pro-rata to the amounts they are entitled to receive as per this Article 41(ii).

(iii) Then, the proceeds in excess of aggregate of the Initial Distribution Amount and the Second Distribution Amount shall be distributed, pari passu, without any inter se priority in the following manner:

(A) to Spectrum, such that Spectrum receives the Spectrum Liquidation Preference Amount 3; and

(B) to the Junior Series F Investor(s) such that they receive an amount equal to Series F Subscription Amount as mentioned in SCHEDULE IV of the Agreement against each of their names, plus any declared but unpaid or accrued dividends thereon.

(the amounts referred to in Article 41(iii)(A) and (B) shall be collectively referred to as the "Third Distribution Amount")

If, however, the available proceeds after distributing the Initial Distribution Amount and the Second Distribution Amount are insufficient to distribute the entire Third Distribution Amount, then the available proceeds shall be distributed among Spectrum and the Junior Series F Investors pro-rata to the amounts they are entitled to receive as per this Article 41(iii).

(iv) Then, the proceeds in excess of aggregate of the Initial Distribution Amount, the Second Distribution Amount and the Third Distribution Amount shall be distributed, pari passu, without any inter se priority in the following manner:

(A) to Spectrum, 6.08% of the available balance proceeds until Spectrum receives the Spectrum Liquidation Preference Amount 4; and

(B) to the Management Group, Independent Directors and employees, such that they receive an amount which is distributed pro-rata to their ownership percentage in the Company on an as converted, Fully Diluted Basis.

(C) To other Senior Series F Investors, except Spectrum, pro-rata to their ownership percentage in the Company on an as converted, Fully Diluted basis, subject to a maximum of the relevant Investment Cost of such Senior Series-F investor.

(the amounts referred to in Article 41(iv)(A) and (B) shall be collectively referred to as the "Fourth Distribution Amount")

If, however, the available proceeds after distributing the Initial Distribution Amount, the Second Distribution Amount and the Third Distribution Amount are insufficient to distribute the entire Fourth Distribution Amount, then the available proceeds shall be distributed among Spectrum, the Senior Series F Investors and the Management Group, Independent Directors and Employees pro-rata to the amounts they are entitled to receive as per this Article 41(iv).

(v) Then, the proceeds in excess of aggregate of the Initial Distribution Amount, the Second

Distribution Amount, the Third Distribution Amount and the Fourth Distribution Amount shall be distributed, pari passu, without any inter se priority in the following manner:

(A) Junior Series-F Investors, pro-rata to their ownership percentage in the Company on an as converted, Fully Diluted basis, subject to a maximum of the relevant Investment Cost of such Junior Series-F investor

(the amounts referred to in Article 41(v)(A) shall be collectively referred to as the "Fifth Distribution Amount")

(vi) Then, the proceeds in excess of aggregate of the Initial Distribution Amount, the Second Distribution Amount, the Third Distribution Amount, the Fourth Distribution Amount and the Fifth Distribution Amount shall be distributed, pari passu, without any inter se priority in the following manner:

(A) to Spectrum, such that the amount distributed to it under Article 41(vi) will be such that the aggregate of the amounts distributed to it under Article 41(i), Article 41(ii), Article 41(iii), Article 41(iv) and Article 41(vi) shall not exceed the higher of (i) the amount it would be entitled to receive as holders of Equity Shares of the Company on an as converted, Fully Diluted Basis, or (ii) the amounts due to it under Article 41(i), Article 41(ii), Article 41(iii) and Article 41(iv);

(B) to Bala, such that the amount distributed to him under Article 41(vi) will be such that the aggregate of the amounts distributed to him under Article 41(i) and Article 41(vi) shall not exceed the higher of (i) the amounts they would be entitled to receive as holders of Equity Shares of the Company on an as converted, Fully Diluted Basis, or (ii) the amounts due to it under Article 41(i);

(C) to Osher, such that the amount distributed to it under Article 41(vi) will be such that the aggregate of the amounts distributed to it under Article 41(i), Article 41(ii), Article 41(iii), Article 41(iv) and Article 41(vi) shall not exceed the higher of (i) the amounts they would be entitled to receive as holders of Equity Shares of the Company on an as converted, Fully Diluted Basis, or (ii) the amounts due to it under Article 41(i), Article 41(ii), Article 41(iii) and Article 41(iv);

(D) to the Senior Series F Investors (except Osher), such that the amount distributed to them under Article 41(vi) will be such that the aggregate of the amounts distributed to them under Article 41(ii), Article 41(iii), Article 41(iv) and Article 41(vi) shall not exceed the higher of (i) the amounts they would be entitled to receive as holders of Equity Shares of the Company on an as converted, Fully Diluted Basis, or (ii) the amounts due to it under Article 41(ii), Article 41(iii) and Article 41(iv); and

(E) to the Junior Series F Investors, such that the amount distributed to them under Article 41(vi) will be such that the aggregate of the amounts distributed to them under Article 41(iii), Article 41(v) and Article 41(vi) shall not exceed the higher of (i) the amounts they would be entitled to receive as holders of Equity Shares of the Company on an as converted, Fully Diluted Basis, or (ii) the amounts due to it under Article 41(iii) and Article 41(v);

to the Management Group, Independent Directors and Employees, such that the amount distributed to them under Article 41(vi) will be such that the aggregate of the amounts distributed to them under Article 41(iv) and Article 41(vi) shall not exceed the amounts they would be entitled to receive as holders of Equity Shares of the Company on an as converted, Fully Diluted Basis.

(the amounts referred to in Article 41(vi)(A), (B), (C) (D), (E) and (F) shall be collectively referred to as the "Sixth Distribution Amount").

If, however, the available proceeds after distributing the Initial Distribution Amount, the Second Distribution Amount, the Third Distribution Amount, the Fourth Distribution

Amount and the Fifth Distribution Amount are insufficient to distribute the entire Sixth Distribution Amount, then the available proceeds shall be distributed among Spectrum, Bala, Osher, the Senior Series F Investors the Junior Series F Investors the Management Group, Independent Directors and employees pro-rata to the amounts they are entitled to receive as per this Article 41(vi).

(vii) Lastly, the proceeds in excess of aggregate of the Initial Distribution Amount, the Second Distribution Amount, the Third Distribution Amount, the Fourth Distribution Amount, the Fifth Distribution Amount and the Sixth Distribution Amount ("Residual Amount") shall be distributed among all holders of Equity Shares (other than the Shareholders who have received amounts under Articles 41(i) to (vi) above), such that they receive an amount which does not exceed the higher of (i) the amounts they would be entitled to receive as holders of Equity Shares of the Company on an as converted, Fully Diluted Basis, or (ii) an amount which is pro-rata to their ownership percentage in the Company on an as converted Fully Diluted Basis of such Residual Amount.

42. The Parties shall agree upon a mechanism, subject to applicable Law, for deposit of the Distribution Amount in an escrow account (or any other alternate method mutually agreed between the Parties) for the purpose of distribution of the Distribution Amount as provided in Article 41.

43. Subject to applicable law, the Company and each of the Parties hereby agrees and undertakes to fully co-operate with the Investors in making the payment of the preference amounts (as mentioned in Articles 41 to 44) in the order and manner provided above and to do all such things as may be reasonably necessary and shall use and employ all necessary efforts and commit best endeavors to ensure that payment of the amounts are made in accordance with Articles 41 to 44, including taking all steps to inform the Person responsible for distribution of any amount on account of a Liquidation Event (including a liquidator under the Act or a prospective purchaser/transferor) to reallocate any such distribution in accordance with the Agreement and to give full effect to Articles 41 to 44. The Parties covenant that they shall do all necessary acts, deeds and things necessary to procure that the distributions are made in the manner provided in Articles 41 to 44 including obtaining any Governmental Approvals and consents, in a timely manner. In the event that the proceeds are distributed in an order and manner which is inconsistent with Articles 41 to 44 (including distributions made by a Governmental Authority, receiver, liquidator etc.), the Parties agree and undertake that immediately prior to any such distribution, all of the Parties will enter into appropriate agreements and do all such other acts to ensure that the proceeds are reallocated in a manner which is consistent and fully compliant with the terms of Articles 41 to 44.

44. An illustration of the order and manner in which Articles 41 to 44 (Liquidation Preference) would work in different circumstances has been set out in SCHEDULE VI of the Agreement.

45. In case of Liquidation Event triggered due to the exercise of Drag Along Right, the Liquidation Preference in Article 41 to Article 44 above shall not be applicable and the proceeds shall be distributed to Drag Shareholders Shares on a pari passu basis.

NO MORE FAVOURABLE TERMS

46. In the event that the Company seeks further financing from any third Person such that the terms and conditions which have been or are offered to such third Person are more favourable than those offered to Spectrum under the Agreement, then such favourable terms and conditions shall automatically apply or be conferred on Spectrum for their further investment, provided Spectrum participates in such further financing. The Company and the Management Group hereby agree and undertake that whether or not Spectrum participates in such further financing, no drag along right shall be given to a new shareholder prior to June 2019.

47. Notwithstanding any provisions of the Agreement, the Company shall be free to raise further financing on price and terms that are approved by the Board and Majority Investors. However, except with the prior written consent of Spectrum, no new shareholder of the Company shall be given any rights which conflict with, limit, prejudice or adversely affect the rights of Spectrum under the Agreement, except the right to senior liquidation preference to the extent of the amount invested by the new shareholder, with respect to distribution of proceeds upon the occurrence of a Liquidation Event, in preference to

Spectrum provided that Spectrum's right to Liquidation Preference under Article 5 shall be secondary only to that of such new shareholder.

IPO and EXIT rights

48. Without prejudice to the rights of the Parties under the Agreement, the Company shall, and the Management Group shall cause the Company to, take best efforts to provide an exit to each of the Schedule II Investors, before the Cut Off Date, including in one or more of the following manner:

(i) procuring a Strategic Sale as per Article 49;

(ii) conducting an IPO and listing of the Shares of the Company on a Recognized Stock Exchange as per Article 50.

49. Strategic Sale

(i) The Company shall and the Management Group shall cause the Company to identify a third Person, which may or may not be a Competitive Entity ("Strategic Sale Purchaser") to purchase all but not less than all of the issued Share Capital (including all of the respective Shares of the Investors) in accordance with the terms of this Article 51("Strategic Sale"). The Company shall provide a notice in writing to the Majority Investors indicating its intention to initiate the Strategic Sale process (the "Strategic Sale Notice").

(ii) For this purpose, following issuance of the Strategic Sale Notice, the Company and the Management Group shall, in consultation with the Majority Investors, appoint a reputed, global merchant banker ("Strategic Sale Merchant Banker"), to undertake the Strategic Sale process as set out under this Article 49 (including but not limited to identification of the Strategic Sale Purchaser). The Company shall make non-binding recommendations to the Strategic Sale Merchant Banker to identify any purchaser who may be willing to participate in or undertake the Strategic Sale. As soon as practicable, the Strategic Sale Merchant Banker shall send a written notice to the Company confirming the identity of the Strategic Sale Purchaser, the terms and conditions (including price) proposed to be offered by the Strategic Sale Purchaser ("Strategic Sale Terms"). The Company shall circulate the Strategic Sale Terms to the Schedule II Investors and the Majority Investors shall be entitled to approve or disapprove the Strategic Sale Terms. If the Majority Investors approve the Strategic Sale Terms, the Company shall send a notice to the other Shareholders containing the details of the Strategic Sale Terms (the "Final Strategic Sale Notice") and such Shareholders shall be obligated to sell their Shares in the Strategic Sale on the Strategic Sale Terms contained in the Final Strategic Sale Notice.

(iii) The Management Group shall be bound to sell to the Strategic Sale Purchaser all of the Shares held by them in the Company on the Strategic Sale Terms as approved under Article 49(ii) above, if so required by the Strategic Sale Purchaser. The Company and the Management Group shall give such representations and warranties in connection with the Strategic Sale to the Strategic Sale Purchaser as are reasonable and customary in such transactions.

(iv) The Company shall, and the Management Group shall cause the Company to, take all steps necessary to facilitate the Strategic Sale under this Article 51, including without limitation obtaining all necessary Consents, providing all necessary assistance and co-operation to the Strategic Sale Merchant Banker, providing all necessary information and access to the records and materials of the Company to the Strategic Sale Merchant Banker and/or the Strategic Sale Purchaser, allowing a due diligence exercise to be conducted by the Strategic Sale Purchaser to enable evaluation of the Strategic Sale.

(v) The Parties shall agree upon a mechanism, subject to applicable Law, for deposit of the consideration/sale proceeds received from the Strategic Sale Purchaser for the Shares acquired pursuant to the Strategic Sale in an escrow (or any other alternate method mutually agreed between the Parties), which consideration/sale proceeds, notwithstanding anything to the contrary in the Agreement or elsewhere, shall be treated as the 'Distribution Amount for the purpose of Articles 41 to 44 and be distributed in the manner provided in Articles 41 to 44.

50. IPO

(ii) The Company shall make best efforts to represent to SEBI that Spectrum should not be classified as "Promoter". If SEBI requires that one or more Investors be designated as "Promoters" and such Investors are agreeable to being so classified as "Promoters", subject to any inter-se arrangement between them, they shall accordingly be disclosed as "Promoters" in the DRHP.

(iii) The IPO shall consist of a new issue of Equity Shares and/or an offer for sale of the Equity Shares held by the Shareholders of the Company.

(iv) Conduct of IPO prior to the Initial Cut Off Date

(a) If the IPO takes place before the Initial Cut Off Date, Schedule II Investors, resident Indian Shareholders and such other non-resident Shareholders whose participation in the offer for sale, is reasonably practicable, as determined by the Company in its discretion, under the laws of relevant jurisdictions, shall be entitled to (but not obligated to) offer their Shares in the offer for sale portion. For the avoidance of doubt, any legal requirement or customary practice to file or register any documents with any regulatory authority in any jurisdiction outside India to enable shareholders resident or domiciled in such jurisdictions to participate in an offer for sale (including but not limited to any tender offer regulations) whether resulting in additional cost or otherwise and whether requiring preparation of additional documents or otherwise, may be determined by the Company, in its discretion, to be a reasonably impracticable requirement pursuant to which shareholders resident or domiciled in such jurisdictions may not be invited to participate in an offer for sale in the IPO.

(b) Spectrum agrees to offer the Spectrum Shares, on a pro-rata basis along with the other Investors, for lock-in for a period of 3 (three) years from the date of the listing, provided that Spectrum is not classified as "Promoter".

(v) Conduct of IPO post the Initial Cut Off Date

(a) In case the IPO takes place after the Initial Cut Off Date, then Spectrum shall be entitled to (but not obligated to) offer, in the offer for sale, at least such portion of the Spectrum Shares in priority to the Equity Shares held by other Shareholders, so as to recover at least an amount equal to the Spectrum OFS Amount against the offer for sale portion or the amount which is pro-rata to Spectrum Shareholding in the Company on a Fully Diluted Basis, whichever is higher.

If, after accounting for the Shares tendered by Spectrum in the offer for sale in accordance with the preceding paragraph of this Article 50 (v)(a), there are balance Shares available in the offer for sale component of the IPO, then all Shareholders (excluding Spectrum) shall be entitled to offer their Shares pro-rata to their Shareholding in the Company on a Fully Diluted Basis, against the balance offer for sale portion.

(b) The Parties agree that Spectrum shall not be classified as "Promoter" and shall not be required to lock-in any of the Spectrum Shares for more than 1 (one) year from the date of listing.

(vi) Upon any of the Schedule II Investors electing to offer their Shares in any offer for sale, the Company and such Schedule II Investors confirm and undertake to do the following:

(a) Ensure that the total offer of Equity Shares to the public shall constitute not less than such percentage (as prescribed under then prevalent rules and Law) of the total post issue paid-up Share Capital as to comply with the listing requirements of the Recognized Stock Exchanges and the Securities Exchange Board of India ("SEBI");

(b) Provide all material information and ensure compliance with all applicable provisions under the guidelines, the listing agreement of the Recognized Stock Exchange and other laws applicable at the time of the IPO and subsequent listing of the Shares for trading on a Recognized Stock Exchange including but not limited to the Act, ICDR Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(c) Issue/provide such number of Equity Shares as may be required in addition to the Equity Shares offered by the Schedule II Investors to fulfill the mandatory minimum offer size requirement for achieving the IPO and listing under applicable Law.

(d) The Company shall obtain such Consents and Governmental Approvals as may be necessary to complete the IPO;

(e) Not unreasonably withhold approval; and

(f) The Company shall do all acts and deeds required to effect the IPO and to allow the Schedule II Investors to exercise their right to offer their Shares, including, providing all necessary information and documents necessary for preparing the offer document, obtaining such regulatory or other approvals and doing such further acts or deeds as may be necessary or are customary in transactions of such nature, or do all acts necessary to facilitate the Schedule II Investors' right to offer their Shares.

(vii) Subject to applicable Law, all costs and expenses other than any applicable / potential taxes on account of consummation of the offer for sale by existing Shareholders in relation to the IPO including statutory filing and registration fees, and fees for advisers and managers to the IPO, shall be borne by the Company.

(viii) The Parties hereby agree that, subject to applicable Law, the Investors (to the extent participating in the IPO through an offer for sale) shall provide such representations, warranties or indemnities or provide any undertaking, certificate, disclosure as is customary and as agreed upon between the parties to any merchant bankers, lead manager, underwriter, broker, stock exchanges, any Governmental Authority or any other Person in respect of its Shares in the Offer for Sale. The Company and the Investors (to the extent participating in the IPO through an offer for sale) will take all such steps, and extend all such cooperation to each other and the lead managers, underwriters and others as may be required for the purpose of expeditiously making and completing the IPO.

(ix) Unless as required by SEBI as a part of the IPO process or pursuant to Law applicable to the IPO process, the Company shall not by way of any public announcement, any representation made to any third party, or any filing made to any Governmental Authority designate any Investor to be, or hold a Investor out to be, a "Promoter" of the Company, unless such Investor has specifically consented to being classified as a "Promoter".

(x) Reinstatement of Rights

(a) Subject to applicable Law and notwithstanding anything contained elsewhere in the Agreement, in the event that:

(A) A Draft Red Herring Prospectus ("DRHP") (or equivalent document, by whatever name called) is filed with the competent authority in connection with the IPO which, prior to such filing, has necessitated the alteration of the class of any of the Shares and/or the rights attaching to any of the Shares and/or the rights available to the Schedule II Investors under the Restated Articles (such alterations being, collectively, the "Conforming of Rights"); and/or (b) if the IPO is not completed by June 30, 2017 or such later date as may be mutually agreed by all the SHA Signatory Investors (the "Listing Date"), such that the entire issued, paid-up and subscribed Share Capital is not admitted to trading on a Recognized Stock Exchange by the expiry of the Listing Date, then at the election of the Majority Investors, the Company shall undertake all necessary actions as may be required by the Schedule II

Investors to ensure that the Schedule II Investors are placed in the same position, and possesses the same preferential and other rights, they had the benefit of, immediately prior to the Conforming of Rights. It is clarified that this Agreement shall not terminate until the listing of the Shares in an IPO

(B) Notwithstanding anything contained in the Agreement, the Company undertakes to the Schedule II Investors that they shall, within 30 (thirty) days of the Listing Date (if an IPO has not closed by that date) or, if earlier, the date on which the process of IPO is cancelled, discontinued or postponed, take all such actions and do all such things as may be required by the Majority Investors and/or otherwise required to give effect to the provisions of this Article 50(ix)(a)(B). The Company undertakes to support all such decisions and actions, to ensure all the necessary, required or requested resolutions of the Board and Shareholders of the Company, to effect the actions contemplated above, which steps shall include:

(1) Entry into any contractual arrangements necessary or, in the opinion of the Majority Investors, desirable for the purposes of ensuring that the rights attaching to the modified and reclassified Shares are the same as those that attached to the Shares immediately prior to the Conforming of Rights; and

(2) The alteration of the Articles to include all of the rights the Schedule II Investors had the benefit of immediately prior to the Conforming of Rights.

51. Qualified Offer

(i) If the Board in consultation with the Majority Investors determine, based on a reasonable commercial evaluation, that a Strategic Sale or an IPO are unlikely to be feasible before the Cut Off Date, then the Company shall, on or prior to 1 January 2019, deliver or cause to be delivered to Spectrum, a written notice of such determination.

(ii) Spectrum shall, upon receipt of the notice under Article 51 (i), have the right, but not the obligation, to sell any or all of the Spectrum Shares to any third Person not being Competitive Entities, which right shall be exercisable by the delivery of a written notice by Spectrum to the Company and the Schedule II Investors.

(iii) If Spectrum intends to Transfer any or all of the Spectrum Shares to a third Person not being Competitive Entities pursuant to Article 51 (ii), then it shall first give written notice ("Qualified Offer Sale Notice") of such intention to the Company and the Schedule II Investors. Each of the Schedule II Investors shall have the right to make an offer to purchase all (but not less than all) of the Spectrum Shares proposed to be Transferred by Spectrum, by delivering to Spectrum and the Company a written notice ("Qualified Offer Notice"), within a period of 14 (fourteen) Business Days from the date of receipt of the Qualified Offer Sale Notice ("Qualified Offer Period"), offering to purchase all (but not less than all) of the Spectrum Shares proposed to be Transferred by Spectrum. The Qualified Offer Notice shall contain the terms and conditions (including price as well as validity of the offer) ("Qualified Offer Price") on the basis of which the Spectrum Shares are proposed to be purchased from Spectrum.

(iv) In case one or more Qualified Offer Notices have been received by Spectrum, Spectrum may accept any of the Qualified Offer Notices in writing and sell the Spectrum Shares to the Schedule II Investor whose Qualified Offer Notice has been accepted.

(v) In case Spectrum does not wish to accept the Qualified Offer Notices received by it, or in case no Qualified Offer Notice has been received by Spectrum within the Qualified Offer Period, Spectrum shall have the right to Transfer all or part of the Spectrum Shares to any third party not being Competitive Entities on terms that are no more favorable to the third party than those contained in the Qualified Offer Notices, provided that at the time of such Transfer the offer made in the Qualified Offer Notice is still valid.

TRANSMISSION OF SHARES

52. Subject to the provisions of Section 53 of the Act and notwithstanding Articles 34 and 36, in the event of the shares devolving or vesting in any person or persons by operation of law or by order of Court or any sale held in pursuance of or under any process of Court, the Board of Directors shall effect such transmission.

53. No fees 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.

54. The instrument of transfer shall be in writing and all provisions of Section 108 of the Act and statutory modification thereof for the time being shall be duly complied with in all respect of all transfer of shares and registration thereof.

BOARD REPRESENTATION AND NOMINATION THEREOF

55. The Company shall have not less than three and not more than 7 (Seven) Directors. At least ½ of the total strength of the Board shall comprise of independent Directors, if the Chairman is an executive Director and at least $1/3^{rd}$ of the total strength of the Board shall comprise of independent Directors, if the Chairman is a non executive Director.

56. Majority of the Board of Directors out of the total strength shall always be Indian Resident Citizens. The Chief Executive Officer, Chief Technology Officer and Chief Financial Officer shall always be Indian Resident Citizens. The Resident Indian Shareholders shall have the power to appoint the majority of the Directors on the Board and the total number of directors shall not be more than 7 (Seven).

57. No share qualification is necessary for any individual for being appointed as a Director of the Company.

58. The Board shall have powers to co-opt one or more persons to be the Directors so that the total number shall not exceed 7 (Seven). The Board shall have the power to appoint Alternate Directors in the manner mentioned in Section 161 of the Companies Act, 2013.

59. Each Shareholder who has nominated a Director on the Board shall be entitled to appoint an alternate Director ("**Alternate Director**") in place of any Director nominated by them (an "**Original Director") fr**om time to time. Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the Registrar of Companies. The Alternate Director shall be entitled to constitute the quorum, and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in his or her absence. In case any Director and / or Alternate Director is unable to attend any Board Meeting he can waive the requirement of his presence for constituting the quorum, in writing.

60. In case the Union Government or any Industrial Finance Corporations sponsored or financed by the aforesaid Government or any State Financial Corporation or any State Industrial Investment & Development Corporation grants loan or accepts participation in the capital and direction of the Company. Such Government or Corporation may during such period as they hold shares in the Company or the loans granted by them remain unpaid, be entitled to nominate one or more Directors to protect the interests of such Government or Corporation on the Board of Directors. Such Directors are not liable to retire by rotation and shall not be called upon to possess qualification shares in their names.

61. The Directors of the Company for the time being may be paid a sitting fee for every meeting of the Board or of any committee of the Board attended by them, as may be decided by the Board from time to time, subject to the limits prescribed under the Act and the rules made there under.

62. If any Director(s) is/are appointed to advise the Board as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Board may, subject to and in accordance with the provisions of the Companies Act, 2013, and in particular Section 188 of the Companies Act, 2013 pay to such Director(s) such special remuneration as they may think fit, which remuneration may be either in the form of salary or commission based on percentage of profits or partly in one form and partly in another and may either be in addition to or in substitution of the remuneration specified in the last preceding Article.

MEETINGS OF BOARD OF DIRECTORS AND RESOLUTIONS

63. The management of the Company shall be under the overall supervision and control of the Board. However, the day-to-day management shall be taken care by the Managing Director of the Company. The Board shall meet at least once in every 3 (three) calendar months and at least four such meetings shall be held in every year, with each such meeting to be held in Bangalore, India. Subject to Article 64 below, all Board Meetings of the Company shall be held with at least ten (10) working days notice to all directors, or at shorter notice pursuant to written or verbal consent of all Directors. Each notice of a meeting of the Board shall contain, inter alia, an agenda specifying, in reasonable detail, the matters to be discussed at the relevant meeting and shall be accompanied by all necessary written information. The Company shall provide to the members of the Board or any committee of the Board, and in the same manner, notice of each meeting of the Board or committee of the Board (as the case may be) and a copy of all materials provided to the members of the Board or committee of the Board, provided however, where the agenda for such meetings includes items that are in conflict of business interests of the entity represented by Director and items are deemed to be competitive information of the Company, the agenda will state so and materials related to that agenda item will not be provided to the conflicted Director.

Notices shall be deemed to be validly given if sent by hand delivery with acknowledgement, courier with proof of delivery, registered post with acknowledgement due or fax or by electronic means. The determination as to what constitutes items that are in conflict of business interests of the entity represented by any Director shall be made by a majority of the independent directors present and voting at such board meeting.

64. The quorum for a meeting of the Board shall be as required under the Act. Provided that if such a quorum is not present within 1 (one) hour from the time appointed for the meeting, the meeting shall adjourn to the same place and time 7 (seven) days later. Such adjourned meeting of the Board shall be subject to their constituting a valid quorum under the Act and provided that notice of such adjourned meeting shall have been delivered to all Directors at least 5 (five) days prior to the date of such adjourned meeting. Subject to applicable law, Directors or members of any committee of the Board of Directors may participate in meetings of the Board of Directors or any committee of the Board of Directors of the Company through video-conference or telephonic conference.

65. A decision shall be said to have been made and/or a resolution shall be said to have been passed at a meeting of the Board only if at a validly constituted meeting, such decisions are approved of by and/or the resolution is approved of by a majority of the Directors, which unless otherwise mandated by law in India, shall mean approval by a majority of the Directors present and voting at such Board meeting of the Company.

GENERAL MEETING

66. Subject to the provisions of the Act, all Annual General Meetings shall be held each calendar year within 6 (six) months following the end of the previous Financial Year of the Company. All other meetings of the Company shall be convened as per the provisions of the Act. Notwithstanding the aforesaid and subject to provisions of the Act, all Meetings of the Company may be convened at even shorter notice, provided majority of the Shareholders give their consent in writing.

(a) Five members present in person shall be the quorum for a General Meeting.

(b) Any member entitled to attend and vote at a Meeting of the Company shall be entitled to appoint any person, whether a Member or not, as his proxy to attend and vote instead of himself.

The notices for such General Meeting shall be sent by the Company along with such details as may be required in accordance with the Act. All other general meetings, other than the annual general meeting, shall be extraordinary general meetings. All annual general meetings and extraordinary general meetings may be held with a shorter notice as provided for in these Articles of the Company.

POWERS OF BOARD

67. Subject to the provisions of Section 179 of the Act, the Board of Directors shall be entitled and are hereby empowered at their discretion to borrow or raise money to any extent in such manner as they may deem fit and in particular by the issue of debentures or debenture-stock, perpetual or otherwise, including debentures or debenture stock convertible into shares of this or any other Company in security of any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the properties, assets, or revenues of the Company present or future including its uncalled capital.

68. Save as otherwise expressly provided in the Act and subject to the provisions of these Articles, a resolution in writing circulated to all the Directors or members of the committees of the Board or Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of the Committee, at their usual address in India and signed by a majority of the Directors as approved, shall be as valid and effective as if it had been passed at the meeting of the Board or Committee of the Board duly convened and held in accordance with these Articles (provided such resolution has been circulated in draft form, together with the relevant papers, if any to all the Directors). In the event of the signature of any one or more of the Directors to any such resolution being affixed on different dates, the said resolution shall be deemed to be passed on the date of the signature of the Director signing last.

69. No Director shall be disqualified from his office for contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any Director is in any way interested, be avoided nor shall any such Director so contracting or being so interested, be liable to account to the Company for any profit realised by any such contract by reason only of such Director holding such office or of that fiduciary relation thereby established, but the nature of his interest must be disclosed by him at the Meeting of the Board of Directors in which the Contract was first taken into consideration if his interest is their existing or in any other case at the first Meeting of the Directors held after the acquisition of the interest.

RESERVED MATTERS

70. Notwithstanding anything contained in the Agreement, no obligation of the Company shall be entered into, no decision shall be made and no action shall be taken by or on behalf of the Company, whether at a committee meeting, Board meeting, Shareholders' meeting or otherwise or resolution be passed by the Board or Shareholders in respect of the following matters ("Reserved Matters") without being approved in the manner set out in this Article 70:

(a) Any scheme of arrangement or any business restructuring, joint venture, consolidation, merger, demerger amalgamation, divestment, sale or transfer of the Company or;

(b) Sale or transfer of any of its assets, except in the ordinary course of Business;

(c) Any distribution/ declaration of dividends;

(d) Any increase, decrease, cancellation or modification to the authorized **o**r issued share capital, except in relation to an IPO or a pre-IPO placement by the Company;

(e) Any action which, authorizes, creates, issues or allots securities of any class or stock including rights issue or preferential issue of any class or series of securities, buy backs or redemption of any securities of the Company, splits, issuance of convertible/ debt instruments, debentures, share warrants, options (excluding ESOPs), warrants, bonuses, debt restructuring involving conversion into equity shares, or other rights to require issuance of any shares in the future, whether as a private sale or issue and allotment of shares, or alteration of any rights or terms of issue of any securities issued by the Company or transfer of any securities, except in relation to an IPO or a pre-IPO placement by the Company; and

(f) Any amendments to the Articles / Memorandum of Association of the Company that could adversely impact the Schedule II Investor.

71. The Reserved Matters shall not be passed, whether at a Board or Shareholders' meeting and no action may be taken in that regard except with the affirmative consent of the Majority Investors.

72. Notwithstanding anything contained in the Agreement, a consent or approval under these Articles 70 to 72 shall be deemed to have been given by the Majority Investors only if a written consent on the matter in question has been provided by the Majority Investors. The Majority Investors shall ensure that each of their respective authorized representatives vote at a general meeting of the Company consistent with the written consent (if any) provided by the relevant Majority Investor in accordance with this Article 72.

73. Management Group obligations

(a) Subject to Article 73(b), the obligations of the Management Group under the Agreement shall cease to apply to a member of the Management Group, immediately upon such member ceasing to be in the employment of the Company.

(b) The obligations of the Management Group under Article 49(iii), Article 52(i), Article 52(iii), Article 52(v), Article 52(vi), Article 37(a), Article 37(e), Article 37(f) and Article 39(e) shall continue so long as the Management Group is a Shareholder of the Company.

Provided however that all the obligation of the Management Group mentioned in the Agreement, shall cease to apply to a member of the Management Group in case such member ceases to be in the employment of the Company as a result of his employment being terminated by the Company without Cause. Provided further that in case of voluntary resignation of a member of the Management Group ("**Resigning Member**"), the Resigning Member shall tender his resignation to the Board and in the event the Board accepts his resignation, the obligations under Article 39(e) shall cease to apply to such member, whereas such member shall continue to be bound by the obligations of the Management Group under all the Articles stated in Article 91(b) (other than Article 39(e)). In the event the Board does not accept his resignation and despite the Board not accepting his resignation, the Resigning Member chooses to resign, such member shall continue to be bound by the obligations of the Management Group under all the Articles stated in Article 73(b), so long as the Board in good faith has made a fair post -resignation offer to the Resigning Member which adequately compensates such Resigning Member to continue to be bound by all the obligations stated under Article 73(b). In the event there a disagreement/dispute between the Board and the Resigning Member on what constitutes fair and adequate compensation for such Resigning Member to continue to be bound by the obligations stated under Article 73(b), such disagreement/dispute shall be submitted to arbitration in accordance with Clause 11 of the Agreement and the decision of the arbitral panel in relation to such disagreement/dispute shall be final and binding on the Company and such Resigning Member, provided that the Resigning Member hereby agrees that until the arbitrator so decides, he shall continue to be bound by all the obligations stated under Article 73(b).

74. EXERCISE OF RIGHTS

The Company and the Shareholders undertake to take such actions as may be necessary (including exercising their votes at general meetings, meetings of the Board of Directors or any committees thereof of the Company), to give effect to the provisions of, and to comply with their obligations under the Agreement and these Articles.

75. INDEMNITY

Subject to the provisions of Section 197 of the Act, the Chairman, Directors, Auditors, Managing

Director and the Officers for the time being in relation to any affairs of the Company and their heirs, executors, administrators shall be indemnified out of the assets and funds of the Company for or against all suits, proceedings, costs, charges, losses, damages and expenses, which they or any of them shall or may incur or sustain by reasons of any action done or committed in or about the execution of their duties in their respect office except those done through their wilful neglect or default. Any such officer or trustee shall not be answerable for acts, omissions, neglects or defaults of any other officer or trustee.

76. SEAL

The Common Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board and except in the presence of at least one Director of the Company. The fact of affixing the Common Seal shall be the conclusive proof of execution of the documents.

77. AUDITORS

The Company shall ensure that it will always engage one of the following 4 auditors of international repute, who are qualified to practice in India, under the applicable rules and regulations of the Institute of Chartered Accountants of India: PriceWaterhouseCoopers, Ernst & Young, KPMG or Deloitte.

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 Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this 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 this Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated February 10, 2017 entered into amongst our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated February 8, 2017 between our Company, the Selling Shareholders and the Registrar to the Offer.

3. Escrow Agreement dated June 1, 2017 between our Company, the Selling Shareholders, the Public Offer Account Bank, the Registrar to the Offer, the BRLMs, the Syndicate Member, the Escrow Collection Bank and the Refund Bank.

4. Share Escrow Agreement dated May 26, 2017 between the Selling Shareholders, our Company and the Share Escrow Agent.

5. Syndicate Agreement dated June 1, 2017 between our Company, the Selling Shareholders, the BRLMs and the Syndicate Member.

6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

7. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.

2. Initial certificate of incorporation dated April 24, 2000 issued by the RoC to our Company.

3. Fresh certificate of incorporation dated October 23, 2002 issued by the RoC to our Company consequent upon conversion to a public company in the name of Tejas Networks India Limited.

4. Fresh certificate of incorporation dated March 18, 2008 issued by the RoC to our Company consequent upon change of name to Tejas Networks Limited.

5. Resolution of our Board of Directors dated September 23, 2016 in relation to the Offer and other related matters.

6. Shareholders' resolution dated November 19, 2016 in relation to the Offer and other related matters.

7. Consent dated February 9, 2017 issued by Cascade Capital Management Mauritius in relation to the Offer for Sale.

8. Consent dated February 9, 2017 issued by India Industrial Growth Fund Limited in relation to the Offer for Sale.

9. Consent dated February 9, 2017 issued by Intel Capital (Cayman) Corporation in relation to the Offer for Sale.

10. Board resolution dated January 26, 2017 passed by the board of directors of Sandstone Private Investments and consent dated February 3, 2017 issued by Sandstone Private Investments in relation to the Offer for Sale.

11. Consent dated February 9, 2017 issued by Osher LP in relation to the Offer for Sale.

12. Consent letters from 40 individual Selling Shareholders in relation to 2,835,277 Equity Shares offered in the Offer for Sale.

13. The examination reports of the Statutory Auditors dated May 17, 2017 on our Company's Restated Financial Information, included in this Red Herring Prospectus.

14. The Statement of Tax Benefits dated January 24, 2017 from the Statutory Auditors.

15. Employment agreement dated May 6, 2000 entered into between Sanjay Nayak and our Company, as amended vide amendment agreement to the employment agreement dated July 28, 2016.

16. The Shareholders resolution dated July 25, 2016 approving the remuneration payable to Sanjay Nayak.

17. Consent of the Directors, the BRLMs, the Selling Shareholders, the Statutory Auditor, the Domestic Legal Counsel to our Company, Legal Counsel to the BRLMs as to Indian Law, the International Legal Counsel to the BRLMs, the Registrar to the Offer, the Bankers to our Company, the Monitoring Agency, the Company Secretary and Compliance Officer, lenders to our Company and the Chief Financial Officer as referred to in their specific capacities.

18. Consent from Ovum (a trading division of Informa Telecoms & Media Limited), to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports published by Ovum and included in this in this Red Herring Prospectus.

19. Consent from TechSci Research to include to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of inclusion of excerpts from the publication published by TechSci.

20. Due Diligence Certificate dated February 10, 2017 addressed to the SEBI from the BRLMs.

21. Consents of Deloitte Haskins & Sells LLP and the Statutory Auditor, Deloitte Haskins & Sells, Chartered Accountants, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" defined under Section 2(38) of the Companies Act, 2013 in respect of the statement of tax benefits dated January 24, 2017 and reports of the Statutory Auditor on the Standalone Restated Financial Information and Consolidated Restated Financial Information each dated May 17, 2017, respectively and which are included in this Red Herring Prospectus but not construing to be "experts" as defined under the Securities Act.

22. Copies of annual reports of our Company as of and for the Financial Years ended March 31, 2013, 2014, 2015, 2016 and 2017.

23. Stock purchase agreement dated February 1, 2010 with Ethos Networks Ltd, Evergreen IV L.P., Vertex III Funds and Tejas Israel.

24. Shareholders' agreement dated August 2, 2016 entered into by and amongst Samena Spectrum Co., Cascade Capital Management Mauritius, Mayfield XII, Mauritius, Osher LP, USA, V. Balakishnan, Sanjay Nayak, Kumar N. Sivarajan, Arnob Roy and our Company as amended by amendment agreement dated September 16, 2016 and amendment II agreement dated October 25, 2016.

25. SEBI's observation letter number CFD/DIL II/NR/AV/9123/2017 dated April 21, 2017.

26. In principle listing approvals dated March 2, 2017 and March 6, 2017 issued by BSE and NSE, respectively.

27. Tripartite agreement January 18, 2008 amongst NSDL, our Company and the Registrar to the Offer.

28. Tripartite agreement dated July 17, 2008 amongst CDSL, our Company and the Registrar to the Offer.

Any of the contracts or documents mentioned in this 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, without reference to our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations, rules 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 Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

______________________________	**Balakrishnan V.** *(Non-Executive, Independent Director and Chairman)*
______________________________	**Sanjay Nayak** *(Managing Director and Chief Executive Officer)*
______________________________	**Dr. Gururaj Deshpande** *(Non-Executive Director)*
______________________________	**Shirish Saraf** *(Non-Executive, Additional Director)*
______________________________	**Leela Krishnamurthy Ponappa** *(Non-Executive, Independent Director)*

SIGNED BY CHIEF FINANCIAL OFFICER OF OUR COMPANY

______________________	**Venkatesh Gadiyar** *(Chief Financial Officer)*

Place: Bengaluru

Date: June 5, 2017

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus in relation to itself as a Selling Shareholder and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Red Herring Prospectus.

Signed for and behalf of Cascade Capital Management Mauritius

____

Name: Mr. ThirumagenVaitilingon

Designation: Director

Date: June 5, 2017

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus in relation to itself as a Selling Shareholder and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Red Herring Prospectus.

Signed for and behalf of India Industrial Growth Fund Limited

Name: Atim Kabra

Designation: Director

Date: June 5, 2017

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus in relation to itself as a Selling Shareholder and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Red Herring Prospectus.

Signed for and behalf of Intel Capital (Cayman) Corporation

____

Name: Michael J Scown

Designation: Authorised Signatory

Date: June 5, 2017

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus in relation to itself as a Selling Shareholder and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Red Herring Prospectus.

Signed for and behalf of Sandstone Private Investments

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Name: Kooshal Torul

Designation: Director

Date: June 5, 2017

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus in relation to itself as a Selling Shareholder and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Red Herring Prospectus.

Signed for and behalf of Osher LP

Name: Brian Sagi

Designation: General Partner

Date: June 5, 2017

DECLARATION

We, the undersigned Selling Shareholders, hereby certify that all statements and undertakings made by us in this Red Herring Prospectus about us or in relation to ourselves and the Equity Shares being sold by us in the Offer for Sale are true and correct, provided however, that we assume no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Red Herring Prospectus.

Signed on behalf of the Selling Shareholders listed in Annexure A

Krishnakanth G. V.

Company Secretary and Compliance Officer

Date: June 5, 2017

Annexure A

List of Selling Shareholders acting through the POA holder

Sl. No.	Selling Shareholders acting through the POA holder
1.	Arnob Roy
2.	Ashwavaidhyam Nagaraja Anand
3.	B. N. Satyesh
4.	Chakradhar Grandhi
5.	Dattatreya Prasad B.N.
6.	Dharma Rao P. V.
7.	Dileep Kumar S.
8.	Gajendra Singh Ranka
9.	Ganesh Subramonian
10.	Gopalkrishna Adyar Nayak
11.	Gopi Krishna M.
12.	Govindan Kutty Thrithala
13.	Gururaj N.
14.	Harry C. D.
15.	Hirenkumar Thakorlal Desai
16.	Jishnu A.
17.	K. Vasantha Kumar
18.	Kiran Kumar Kella
19.	Kishore Yetikuri
20.	Kumar N. Sivarajan
21.	Manish Gangey
22.	Milind M. Kulkarni
23.	Mithun Gopal V. V.
24.	Motamarri Siva Prasad
25.	Murali G. D.
26.	Nethi Venkata Subbarao
27.	Nicholas Basker
28.	Nipun Sahni
29.	Parthasarathi Palai
30.	Rajesh S.
31.	Ramanathan Narayanan
32.	Ravinder Souda
33.	Sanjay Malpani
34.	Sanjay Nayak
35.	Sarath Kumar
36.	Shwetha Nithin Pillappa
37.	Shwetha V. R.
38.	Soumya Desai
39.	Vasudeva Rao Hundi
40.	Vivek Shenoy